

OFFICE PACK

INSURANCE POLICY



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Important Information

About CGU

CGU Insurance Limited is the underwriter of this insurance policy. Our Australian Business Number is 27 004 478 371. In this policy CGU Insurance Limited is called “We,” “Us,” or “Our.”

Our Australian Financial Services Licence Number is 238291. CGU Insurance Limited pays remuneration to insurance intermediaries when We issue, renew or vary a Policy the intermediary has arranged or referred to us. The type and amount of remuneration varies and may include commission and other payments. If You require more information about remuneration We may pay Your intermediary You should ask Your intermediary.

Your duty of disclosure

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

You have this duty until We agree to insure You.

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

You do not need to tell us anything that:

- reduces the risk We insure You for; or
- is common knowledge; or
- We know or should know as an Insurer; or
- We waive Your duty to tell Us about.

If you do not tell us something

If You do not tell Us anything You are required to, We may cancel Your contract or reduce the amount We will pay You if You make a claim, or both.

If Your failure to tell Us is fraudulent, We may refuse to pay a claim and treat the contract as if it never existed.

General Insurance Code Of Practice

The purpose of the Code is to raise the standards of practice and service in the general insurance industry. The objectives of the Code are:

- to commit Us to high standards of service
- to promote better, more informed relations between Us and You
- to maintain and promote trust and confidence in the general insurance industry
- to provide fair and effective mechanisms for the resolution of complaints and disputes between Us and You; and
- to promote continuous improvement of the general insurance industry through education and training.

Our commitment to you

We have adopted and support the Code and are committed to complying with it. Please contact Us if You would like more information about the Code

Our service commitment

CGU Insurance Limited is proud of its service standards and supports the General Insurance Code of Practice. In an unlikely event that You are not satisfied with the way in which CGU have dealt with you, as part of Our commitment to customer service, CGU have an internal dispute resolution process in place to deal with any complaint You may have.

Please contact Your nearest CGU Insurance office if You have a complaint, including if You are not satisfied with any of the following:

- one of Our products
- Our service
- the service of Our authorised representatives, loss adjusters, or investigators; or
- Our decision on Your claim.

Our staff will help You in any way they can. If they are unable to satisfy Your concerns, they will refer the matter to their supervisor or manager. If the manager cannot resolve the matter, the manager will escalate the matter to Our internal dispute resolution department.

Further information about Our complaint and dispute resolution procedures is available by contacting Us.

How CGU protects your privacy

We use information provided by Our customers to allow us to offer Our products and services. This means We may need to collect Your personal information, and sometimes sensitive information about You as well (for example, health information for travel insurance). We will collect this information directly from You where possible, but there may be occasions when We collect this information from someone else.

CGU will only use Your information for the purposes for which it was collected, other related purposes and as permitted or required by law. You may choose not to give us Your information, but this may affect Our ability to provide You with insurance cover.

We may share this information with companies within Our group, government and law enforcement bodies if required by law and others who provide services to us or on Our behalf, some of which may be located outside of Australia.

For more details on how We collect, store, use and disclose Your information, please read Our Privacy Policy located at www.cgu.com.au/privacy. Alternatively, contact us at privacy@cgu.com.au or 13 15 32 and We will send You a copy.

We recommend that You obtain a copy of this Policy and read it carefully.

By applying for, using or renewing any of Our products or services, or providing us with Your information, You agree to this information being collected, held, used and disclosed as set out in this Policy.

Our Privacy Policy also contains information about how You can access and seek correction of Your information; complain about a breach of the privacy law, and how We will deal with Your complaint.

Interest on unallocated premium

If We are unable to issue Your insurance when We receive Your application, We are required to hold Your premium in a trust account on Your behalf until Your insurance can be issued. We will retain any interest payable by Our bank to meet, among other things, bank fees and other bank costs We incur in operating the account.

Your cooling-off period

We will refund all premium paid for cover under Your Policy if You request cancellation within twenty-one (21) days of its commencement. To do this, You must advise Us in writing. You will not receive a refund if You have made a claim under Your Policy.

Calculating your premium

In order to calculate Your premium, We take various factors into consideration, including the level of cover requested and the property to be insured.

Factors that increase the risk to Us generally increase the premium (for example, high claims experience or higher sum insured) and factors that reduce the risk to Us generally reduce the premium (for example, low claims experience or lower sums insured).

Your premium also includes amounts that take into account Our actual or estimated obligation to pay any relevant compulsory government charges, taxes or levies (for example stamp duty, GST and fire services levy). Where We are required to pay an estimated amount (for example, for fire services levies) based on criteria set by the State Governments, We allocate to the Policy Our estimate of the amount We will be required to pay. We may under or over recover in any particular year but We will not adjust Your premium because of this. You can ask Us for more details if You wish.

When You apply for this insurance, You will be advised of the total amount payable, when it needs to be paid and how it can be paid. This amount will be clearly set out in Your Schedule, which will be sent to You within 5 days of the issue of this product. If You fail to pay, We may reduce any claim payment by the amount of premium owing and/or cancel the Policy.

You may also be required to pay an Excess in the event of a claim under this Policy. The amount of any Excess will be shown on Your Schedule.

Under insurance

It is Your responsibility to ensure that the sums insured for any Vehicle or Property Insured under this Policy are adequate. Sums insured should reflect the new replacement value of any Vehicle or Property Insured. If sums insured are not adequate, claims may not be paid in full.

You should review the adequacy of sums insured periodically during the Period of Insurance and prior to renewal each year. Inadequacy of sums insured can present significant issues of financial hardship. If You are unable to establish the adequacy of sums insured, You should seek assistance from Your insurance adviser.

Taxation information

This insurance is subject to the Goods and Services Tax (GST). The GST amount will be specified in the Schedule. If you are registered for GST purposes, You may be able to claim an input tax credit in respect of GST we collect from you. Where You are registered for GST purposes, You should calculate Your proposed sums insured with reference to the GST status of each item of property to be insured. Depending on the GST status of each property to be insured, the sums insured may or may not include a GST component. You should seek expert advice on the application of the GST to Your particular circumstances.

Details about the GST in relation to a payment under this Policy are shown under "How the Goods and Services Tax affects Your claim" in the "Claims Procedures" section of this Policy.

Payments by instalment

Under General Condition 9, if payment is to be made by instalments, then failure to pay any instalment for a period of 14 days or longer may result in Us refusing to meet any claim arising from an event occurring after the due date of the instalment. If the instalment is overdue for a period of one month or longer, We may cancel Your Policy without notice.

CGU Office Insurance Policy

Our agreement

The Policy wording, Schedule (which expression includes any Schedule substituted for the original Schedule) and endorsements (if any) are to be read together.

In return for You having paid or agreed to pay the premium to Us, subject to the terms, conditions, exclusions and limitations contained in, or endorsed on or otherwise expressed in this Policy or the Schedule, We will insure You to the extent described in this Policy during the Period of Insurance or any further period for which We may accept payment of the premium and indemnify You in the manner and to the extent described in this Policy.

You are insured for those items, including variations and extensions, for which a sum insured or limit of indemnity is shown in the Schedule or which are otherwise indicated in the Schedule as being operative. However:

1. The sum insured under any item is as shown in the Schedule or as otherwise expressed in the Policy.
2. Where the insurance is varied or extended by any additional benefit, optional additional benefit, special clause, variation and extension or endorsement, the insurance provided by such additional benefit, optional additional benefit, special clause, variation and extension or endorsement is subject to the terms, conditions, exclusions and limitations of the Policy in so far as they can apply. The Policy, Schedule and Endorsements together form the agreement.

General definitions

In this Policy the following General Definitions will apply to all sections. Where they appear in the Policy they are shown with a capital letter. If there is a specific definition in any section it shall take precedence over these General Definitions.

In this Policy the singular shall include the plural and vice versa as the context requires and any reference to one gender includes reference to the other.

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), which from its nature or context is done for, or in connection with, political, religious, ideological or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

Business means:

All activities stated in the Schedule including:

- a) the ownership and occupation of premises by the Insured
- b) the provision of any sponsorship, charitable donations, or attendance at any charitable event or gala
- c) canteen, social, sports, welfare, child care services or other activities for the Insured's employees
- d) first aid, fire and ambulance services provided by the Insured for the Insured's own internal purposes
- e) private work undertaken by employees for any director, partner, officer or executive of the Insured.

Business Hours means Your usual trading hours or whilst You or employees authorised by You are on the premises for the purposes of the Business.

Business Premises means the buildings, outbuildings, yards and land used by You for Your Business at the Situation

Computer Virus means an executable program or computer code segment that is self-replicating, requires a host program or executable disc segment in which it can be contained, and which destroys or alters the host program or other computer code or data, causing undesired program or computer system operation.

Consequential Loss means loss of use, loss of earning capacity and any other consequential loss or indirect loss of any kind, including but not limited to loss, Damage, cost or expense caused directly or indirectly by or resulting from:

- a) delay or interruption of the Business
- b) lack of power, light, heat, steam or refrigeration; or
- c) any other indirect result or consequence of a breakdown.

Damage (with 'Damaged' having a corresponding meaning) means physical loss, damage or destruction.

Documents means written or printed: deeds, wills, agreements, manuscripts, maps, plans, drawings, records, computer data, designs, books of account, books, letters, certificates, documents or forms of any nature whatsoever (excluding any bearer bonds or coupons, bank or currency notes, other negotiable instruments, book debts) all belonging to You, or in Your custody, or for which You are legally responsible or have assumed a responsibility to insure.

Endorsement means documentary evidence of an alteration to the Policy which forms part of the Policy.

Electronic Data means facts, concepts and information converted to a form useable for communications, display, distribution, interpretation, or processing by electronic or electromechanical data processing or electronically controlled equipment.

Excess means the sum shown in the Schedule, this Policy, or an Endorsement to this Policy which You must pay in respect of each occurrence or event giving rise to a claim.

Where a claim or series of claims, which result from one original source or cause is made in respect of sections 1, 2, 3, 4, and 8 part A or any of them, the excess applicable shall not be aggregated and the highest single level of excess only shall apply.

Where a sum insured limit is provided under an additional benefit, the excess amount will be deducted from the claim before the sum insured limit is applied.

With respect to section 5 – General and Products Liability, the excess applies to all amounts for which We will be liable, including the indemnity provided under 'Defence Costs and Supplementary Payments', or any investigation costs associated with the claim.

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 it has been altered or modified)
- e) a reservoir
- f) a canal
- g) a dam.

Money means current coin, bank notes, currency notes, cheques, credit card sales vouchers, securities, postal orders, money orders, negotiable and non-negotiable securities and other like Documents of value, phone cards and/or stored value cards, unused postage and revenue stamps, public transport tickets, private transport tickets (excluding airline tickets), bridge or highway tokens, car wash tokens, lottery tickets, authorised gift vouchers, discount vouchers from external parties, contents of franking machines; and includes 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 but does not mean any of these in the possession of or carried by professional money carriers, professional carriers or common carriers.

Period of Insurance means the period of insurance shown in the Schedule.

Policy means this document, the Schedule and any attachment or memoranda affixed and any future Documents issued to You which amends the Policy wording or Policy Schedule. Together they form the insurance contract.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapours, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Pollution and Contamination means the discharge, dispersal, release or escape of Pollutants into or upon any property or land or into the atmosphere or any watercourse or body of water (including ground water).

Property Insured means buildings, contents, specified Items, stock, total contents, tobacco, cigars, cigarettes and items listed on the Schedule and used in Your Business.

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

Situation means the situation(s) shown in the Schedule.

Specified Items means property specifically described in the Schedule under specified items.

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 any vessel, craft or thing made or intended to float on or in or travel through water, other than model boats.

'We', 'Us', 'Our', 'Ours', 'Company' means CGU Insurance Limited, the insurer of this Policy.

'You', 'Your', 'Yours', 'Insured' means the person(s) or entity named in the Schedule as the insured.

Other words may be defined within specific sections that form part of this Policy. If so, they are shown under the heading of definitions within that section.

General exclusions

1. War, terrorism, confiscation & nuclear

We will not be liable for any loss, Damage, destruction or liability, caused by, or arising directly or indirectly from:

- a) Any liability arising out of or in any way connected with loss, Damage or destruction directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or Damage to property by or under the order of any government or public or local authority.
- b) Any liability arising out of or in any way connected with:
 - i. death, injury, illness, loss, Damage or destruction directly or indirectly caused by, contributed by, resulting from or arising out of or in connection with any Act of Terrorism, regardless of any other cause or event contributing concurrently or in any other sequence to the death, injury, illness, loss or Damage; or
 - ii. any action in controlling, preventing, suppressing, retaliating against or responding to any Act of Terrorism.
- c) Confiscation or nationalisation, or requisition or destruction of or Damage to property by or under the orders of any government or public or local authority.

However, this exclusion will not apply to Damage that occurs as a result of such an order if it prevents or attempts to prevent fire or other damage covered by this Policy
- d) Any liability, loss, damage or destruction arising out of or in any way connected with operations employing the process of nuclear fission or fusion or handling of radioactive material, which operations include but are not limited to:
 - i. the use of nuclear reactors such as atomic piles, particle accelerators or generators or similar devices;
 - ii. the use, handling or transportation of radioactive materials; or
 - iii. the use, handling or transportation of any weapon of war or explosive device employing nuclear fission or fusion.

This exclusion does not apply to liability arising from radio-isotopes or 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.

2. Electronic data

Any liability, loss damage or destruction arising out of or in any way connected with:

- a) total or partial destruction, distortion, erasure, corruption, alteration, misuse, misinterpretation or misappropriation or other use of Electronic Data;
- b) error in creating, amending, entering, deleting or using Electronic Data; or
- c) total or partial inability or failure to receive, send, access or use Electronic Data for any time or at all.

However, in the event that a peril listed below (being a peril insured by this Policy but for this exclusion), is caused by any of the matters described in a), b) or c) above, this Policy, subject to all its provisions, will insure Damage to Property Insured from:

fire, lightning, thunderbolt, aircraft or other aerial devices or articles dropped therefrom, earthquake, tsunami, subterranean fire, volcanic eruption, storm, tempest, rainwater, snow, sleet, wind, hail, water, liquids or substances discharged, overflowing or leaking from fixed apparatus, fixed appliances, fixed pipes or other systems, riots, civil commotions, strikes or locked out workers or persons taking part in labour disturbances, explosion, impact by Vehicles, animals or trees or branches of trees, communication masts, towers, antennae, satellite dishes, Watercraft, meteorites, or theft of Electronic Data solely where such theft is accompanied by theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing such Electronic Data.

3. Intentional acts

We will not pay for any loss or Damage caused by Your intentional act, or by the intentional act of another party committed with Your knowledge and consent, or the intentional act of another party which You were capable of preventing.

4. Date recognition

There is no insurance under this Policy in respect of any claim of whatsoever nature which consists of or arises directly or indirectly out of or in connection with the failure or inability of any:

- a) electronic circuit, microchip, integrated circuit, microprocessor, embedded system, BIOS or other instruction set, hardware, software, firmware, program, computer, data processing equipment, telecommunication equipment or systems, or any similar device; or any
- b) media or systems used in connection with any of the foregoing,

whether the property of the Insured or not, at any time to achieve fully and successfully, any or all of the purposes and consequential effects intended by the use of any number, symbol or word to denote, represent or express a date including, but without being limited to, any failure or inability to recognise, capture, save, retain or restore and/or correctly to manipulate, interpret, transmit, return, calculate or process any date, data, information, command, logic or instruction as a result of or in connection with:

- i. anything referred to in a) or b) recognising, using or adopting any date, day of the week or period of time, otherwise than as, or other than, the true or correct date, day of the week or period of time; or
- ii. the operation of any command or logic that has been programmed or incorporated into anything referred to in a) or b) above;

This special exclusion will not exclude any claim for subsequent loss or destruction of or Damage to any property or Consequential Loss which is solely and directly caused by a Defined Contingency (as defined hereunder), arising under another section of this Policy but only to the extent that such claim would otherwise be insured under those sections.

For the purposes of this special exclusion only, 'Defined Contingency' shall mean fire, lightning, explosion (other than loss or destruction of or Damage to boilers and pressure vessels), aircraft and other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, malicious persons, earthquake, storm, Flood, escape of water from any tank or apparatus or pipe, impact by any road Vehicle or animal, or theft (other than theft by employees).

5. Territorial limitations

Unless We agree in writing to the contrary, We will not pay for any loss or Damage to a Vehicle or Property Insured by this Policy that is outside the Commonwealth of Australia at the time of its loss or Damage, except as specifically stated otherwise in the appropriate part.

6. Unoccupancy

Unless We otherwise agree in writing, We will not pay for any loss or Damage to Your Property Insured if the occurrence happens whilst Your premises have been unoccupied for more than ninety (90) consecutive days. This exclusion does not apply to Damage caused by:

- a) lightning, earthquake, volcanic eruption, tsunami and subterranean fire
- b) impact by road Vehicle or their loads, animals, trees or branches, meteorite, aircraft or other aerial devices or articles dropped from them, sonic boom or space debris, falling communication masts, towers, antennae or dishes, falling building or structures or parts thereof which do not belong to You
- c) riots, civil commotions and strikes.

This exclusion will not apply if the premises are partly occupied.

7. Known defects

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

General conditions

1. Your duty

Our liability is conditional upon the following:

Payment of the premium

We will not pay any claim until You have paid the premium.

Changing your policy

If You want to make a change to this Policy the change becomes effective when We agree to it in writing.

Reasonable precautions

You must take all reasonable precautions to prevent destruction, loss or Damage to property or bodily injury and comply and ensure that Your employees, servants and agents comply with, all statutory obligations and by-laws or regulations imposed by any public authority for the safety of property or person.

Observance of policy terms

You and any other person who may seek indemnity from Us, must observe the terms of this Policy.

2. Other persons or organisations

If any person or entity shall have any interest in the Business property, 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(ies) shall, within a reasonable time after becoming aware of any act or neglect whereby the risk of loss, Damage or destruction 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 the Policy are bound by the terms and conditions of the Policy.

When a claim is paid under the Policy and is also recoverable under another Policy or Policies, You agree to permit Us to seek contribution from the other insurer or insurers.

3. Our rights of conduct and recovery

Subject to the provisions of the Insurance Contracts Act 1984, We have the right to recover or obtain contribution from any person against whom You may be able to claim, and We have the right to take action in Your name. We shall have full discretion in the conduct, defence or settlement of any claim.

You and any other person entitled to benefit under this Policy must not hinder these rights and must give all such information and co-operation as We may require.

4. Jurisdiction

Any dispute arising from this Policy will be determined by Australian courts, and in accordance with the laws of the State or Territory of Australia in which the Policy was issued.

5. Cancellation

The Policy may be cancelled by:

- a) You at any time by notifying Us in writing. We will refund the premium for the unexpired Period of Insurance
- b) Us, only where allowed by the Insurance Contracts Act 1984. We will refund the premium for the unexpired Period of Insurance
- c) a premium funding company only in accordance with the power of attorney You granted to such company.

We will refund the premium for the unexpired Period of Insurance to the premium funding company, from the date We receive the request or, the date they specify, if that is a later date.

6. Inspections

We (or agents appointed by Us), have the right to inspect and examine, by mutual appointment, any Property Insured. The making or not making of such an inspection or examination will not imply any representation, or assurance as to the ownership, safety, fitness for purpose or freedom from defection of the item inspected or examined.

7. Joint insurance

Where this insurance is arranged in the joint names of more than one Insured, as described in the definitions of You, 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).

8. Payment by instalments

If You are paying the premium by instalments then:

- a) if an instalment is overdue for a period of fourteen (14) days or longer, any claim arising from an event occurring after the due date of the instalment may be refused
- b) if an instalment is overdue for a period of one month or longer, We may cancel the Policy without notice
- c) all outstanding instalments will be deducted from any total loss settlement.

9. Claim preparation expenses

We will pay for costs necessarily and reasonably incurred for the preparation and negotiation of a claim for which We agree to indemnify You under this Policy. The most We will pay is \$25,000 in total for any one claim, unless a higher amount is included in the particular section of the Policy.

This cover is only provided if before You incur these claim preparation costs You obtain Our written approval to incur these costs which consent shall not be unreasonably withheld. This benefit is in addition to the sum insured.

10. 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.

11. Acquisition of companies

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

- a) any company or other legal entity 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 insured amount or limit of liability, or any sub-limit of liability applicable under the relevant Policy section(s) making up Your Policy for each category of property.

12. Designation of property

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.

13. Premium funders

If the premium has been funded by a premium funding company which holds a legal right over the 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.

14. Reinstatement of sum insured

In the event of Damage insured under one or more of the property, business Interruption, money, glass, deterioration of stock or electronic equipment 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 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 the Policy; and
- c) You pay the premium which We require for the reinstatement.

15. Payment of rewards

We will pay You up to \$5,000 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, destroyed or Damaged and which is insured under the business property, money or glass cover sections 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 condition.

16. Sale of salvage

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.

17. Single occurrence

We will not pay for loss or Damage to property covered by the Policy under more than one section of the Policy in respect of the same item and occurrence unless a relevant sum insured has been paid out in full and You have not been fully covered for the loss or Damage.

18. Waiver of subrogation rights

We will 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 statutory governmental, semi-governmental or municipal authority from any liability if required at law 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.

19. Our maximum liability

Except as otherwise stated elsewhere in this Policy, the maximum amount We will pay will not exceed the amount stated in the Schedule as the sum insured or the limit of liability for those sections selected.

The sum insured and sub-limits of liability shall apply in addition to, and shall not be reduced by, the amount of any applicable Excess.

20. Delay of cover

We will not provide any cover, for a period of forty-eight (48) hours from the time of the commencement of Your insurance, for Damage or loss caused by:

- a) bushfire or grassfire; or
- b) a named cyclone.

This exclusion does not apply, however, if this insurance commences directly after:

- a) another insurance Policy covering the same property expired, without a break in cover; or
- b) You have entered into a contract of sale to purchase the property; or
- c) You have entered into a contract to lease the property.

21. Alterations to your business

To ensure continued cover under this Policy, it is important that You advise Us immediately of any changes to Your Business that may result in an increased chance of destruction, loss or Damage to the property Insured or liability to third parties. Some examples of changes of which You should notify Us are:

- a) changes in Your name or that of directors or partners
- b) changes to the address or Situation of Your Business
- c) changes in the nature of Your Business or trade or occupation
- d) alterations in construction of the premises
- e) new business products not previously disclosed to Us.

When We receive notification of a change, We may decide to either:

- i. adjust the premium or terms of the Policy; or
- ii. cancel the Policy in accordance with the provisions of the Insurance Contracts Act 1984.

General claims procedures

NOTE: Failure to forward to Us any writ or summons served upon You within the time stipulated may result in Us refusing to indemnify You.

1. As soon as possible after the happening of any occurrence, accident or event that may give rise to a claim against Us, You or Your legal representative must:
 - a) Advise details to Us, and then send written confirmation to Us within thirty (30) days.
 - b) Take all reasonable steps to minimise the loss, Damage or liability, and to prevent any further loss, Damage or liability. We will not be liable in respect of any further Damage arising out of the continued use of Damaged property, until such property is repaired to Our satisfaction.
 - c) Use best endeavours to preserve any Damaged or defective appliances, plant or things that might prove necessary or useful by way of evidence in connection with any claim and, so far as possible, with due regard for safety, no alteration or repair shall be made without Our consent.
 - d) Retain all Damaged property for inspection by Us.
 - e) Advise the nearest police station in the case of property lost, stolen or vandalised, and obtain a written Police report if requested by Us.
 - f) Advise Us of any impending prosecution or inquest.
 - g) Forward to Us every communication, writ or summons within seventy-two (72) hours of receipt by You or service upon You.
2. Where a claim arises, You must not authorise repairs to, or arrange replacement of, any of the property relevant to the claim without Our consent other than as provided for under 1(c) above.
3. Subject to the provisions of the Insurance Contracts Act 1984, You, or any person making a claim under this Policy, must not make any admission of liability or payment or promise or offer of payment in connection with any such claim, without Our written consent.

4. At Your own expense, You will furnish Us with such books of account and other Business books, computer records, vouchers, invoices, balance sheets, and other Documents, proofs, information, explanations and other evidence together with a statutory declaration as We may require for the purpose of investigating or verifying a claim under this Policy and You and Your accountants must co-operate fully in this regard.
5. You, or any other person entitled to claim under this Policy, must furnish Us with a statement giving details of other insurances that may also provide cover on any property or liability hereby insured.
6. If We agree to indemnify You under any section of this Policy in respect of a claim, We will make progress payments to You on account of that claim at such intervals and for such amounts as may be mutually agreed.
7. Where We make a payment under this Policy for the acquisition of goods, services or other supply, We will reduce the amount of the payment by the amount of any input tax credit that You are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999, in relation to that acquisition, whether or not that acquisition is actually made.

Where We make a payment under this Policy as compensation instead of payment for the acquisition of goods, services or other supply, We will reduce the amount of the payment by the amount of any input tax credit that You would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 had the payment been applied to acquire such goods, services or other supply.

Section 1

Property

Cover

This section of the Policy covers You for Damage to Your Property Insured during the Period of Insurance, subject to the terms, conditions, exclusions and limitations of this section, whilst at the Situation.

Definitions

In this section;

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

Buildings means the property belonging to You or for which You are legally responsible, or for which You have assumed a responsibility to insure, described below.

1. The building together with outbuildings, foundations, annexes and gangways.
2. Structural improvements including:
 - a) fixtures, lifts, elevators, escalators and equipment all permanently fixed and non-portable
 - b) paths, driveways, car parks, driveway aprons, terraces, walls, gates, fences, letterboxes, signs, exterior lights, masts, antennae and aerials, storage tanks including fixed attachments and fixed accessories thereof; and
 - c) swimming pools, saunas and spas all permanently fixed including fixed attachments and fixed accessories thereof.
3. Materials and supplies intended for use in the construction, erection, repair of, or alteration and addition to, the building to an amount not exceeding twenty per cent (20%) of the sum insured on buildings, or \$500,000, whichever is the lesser.
4. Pipes, ducts, wires, cables, meters, and switches used in connection with the provision of lighting, heating, cooling, communication, water supply, drainage, sewerage and other services.
5.
 - a) Room heaters, stoves, air-conditioners, fans, light fittings and hot water services permanently fixed and non-portable.
 - b) Other fixed (non-portable) apparatus or appliances attached to the gas, plumbing, drainage or sewerage system, or to the electrical system (other than by means of a flexible or tensile cord to a power point).
 - c) Fuel tanks (above or underground).
6. Exterior blinds, awnings and shade cloth
7. Fixed coverings to walls, floors and ceilings but excluding fixed carpets other than landlord's fixed carpets.
8. Fire extinguishment equipment or electronic surveillance equipment installed in or on the building.
9. Customised 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.

But Buildings does not include:

1. Bridges, canals, roadways and tunnels, dams and reservoirs (other than storage tanks) and their contents.
2. Railway tracks, (other than on the premises occupied or used by You for the purpose of Your Business).
3. Land, water, unmined or unrecovered oil, gas and mineral deposits, provided that this exclusion shall not apply to structural improvements on or in the land if they are not otherwise excluded in this Policy.
4. Contents.
5. Stock.

This definition of Buildings is subject to the designation of property general Policy condition.

Catastrophe means an event causing Damage to property and declared by a government authority as a catastrophe or emergency.

Computers means Electronic Data processing equipment including software programs

Contents means the items belonging to You or for which You are legally responsible, or have assumed a responsibility to insure, described below.

1. Furniture, furnishings, carpets, curtains, internal blinds.
2. Machinery, machinery foundations settings and beddings, plant, tools, instruments and utensils of trade, non-fixed or portable equipment, office equipment, safes, strongrooms.
3. Fire extinguishment equipment and electronic surveillance equipment.
4. Computers, all equipment connected to and operating from Computers and all disks, tapes, cards or other materials used for storing data.
5. Advertising material and display equipment.
6.
 - a) Documents, but only for their value as stationery.
 - b) Patterns, models, moulds, designs.
 - c) Unused books, books of reference, stationery.
7.
 - a) Paintings, curios, works of art, tapestries, persian and similar rugs or carpets not exceeding \$25,000 any one item, pair set or collection.
 - b) jewellery, furs, bullion, stamp or coin collections to an amount not exceeding \$10,000 any one item, pair, set or collection,

unless the item, pair, set or collection is insured for a separate sum as a Specified Item.

If an item forms part of a pair, set or collection, the value of the entire pair, set or collection is to be considered in determining the value of any item alone.

8. Plants, shrubs and trees whilst in the Buildings to an amount not exceeding \$2,500 any one item.
9. Where You are a tenant of leased or rented premises:
 - a) landlord's fixtures and fittings other than breakage of glass for which You are liable under the terms of a lease or similar agreement
 - b) fixtures and fittings, or materials and supplies intended for use in the construction of fixtures and fittings, installed or to be installed for Your own use.
10. Property of Your welfare, sports or social clubs.
11. Money up to \$500.
12. Stock.

But Contents does not include:

1. Specified Items.
2. a) Watercraft, aircraft, registered mobile plant, Vehicles, motorcycles, trailers or caravans, including accessories, tools and spare parts whilst attached to or within the Watercraft, aircraft, registered mobile plant, Vehicle, motorcycle, trailer, caravan and rolling stock
b) any living creature or organism, except laboratory cultures, Stock of foodstuffs, Stock of nursery plants, or Stock of a pet shop
c) growing crops and pastures
d) plants, shrubs and trees growing in the open air; other than as provided for under additional benefit 13
e) bullion, precious metals or unset precious stones.
3. Buildings.

This definition of contents is subject to the Designation of Property General policy condition (12).

Debris means the residue of Damaged Property Insured excluding any material which is itself a Pollutant or contaminant and which is deposited beyond the boundaries of the Situation.

Full Insurable Value means the amount that would be required as the sum insured, sufficient to allow Us to fully indemnify You for a total loss within the terms of this section.

Increase in Building Costs means the difference between the cost of reinstatement actually incurred in accordance with the settlement of claims provisions of this policy section and the cost of reinstatement that would have applied had the event not occurred.

Removal of Debris means:

1. the removal, storage and disposal of debris and of anything that caused insured Damage, from the Situation
2. the removal, storage and disposal of debris from premises, roadways, services, railways or waterways owned by any other person or entity, where You are liable at law to remove, store or dispose of such debris as a result of insured Damage, together with the cost of cleaning up, but provided that such liability has not arisen as a result of any agreement made by You, unless liability would have attached in the absence of such agreement
3. the demolition, dismantling, shoring up, propping or underpinning of Property Insured or the carrying out of other temporary repairs to Property Insured as a result of insured Damage
4. the demolition and removal of Property Insured that is necessary for the purpose of repair or replacement as a result of insured Damage.

Rent means:

1. the amount receivable by You in accordance with a lease or agreement existing at the time of Damage to the Buildings; or
2. the amount at reasonable market value payable by You for alternative accommodation where at the time of Damage to the Buildings, the Buildings are occupied wholly or in part by You.

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

1. Merchandise or materials of trade manufactured, unmanufactured or in the course of manufacture.
2. Materials used in manufacture and packing

3. Consignment stock.
4. Goods held in trust or on commission.
5. Pallets and containers
6. Consumable materials used in the operation of machinery.
7. Goods on lay-by, or held for repair or service, and including Your liability for customs, excise and other duties which You may become liable to pay as a result of Damage to Stock.

But Stock does not mean:

1. In respect of theft cover only, tobacco, cigars and cigarettes unless specified on the Schedule.
2. Specified Items.

Supply Authority means a corporation or government agency which supplies electricity, water, gas, oil, coal, chemicals, gases, telecommunications services, computing services or any other product required by an Insured or a supplier or agent of the Insured.

Theft means the dishonest appropriation of Property Insured or Money belonging to You, with the intention of permanently depriving You of it.

Settlement of claims

For the purpose of these settlement of claims clauses:

Replacement Cost means the cost necessary to replace, repair or rebuild the Property Insured to a condition substantially the same as but not better or more extensive than its condition when new.

Indemnity Value means the cost necessary to reinstate, replace or repair Property Insured to a condition substantially the same as but not better or more extensive than its condition at the time of the destruction, loss or Damage, taking into consideration age, condition and remaining useful life.

In the event of a claim for:

1. Buildings, contents or specified items

Where the Schedule indicates that Replacement Cost applies, the amount payable will be the Replacement Cost. The work of rebuilding, or replacing, or repairing, or restoring (which may be carried out upon another site and in any manner suitable to Your requirements, but subject to Our liability not being thereby increased), must be commenced and carried out with due diligence, failing which We will not be liable to make any payment beyond the amount that would have been payable had Replacement Cost not been shown in the Schedule.

2. Extra cost of reinstatement

Where the Schedule indicates that Replacement Cost applies, We will also pay the extra cost of reinstatement including any demolition or dismantling of the Buildings, Contents or Specified Items, incurred to comply with the requirements of any lawful authority. Provided that:

- a) The work of reinstatement (which may be carried out wholly or partially upon another site if the lawful authority so requires, but subject to Our liability not being thereby increased), must be commenced and carried out with due diligence, failing which We will not be liable to make any payment beyond the amount that would have been payable under settlement of claims clause 3.

- b) The amount payable will not include the additional cost incurred in complying with requirements of any lawful authority, or requirements with which You had been duly required to comply prior to the happening of the event causing the Damage.
- c) Underinsurance/average will not be applied to the amount payable under this clause 2.
- d) If the cost of reinstatement, repair or replacement is less than fifty per cent (50%) of the Full Insurable Value of the Buildings, Contents or Specified Items, the amount payable under this clause 1(b) is limited to the extra cost necessarily incurred in reinstating the Damaged portion only or the sum insured shown in the Schedule for extra cost of reinstatement; whichever is the greater.

3. Indemnity value

Where the Schedule indicates that Indemnity Value applies, We will, at Our option:

- a) reinstate, replace or repair Buildings, Contents or Specified Items insured or any part thereof, subject to an allowance for age, condition and remaining useful life; or
- b) pay the cost of such reinstatement, replacement or repair of such Buildings, Contents or Specified Items to a condition substantially the same as but not better or more extensive than its condition at the time of the Damage, taking into consideration age, condition and remaining useful life, but We will not be liable to make any payment until the cost of reinstatement, replacement or repair is actually incurred; or
- c) pay You the cost of such reinstatement, replacement or repair, whichever is less; or
- d) pay You the Indemnity Value of such Buildings, Contents or Specified Items at the time of the Damage.

We will pay for rebuilding at another Situation in Australia following Damage to a Building that is insured by this section. Provided that:

- a) We will not pay more than the cost that would have been incurred if reinstatement of the Buildings that is Damaged had taken place at the Situation where the Damage happened; and
- b) if the actual cost of rebuilding is less than the cost of reinstatement at the Situation where the Damage happened, then Our payment is limited to the actual cost of rebuilding.

We will also pay, in accordance with the 'extra cost of reinstatement' clause, the additional costs required 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.

4. Stock

We will pay:

- a) In the case of raw materials, supplies and other merchandise not manufactured by You, the Replacement Cost calculated at the time and place of replacement, provided that replacement shall have been carried out with reasonable dispatch, or, if not replaced, the original cost to You of such property or the Indemnity Value, whichever is the lesser.

- b) In the case of materials in process of manufacture, the Replacement Cost of the raw materials and the cost of labour and other overhead charges expended on them, calculated at the time and the place of the Damage.
- c) In the case of finished goods:
 - i. the Replacement Cost of the raw materials and the cost of labour and other overhead charges expended on them, without any allowance for profit, calculated at the time and place of the Damage; or
 - ii. the cost of restocking such goods within a reasonable time; whichever is the lesser.

5. Rewriting of documents

We will pay:

- a) the reasonable costs necessarily incurred in reinstating, replacing, reproducing or restoring Documents including information thereon or therein; or
- b) if You so request, the current cost of replacement of materials as blank stationery; but excluding the value to You of the information contained on or in the Documents.

We will not be liable for reinstatement of Electronic Data stored or created more than thirty (30) days before the date of the loss.

6. Removal of debris

We will pay the reasonable costs necessarily incurred for removal of Debris.

7. Floor space ratio index

Where Buildings are Damaged and the cost of reinstatement is more than fifty per cent (50%) of the cost of reinstatement if the Buildings had been totally destroyed 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 Damage had the reduced floor space ratio index (plot ratio) not applied.

This is provided that Our total liability for reinstatement or replacement value, additional costs of compliance and under this 'floor space ratio index (plot ratio)' clause shall not exceed the sum insured in respect of the Buildings which are the subject of the claim.

8. Extra cost of reinstatement heritage buildings

If You are insured under this Policy section on a Replacement Cost basis for loss 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 Situation, We will pay:

- a) 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;
- b) notwithstanding a) above, We will not pay more than the cost necessary 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.

9. 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 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 Property Insured; or
- b) where any 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 that Property Insured, then the basis of settlement is the new installed cost of the item or items so replaced; or
- c) where any 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, then the basis of settlement will be as follows:
 - i. the lesser of the reinstatement value or that proportion of the new installed cost of the replacement item or items which the output of the Property Insured damaged bears to the output of the replacement item or items; and
 - ii. notwithstanding (i) above the amount payable shall not be of less than the estimated cost which would have been payable if such damaged property could have been replaced by an item or items that would have given the same total function, capability or output as the damaged Property Insured;
- d) if the reinstatement value of the damaged Property Insured is not reasonably ascertainable, then the basis of settlement is the new installed cost of the replacement item or items.

10. Inventory costs

We will pay the costs and expenses incurred by You in taking inventory (including unpacking, repacking and restacking), to identify, quantify and value any Property Insured damaged during the Period of Insurance including examination of Property Insured not belonging to You but in Your care, custody or control.

11. Branded goods

In the event of a claim, any salvage of branded goods or merchandise owned by You or held by You in trust or on commission or on consignment and any 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 basis of settlement of the claim shall be the Indemnity Value of the goods after brands, labels or names have been removed by You or on Your behalf.

Additional benefits

The following additional benefits are available if You have selected this section:

1. Architects and surveyors fees

Where the sum insured is not otherwise exhausted, the insurance under this section is extended to include legal fees, fees of architects, surveyors and consulting engineers, and salaries of clerks of works for estimates, plans, specifications, quantities, tenders and supervision, necessarily incurred in the reinstatement or repair of the Buildings, Contents and Specified Items insured as a result of such Damage, but not costs, fees or other expenses for preparing a claim made under this section.

If the sum insured has been exhausted, then We will pay up to \$50,000 in addition to the sum insured for these costs.

2. Undamaged foundations

Where a Building or an installation constructed on its own foundations is Damaged in circumstances for which a claim is payable under this section but its foundations are not destroyed and, due to legal requirements, reinstatement of the Building has been carried out upon another site, the abandoned foundations shall be considered as having been destroyed.

If, however, the resale value of the original building site is increased by virtue of the presence of the abandoned foundations, then such increase in resale value shall be regarded as salvage and that amount shall be paid to Us by You upon completion of the sale of the site, or shall be deducted from the final amount of any moneys payable by Us under this section, whichever shall occur later.

3. Change in description

If You:

- a) change Your processes or machinery; or
- b) make structural changes to Buildings, Contents or Specified Items;

We will hold You covered for thirty (30) days from the date the changes are commenced. The most We will pay under this additional benefit is \$50,000. You must notify Us of the change within thirty (30) days of the change and at that time

We will decide to:

- a) charge an additional premium
- b) alter the terms of the section; or
- c) cancel the Policy if We are entitled to do so.

4. Rewriting of records

We will pay You, for clerical and professional costs incurred by You to re-write Your necessary Business records if they are lost, destroyed or damaged, whilst located at Your Business Premises or offsite anywhere in the Commonwealth of Australia, by an occurrence which You are covered for in this section. We will not pay You for any financial loss caused by the loss of Your records under this additional benefit.

The most We will pay under this additional benefit is the greater of:

- a) ten per cent (10%) of the Contents and Stock sum insured or \$50,000, whichever is the lesser; or
- b) the amount shown in the Schedule.

This amount shall be in addition to the sum insured.

5. Discharge of mortgage

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 total loss.

When the sum insured is exhausted, then in respect of the discharge of a mortgage on Buildings only, We will pay up to ten per cent (10%) of the total sum insured on Buildings or \$30,000 (whichever is the greater), following settlement of a claim on the basis of a total loss, whether actual or constructive total loss.

6. Fire extinguishment costs

Costs and expenses, including wages of Your employees, up to \$100,000, which is in addition to Your sum insured, necessarily and reasonably incurred:

- a)
 - i. in extinguishing fire at or in the vicinity of the Situation, and threatening to involve the Situation; or
 - ii. in preventing or diminishing imminent Damage, including the removal of Property Insured from the Situation, to; or
 - iii. in gaining access consequent upon Damage to; the Property Insured.
- b) in the replenishment of fire-fighting appliances and apparatus
- c) for the purpose of shutting off the supply of water or other substances that are accidentally discharged from any fire protective equipment or otherwise
- d) in the Removal of Debris from the Situation by fire brigade services
- e) for which You are liable under any Fire Brigade Act or similar legislation following circumstances described in (a) above.

Payment under this additional benefit is not dependent on Damage to Property Insured.

7. Removal of debris

If Property Insured has been damaged or destroyed and is covered by this section, We will pay the reasonable costs incurred for the Removal of Debris from the Business 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:

- a) \$100,000 or twenty per cent (20%) of the total sum insured on Building and Contents shown on the Schedule for the Damaged premises whichever is the lesser (in addition to the sum insured); or
- b) any higher amount shown in the current Schedule for removal of Debris; or
- c) if this is insufficient and You have not exhausted Your sum insured on the Damaged items requiring demolition and/or Removal of Debris, We will pay up to the remaining balance of the sum insured.

8. Clothing, tools & personal effects

Clothing, tools and personal effects (excluding Money), not otherwise insured, belonging to Your social clubs, or belonging to the owners, partners, proprietors, directors or employees of Your Business whilst at the Situation. We will not be liable for any amount exceeding \$5,000 any one person, or \$10,000 in respect of any one claim. This amount is in addition to the sum insured.

9. Temporary protection

If Business Property has been lost or Damaged and is covered by this 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 \$100,000, pending repair or replacement, consequent upon damage for which a claim is payable.

If an occurrence results in a claim being paid under this cover section and another cover section of the Policy, the highest single limit under the relevant cover section applies. the benefit of temporary protection and security guards shall not be cumulative under this Policy.

10. Temporary removal

Cover is extended to include Contents and Specified Items whilst temporarily removed from the Situation to anywhere in Australia, including whilst in transit, but excluding:

- a) theft from a Vehicle, unless consequent upon forcible and violent entry into the Vehicle
- b) theft of property located in the open air
- c) Money
- d) property Insured that is removed from the Situation for a period greater than ninety (90) days without Our written consent
- e) clothing, tools of trade and personal effects belonging to the owners, partners, proprietors, directors or employees of Your Business.

The most We will pay for this additional benefit is twenty per cent (20%) of the sum insured for any Property Insured.

11. Exploratory costs

Where the sum insured has not otherwise been exhausted, We will pay the reasonable cost of identifying and locating the source of the Damage for which a claim is payable, where such Damage is caused by discharge, overflowing or leakage from fixed apparatus, fixed appliances, fixed pipes or other systems used to hold or carry liquid of any kind, but We will not pay for the repair or replacement of such apparatus, appliances, pipes or other systems that give rise to the Damage.

12. Government fees

We will pay any fee, contribution or other impost payable to any government, local government or other statutory authority, incurred by You because payment of such fee, contribution or impost is a condition precedent to the obtaining of consent to repair or replace any Buildings insured under this section. We shall not be liable for payment of any fine or penalty imposed by such authorities.

The most We will pay under this additional benefit is \$10,000, or the unexhausted portion of the sum insured.

13. Landscaping

We will pay the cost of repairing Damage to landscaping caused by an insured event other than storm, tempest, rainwater, wind, snow, sleet and hail. Landscaping includes growing plants, shrubs, garden plots and lawns (including rock work, retaining walls, ornamentation and edging pertaining thereto), and 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.

The most We will pay under this additional benefit for any one event is the lesser of:

- a) \$50,000; or
- b) twenty per cent (20%) of the sum insured for Buildings; or
- c) the unexhausted portion of the sum insured for Buildings.

14. Loss of land value

We will pay up to \$100,000, for 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 Business Premises following loss or Damage covered by this section.

Provided that:

- a) 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
- b) We will not pay more than twenty per cent (20%) of the sum insured for Buildings at the Situation where the Damage happened.

The underinsurance condition does not apply to this additional benefit, which is in addition to the sum insured.

15. Locks and keys

If keys are stolen, or there are reasonable grounds to believe that keys have been stolen and duplicated, We will:

- a) pay for the keys and locks to be replaced and the reasonable and necessary cost to have the security restored to the same level of security as existed immediately prior to the loss
- b) indemnify You in respect of the cost of temporary protection reasonable and necessary for the safety and protection of the Property Insured, pending restoration of the security
- c) pay the reasonable cost of developing and replacing security film exposed because of Theft or attempted Theft.

The most We will pay under this additional benefit is \$10,000 for any one event. This amount is in addition to the sum insured.

16. Additional premises

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

- a) this temporary cover period is limited to the lesser of:
 - i. sixty (60) 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 cover section
- d) the new premises comprise buildings of similar construction, fire and security protection as featured in any premises currently described in the Schedule
- e) You must provide to Us full details of the new premises within sixty (60) 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 most we will pay under this additional benefit is 50 per cent of the highest Sum Insured shown on the Schedule for each item of property.

17. Catastrophe property

If:

- a) any of Your buildings are destroyed or damaged by any event insured against by this cover section; and
- b) We classify such destruction or Damage as a total loss; and
- c) 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:

- d) increase the sum insured applicable to such Buildings under this section by up to twenty per cent (25%) provided that Your Building is rebuilt; and

- e) increase the amounts payable under the Buildings definition 3 and 'Temporary protection' additional benefit of this section by twenty-five per cent (25%),

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 such Building under this section. Increase in building costs means the difference between the cost of reinstatement actually incurred in accordance with the settlement of claims provisions of this section and the cost of reinstatement that would have applied had the event not occurred.
- iii. The sum insured for the Property Insured accurately reflects the Full Insurable Value.

18. Environmental upgrade

If You elect to repair or replace Property Insured (including any part of the property), 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 (ten per cent) 10% more than the amount We would otherwise have paid to repair or replace the item that is being upgraded.

19. Fusion of electric motors

We will pay the reasonable replacement cost of any part or parts of the electrical electro-mechanical and electronic machines, switchboards, installations, or apparatus forming part of the Property Insured (excluding rectifies, radios, televisions or amplifying equipment of any description), which are lost or Damaged as a result of the actual burning out of such part or parts by the electric current therein.

The maximum amount that We pay under this additional benefit is \$10,000 for any one loss, or series of losses, arising out of any one event or occurrence at any one Situation. This is payable in addition to the sums insured shown in the Schedule.

We will not pay for:

- a) loss of use, wear and tear, or depreciation for equipment over fifteen (15) years old; or
- b) loss, destruction of or damage to:
 - i. lighting or heating elements, fuses or protective devices; or
 - ii. electrical contacts at which sparking or arcing occurs in the course of its ordinary operation; or
 - iii. any motor with a power output greater than 1.8 kilowatts (2.5 horse power).

20. Refrigerated and frozen stock

We will pay You for up to \$5,000 for loss of or Damage to perishable Stock that spoils during the Period of Insurance due to a change in temperature of the refrigeration or freezer unit caused by any of the following:

- a) sudden and unforeseen mechanical breakdown of a refrigeration or freezer unit in which the refrigerated Stock is kept; or
- b) malfunctioning or failure of the thermostats, controls, fuses, circuit breakers or overload devices which are owned by You and are operating a refrigeration chamber; or
- c) contamination of the refrigerated Stock by leakage of refrigerant; or
- d) sudden and unforeseen failure of the public power supply; or
- e) accidental failure of supply services which directly affects the refrigeration or freezer unit; or
- f) a Supply Authority intentionally interfering with a public or private service, but only to the extent that this is necessary to safeguard life or any part of the public supply.

But this does not include loss caused directly or indirectly by:

- i. mechanical breakdown caused as a result of needing to replace any expendable items within any refrigeration or freezer unit; or
- ii. the incorrect manual operation or manual setting of control or protective devices, within any refrigeration or freezer unit; or
- iii. Your failure to make a payment to a Supply Authority or comply with a condition required by the Supply Authority for the provision of its services.

21. Documents in permanent storage

We will pay for Damage to Your Business records whilst stored at a permanent storage facility or bulk storage facility.

The maximum amount We will pay under this additional benefit is \$50,000 for any one loss, or series of losses arising out of any one event or occurrence.

However where loss or damage caused by Flood the most We will pay is \$10,000.

22. Tax audit

We will cover the reasonable and necessary Audit 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 additional benefit.

We shall not be liable under this additional benefit:

- a) for the imposition of any tax, fines, penalties, court costs, penalty tax or interest; or
- b) for costs incurred after completion of the audit or investigation; or

- c) where any proceedings were initiated, threatened or started prior to the commencement of the Period of Insurance; or
- d) arising from Your Unjustified Refusal or Failure to comply with any lawful request made by a state or federal commissioner of taxation or his or her agents or employees for the production of Documents or the supply of information; or
- e) for costs from audits or investigations under customs legislation; or
- f) for costs from audits or investigations of income received or earned, or where the source of income is, outside the Commonwealth of Australia or where the services giving rise to the claim are performed by persons or entities ordinarily resident outside Australia; or
- g) arising out of any fraud or fraudulent act or omission committed by You or on Your behalf or by Your agent or employee; or
- 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 You or Your agent failed to notify the commissioner of taxation without delay on becoming so aware of the error or deficiency.

This additional benefit is subject to the following conditions:

- a) 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; and
- b) You must make full and complete disclosure of all assessable income (including capital gains), as required by any relevant legislation; and
- c) In the event of a claim arising:
 - i. 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; and
 - ii. 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; and
 - iii. We or Our duly appointed agent may make Our own investigation into any matter which is or may be the subject of a claim; and
 - iv. You must ensure that Your accountants, registered tax agent and solicitor 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.

The most We will pay for this additional benefit is \$10,000 for any one Period of Insurance and for any one claim. Where cover is available under Section 10 - Taxation Investigation of this Policy, this amount will be in addition to any sum insured provided under that section.

23. Temporarily floating stock

We will provide temporary cover for loss of Stock at any one Situation up to the total value of all sum insured for Stock at all Situations provided the following conditions are met:

- a) We agree to pay a claim for loss or Damage to Stock; and
- b) there are at least two geographically distinct Situations specified on the Schedule and each Situation has a separate sum insured for Stock; and
- c) You temporarily transfer Stock between these two or more Situations as a usual Business practice; and
- d) either:
 - i. the Stock levels at the Situation where the loss or Damage occurs have not exceeded for a consecutive period of ninety (90) days or more the sum insured on Stock for that Situation; or
 - ii. We have agreed to extend the period of (ninety) 90 days mentioned in (i) above during which Stock in excess of the sum insured for at the Situation will be covered; and
- e) the operation of this temporarily floating stock clause will not result in Our paying more than the Stock sum insured at all Situations.

24. Seasonal increase

The sum insured for Stock will automatically increase by fifty per cent (50%) during the following three periods:

- a) sixty (60) days before Christmas Day and for twenty-one (21) days following Christmas Day
- b) forty two (42) days before Good Friday and ten (10) days following Good Friday; or
- c) forty two (42) days before 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 twenty per cent (20%) 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; and ten (10) days following the same festive, religious or ethnic event or celebration
- d) or as otherwise shown in the Schedule.

If Your sum insured for Stock is included in another item on the current Schedule We will only apply the increase to the portion of the sum insured which relates to Stock.

25. Damage to glass in vacant buildings

If You own but do not occupy any Buildings shown as insured under this Policy section at a premises, We will cover You for the following costs directly related to the breakage of glass in the Period of Insurance in a rentable area of the Building that is vacant at the time of the breakage:

- a) the cost of temporary shuttering pending replacement of the broken glass
- b) the costs incurred in replacing reflective materials and burglar alarm tapes and connections attached to the glass
- c) the cost incurred in repairing or replacing damage to window, door or showcase frames and their fittings, but not to bars, grilles or shutters; or
- d) the cost incurred in repairing or replacing tiles on shop and office fronts and around the glass. We will not pay more than \$5,000 during any one Period of Insurance for all claims under this additional benefit.

We will not cover You under this additional benefit for any breakage:

- a) of glass caused by or arising out of fire or the application of heat
- b) of glass:
 - i. when in transit or whilst being fitted into position or removed from its fitting
 - ii. in light fittings
 - iii. that is cracked or imperfect prior to breakage
 - iv. that is not fit for the purpose intended; or
- c) that is in a glasshouse; or
- d) for tiles on shopfronts and office fronts, other than around broken glass; or
- e) plastic or perspex signs; or
- f) where You have selected and taken out the Glass section of the Policy; or
- g) Your insured Building is leased to a tenant; or
- h) the Building has remained unoccupied or untenanted for a continuous period longer than sixty (60) days at the time of the loss and We have not agreed to an extended period in writing.

This additional benefit is subject to an Excess which is the greater of:

- a) the Excess shown on the Schedule; or
- b) \$500.

26. Damage to rented premises

We will cover You for Damage to the premises that You occupy as a tenant if:

- a) You are legally liable to pay in accordance with the terms of Your lease for the Damage; and
- b) such Damage occurs as a result of theft of Your business property occurring during the Period of Insurance.

The most We will pay under this additional benefit shall be the amount shown in the Schedule, or if no amount is shown in the Schedule \$10,000, and this limit is in addition to the sum insured.

27. Employee dishonesty

We will cover You for loss to Stock, Contents or electronic equipment as a direct result of dishonesty by any of Your employees occurring during the Period of Insurance, which is discovered within forty-five (45) days of the occurrence of the dishonesty.

This additional benefit does not cover any of the following:

- a) any loss arising from the conduct of an employee after You have knowledge of or information about any prior act of fraud or dishonesty by the employee; or
- b) any loss arising from the conduct of an employee outside the Commonwealth of Australia; or
- c) any loss where You are unable to identify which employee is responsible; or
- d) any loss or part of a loss arising from the conduct of an employee, where the proof of the loss, either as to its occurrence or as to its amount, is dependent upon an inventory stock take or a profit and loss calculation; or

- e) fraud or dishonesty committed by You or Your family; or
- f) fraud or dishonesty committed by any of Your employees committed with Your connivance or knowledge.

We will not cover You for more than \$5,000 for any one occurrence. This additional benefit is provided in addition to the insured amount.

28. Funeral expenses

If any person is injured while protecting or attempting to protect Your Contents or Stock from theft and death results from that injury within twelve (12) months, We will pay \$10,000 to the estate of that deceased person. If You are also insured under the Money cover section, the benefits payable for death following assault shall not be cumulative; and so the amount recoverable under this additional benefit and the Money cover section shall be limited to \$10,000 in the aggregate for any one claim.

29. Illegal use of corporate financial transaction card

In respect of any one loss or event We will pay up to \$5,000 for Your financial loss arising from the illegal use of a credit card by an unauthorised person where the following conditions are satisfied:

- a) the Policy covers Contents; and
- b) a corporate credit and/or debit card used by the Business is lost or stolen during the Period of Insurance; and
- c) Your financial loss does not arise from the misuse or illegal use of corporate credit cards by You, or Your employees or any other person acting in collusion with Your employee or by any member of Your family; and
- d) the credit or debit card provider is required or agrees not to raise a charge for the improperly used credit or debit card.

Exclusions

We will not pay You under this section 1 for Damage caused by, or as a consequence of any of the following:

1. Property undergoing processing

Property Insured while it is undergoing any process where Damage results from it being processed.

2. Action by the sea

Action of the sea, tidal wave or high water unless it happens immediately following and is as a result of an earthquake, earth tremor or seismological disturbance under the sea.

3. Storm surge

Storm surge – the increase in sea level that usually occurs with an intense storm or cyclone.

4. Flood

Flood.

5. Employee dishonesty

Fraudulent misappropriation, embezzlement, fraud or dishonest acts committed by You or by any of Your employees acting alone or in collusion with any other person or persons, forgery, erasure, and/or counterfeiting.

6. Unexplained disappearance

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. Incorrect siting of buildings

Incorrect siting of Buildings as a result of error in architectural design or specification, faulty workmanship or non-compliance with the requirements of any government, local government or statutory authority.

8. Demolition ordered by government

Demolitions ordered by government, public or local authorities as a result of Your failure or the failure of Your agents to comply with any lawful requirement.

9. Erosion, subsidence or collapse

Erosion, subsidence, landslide, collapse or any other movement of earth unless it happens immediately following and is as a result of an earthquake, explosion or a storm, or water leaking or escaping from pipes, gutters, drainpipes or other fixed plumbing apparatus.

10. Machinery or electronic breakdown

Mechanical, hydraulic, electrical or electronic breakdown, failure, malfunction or derangement of any instrument, machine, device, or temperature controlling equipment.

11. Insects, rust, mould, etc

Moths, termites, other insects, rust or oxidation, mould, mildew, wet or dry rot, corrosion, change of colour, dampness, variations in temperature, variation in humidity, variation in controlled atmosphere, evaporation, disease, inherent vice or latent defect, structural defect, loss of weight, loss of volume, change in flavour, texture or finish, stain or smoke from industrial operations.

12. Animals

Birds, animals or vermin that peck, bite, chew or scratch.

13. Wear and tear

Wear and tear, fading, scratching or marring, gradual deterioration, developing flaws, normal upkeep or making good.

14. Error in design

Error or omission in design, plan or specification, or failure of design plan or specification.

15. Normal settling

Normal settling, seepage, shrinkage or expansion in Buildings or foundations, walls, pavements, roads, and other structural improvements leading to; creeping, heaving, and/or vibration.

16. Faulty workmanship

Faulty materials or faulty workmanship.

17. Legal liability

Any legal liability You incur to pay compensation, damages, fines, or penalties.

18. Consequential loss

Consequential Loss of any kind.

19. Boiler explosion

Self-explosion of boilers or other pressure vessels. We do not cover damage to the boiler or pressure vessel where the boiler or pressure vessel:

- a) is not solely used for domestic purposes, or
- b) has a value of more than \$200,000.

20. Weather damage to property in open air

Storm, tempest, rainwater, snow, sleet, wind or hail to:

- a) gates, fences, retaining walls, shade cloth, exterior textile awnings or blinds; or
- b) Property Insured in the open air, unless such Property Insured is a permanent structure designed to function without the protection of walls or roof.

However, We will pay for such Damage to gates, fences, retaining walls, shade cloth, exterior textile awnings or blinds, up to \$25,000, or the amount shown in the Schedule, whichever is greater, in total, any one event.

21. Pollution

Pollution or Contamination unless it is sudden and unforeseen.

22. Computer access

The gaining of access by any person other than You or Your employees to Your Computer system via data communication media.

23. Computer virus

Computer Virus.

24. Theft limitation

Theft of Property Insured except where:

- a) there is evidence of forcible or violent entry to the premises or any locked cabinet and/or counter and/or showcase within the premises; or
- b) a person(s) commits, or threatens to commit an act of physical violence against You, Your employees or other persons; or
- c) as a result of armed hold-up at the Business Premises.

25. Industrial dispute

The cessation of work (whether total or partial), interruption or retarding of any process or operation as a result of any industrial dispute.

26. Breakage of glass

Glass or signs except where You are a tenant of a Building and are required by the lease to insure glass.

27. Damage under another section

Damage insurable under any other Policy section or Policy sections of this Policy. This exclusion does not apply to any loss or Damage which would only be insurable under any other Policy section or Policy sections because it fell within an additional benefit or extra cover in that other Policy section.

Specific exclusions 1, 9-16, 19 and 20 above apply to the items immediately affected and do not apply to Damage to other property occasioned by a peril not otherwise excluded and caused by any of the circumstances referred to in these exclusions.

Variations & extensions

Cover only applies if shown in the Schedule.

1. Flood

Specific exclusion 4 is deleted.

2. Underinsurance removal

Underinsurance/average is deleted for Buildings at the Situation(s) nominated in the Schedule for this clause to apply. If no Situation(s) is nominated, this clause will apply to all Situation(s) shown in the Schedule.

3. Rent lost or payable

We will pay:

- a) the Rent lost by You for such period as the Buildings (or proportionally in the case of any part thereof), are untenable; or
- b) where the whole or any part of the Buildings are occupied by You, the Rent payable by You at reasonable market value for such period as the Buildings (or proportionally in the case of any part thereof), are untenable; less the amount of any charges saved in relation to maintaining the Buildings in a tenable condition (such as wages of caretaker, cost of power, lighting).

The period for which We will pay You for Rent lost or payable will not exceed the number of months shown in the Schedule.

This is subject to the following conditions:

- i. due diligence is used in the repair or reconstruction of the Buildings; and
- ii. if, due to any cause, repair or reconstruction of the Buildings is delayed, the amount payable will be determined by the time that would have sufficed for the purpose, had due diligence been used.

4. Mortgage protection

In regard to a unit or lot contained in a Building registered under a strata titles act or similar legislation, whereby what is owned by You is title to a unit or lot on a plan of subdivision of such Building, We will, if the unit or lot is Damaged by any event for which cover has been taken under this section, pay the amount necessary to indemnify

You against liability under the mortgage affecting that unit or lot.

This is subject to the following conditions:

- a) The insurance is restricted to the unit or lot, including structural improvements intended for separate ownership or use with the unit or lot, of which You are owner or proprietor.
- b) The insurance, having been effected in respect of destruction of or Damage to a unit or lot, for the purpose of indemnifying You against liability under the mortgage affecting the unit or lot, is subject to the provisions of the legislation applicable to the state in which the property is situated.
- c) In the event of a claim:
 - i. Our liability is limited to the outstanding amount of Your mortgage and this amount will be paid to Your mortgagee; and
 - ii. We will then become the mortgagee and You will be required to pay all future loan repayments to Us.
- d) This cover shall not be brought into contribution with any other Policy of insurance other than a policy in respect of destruction of or Damage to a unit or lot authorised by the provision of the relevant legislation and taken out for the purpose of indemnifying You against liability under any mortgage affecting the unit or lot.

5. Theft reduction cover

Theft coverage to Property Insured shall be limited to the percentage amount specified in the Schedule.

Special terms & conditions

1. Underinsurance/average

In the event of Damage that is insured under this section, We will not be liable for more than that proportion of the Damage that:

- a) in respect of Buildings, Contents, Stock and Specified Items the sum insured on Buildings, Contents, Stock and Specified Items at the Situation bears to eighty per cent (80%) of the Full Insurable Value of such Buildings, Contents, Stock and Specified Items
- b) in respect of Rent the sum insured on Rent at the Situation bears to eighty per cent (80%) of the amount of Rent for the period specified in the Schedule; at such Situation at the time of the Damage.

Conditions

1. Our liability is limited to the sum insured at the Situation as shown in the Schedule.
2. This clause will not apply if the amount of any Damage does not exceed ten per cent (10%) of the sum insured at the Situation.

Example

Item value \$200,000. 80% of value = \$160,000. Sum Insured \$144,000.

Therefore if a \$100,000 loss occurs, We would pay

$\$144,000 \times \$100,000 / \$160,000 = \$90,000$

We would pay \$90,000 (less any applicable Excess), to the Insured to undertake such work.

2. Earthquake, subterranean fire, volcanic eruption excess

An Excess of \$20,000 or one per cent (1%) of the total sum insured at the Situation, whichever is the lesser, applies in respect of Damage to property caused by earthquake, subterranean fire, volcanic eruption, tsunami, or fire occasioned by or happening through or in consequence of earthquake, subterranean fire or volcanic eruption or tsunami, occurring during any period of seventy-two (72) consecutive hours.

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 Damage covered by this section which is in breach of any terms or conditions, We will cover You for Your 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
- b) You have in place a legally enforceable lease with Your tenant which requires them to comply with any insurance Policy You may effect and that lease also requires the tenant to take reasonable care of the leased premises; and
- c) You notify Us within a reasonable amount of time of becoming aware of the breach; and
- d) the breach does not involve any matters covered by a General Exclusion or an exclusion in this property damage cover section; and
- e) You agree to pay a reasonable increase in premium for the additional risk.

Claims procedure

Please refer to the claims procedure in the general provisions of this Policy for details of Your obligations in the event of a claim.

Section 2 Business Interruption

Cover

If the Business carried on by You is interrupted or interfered with as a result of Damage occurring during the Period of Insurance, to:

1. Property Insured under any of the following sections of this Policy:
 - a) Section 1 – Property; or
 - b) Section 3 – Money; or
 - c) Section 4 – Glass; or
 - d) Section 8 – Part A – computer and electronic equipment, for fire and perils or accidental Damage (as Defined in Section 8); or
 - e) Section 9 – General Property;for which a claim has been paid or liability admitted, or such claim would have been paid or liability admitted but for the application of an Excess; or
2. Property at the Situation, used by You but not owned by You:
 - a) for which You are not legally responsible, and for which You have not assumed a liability to insure; and
 - b) such Damage would have been insured under one of the sections of this Policy shown in 1 above had the property been owned by You; or
3. Property insured by You under section 1, as a result of explosion or implosion of boilers (other than boilers used for domestic purposes only), economisers, or vessels under pressure, including their own explosion or implosion.

We will, after taking into account any sum saved during the Indemnity Period in respect of such charges and expenses of the Business as may cease or be reduced in consequence of the interruption or interference, indemnify You in respect of the loss arising from such interruption or interference in accordance with the settlement of claims clause, where the Schedule notes that cover has been selected.

Definitions

In this section:

Actual Average Weekly Income means the average of the Annual Turnover in that period during the fifty-two (52) weeks immediately before the date of the Damage which corresponds with the Indemnity Period, after Adjustment.

Adjustment means adjustment as necessary to provide for the trend of the Business and variations in, or other circumstances affecting, the Business, either before or after the date of occurrence of the Damage, or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted represent, as nearly as may be reasonably practicable, the results that, but for the Damage, would have been obtained during the relative period after the Damage.

Annual Gross Profit means the Gross Profit during the twelve (12) months immediately before the date of the occurrence of the Damage, after Adjustment.

Annual Gross Rentals means the Gross Rentals earned during the twelve (12) months immediately before the date of the occurrence of the Damage, after Adjustment.

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

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

Business means Your Business at the Situation and specified in the Schedule.

Client means the persons, partnerships or bodies whether incorporated or unincorporated, to whom You owe Money or by whom Money is owed to You, for services rendered in the course of the Business.

Goodwill means the amount by which the purchase price or the market value exceeds the net tangible assets of the Insured and which is attributable to intangible factors including but not limited to reputation.

Gross Profit means the amount by which the sum of the Turnover and the amount of the closing stock and work in progress exceeds the sum of the opening stock and work in progress and the amount of the Uninsured Working Expenses.

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.

Gross Rentals means the amount of the rent received or receivable (including base rental, Turnover rental and contributions to outgoings), from the letting of property at the Business Premises.

Indemnity Period means the period beginning with the date of the occurrence of the Damage and ending not later than the last day of the period specified in the Schedule, during which the results of the Business are affected as a consequence of the Damage.

Initial Period means the period shown in the Schedule which immediately follows the date of the Damage.

Output means the sale and/or invoice value of goods manufactured and/or processed by You in the course of the Business at the Situation.

Outstanding Debit Balances means the total of the outstanding debit balances of all Clients appearing in Your books of account as at the date of the occurrence or the event giving rise to a claim, adjusted for:

1. bad debts
2. amounts debited (or invoiced but not debited), and credited (including credit notes and cash not passed through the books at the time of the occurrence of the Damage), to Your Clients' accounts in the period between the date to which the last entry relates and the date of occurrence of the Damage; and
3. any abnormal condition of trade that had, or could have had, a material effect on the Business, so that the figure thus adjusted represents as nearly as reasonably practicable, the debit balances that would have been recovered had the Damage not occurred.

Payroll means the remuneration (including but not limited to wages, salaries, payroll tax, fringe benefits tax, bonuses, holiday pay, sick pay, workers' compensation insurance premiums, accident compensation levies, superannuation and pension fund contributions and the like), paid to all of Your employees.

Property means the property at the Situation belonging to or used by You, or for which You are legally responsible or have assumed a responsibility to insure.

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

Rate of Payroll means the proportion that the payroll bears to the Turnover during the financial year immediately before the date of occurrence of the Damage.

Remaining Period means the period, shown in the Schedule which immediately follows the Initial Period.

Revenue means the Money paid or payable to You for services provided (and stock in trade, if any, sold), in the course of operation of Your Business at the premises.

Shortage in Turnover means the amount by which the gross Turnover during a period following Damage falls short of that part of the Standard Turnover that relates to that period in consequence of that Damage, after Adjustment.

Standard Gross Rentals means the Gross Rentals earned during that period in the twelve (12) months immediately before the date of the occurrence of the Damage that corresponds with the Indemnity Period (appropriately adjusted where the Indemnity Period exceeds twelve (12) months), after Adjustment.

Standard Revenue means the Revenue earned within that period during the 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 twelve months 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 Your Business at the Business Premises.

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

Weekly Income means the sum insured for each week, which You have selected and which is shown in the Schedule.

Settlement of claims

Item 1 – Gross profit

- a) the amount produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period in consequence of Damage falls short of the Standard Turnover; and
- b) The additional expenditure necessarily and reasonably incurred by You for the sole purpose of avoiding or minimising the reduction in Gross Profit during the Indemnity Period in consequence of the Damage, but not exceeding the reduction in Gross Profit thereby avoided.

If, during the Indemnity Period, services are rendered other than at the Situation, for the benefit of the Business, either by You or by others on Your behalf, the Money received or receivable in respect of those services will be brought into account in arriving at the amount of the Gross Profit during the Indemnity Period.

Salvage sale

If, following Damage giving rise to a claim under this Policy, You hold a salvage sale during the Indemnity Period:

- a) 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.
- b) The definition of Shortage in Turnover shall, for the purpose of such claim, mean: the amount by which the Turnover during a period (less the Turnover for the period of the salvage sale), shall, in consequence of the Damage, fall short of the part of the Standard Turnover which relates to that period, from which shall be deducted the pay-roll paid out of the proceeds of the salvage sale.

Item 2 – Payroll

a) Loss of Payroll

1. During the Initial Period

The amount produced by applying the Rate of Payroll to the Shortage in Standard Turnover, less any Payroll saved in consequence of the Damage.

2. During the remaining period

The amount produced by applying the Rate of Payroll to the Shortage in Turnover, less any Payroll saved in consequence of the Damage, but not exceeding the amount produced by applying the insured percentage of the Rate of Payroll to the Shortage in Turnover, plus any Payroll saved in consequence of the Damage during the Initial Period.

3. Option to consolidate

At Your option, the Initial Period may be increased to the period shown in the Schedule as the consolidated period. This means that the cover for the rest of the Remaining Period will be restricted to the amount of Payroll saved during the consolidated period.

b) Additional Expenditure

The additional expenditure necessarily and reasonably incurred by You for the sole purpose of minimising the loss of Payroll during the Indemnity Period but not exceeding the loss of Payroll thereby avoided.

Item 3 – Additional increased cost of working

The cost of further expenditure not otherwise payable under this section, necessarily and reasonably incurred during the Indemnity Period in consequence of the Damage, for the sole purpose of avoiding or minimising a reduction in Gross Profit, Gross Revenue, Payroll, Gross Rentals, Weekly Income or resuming or maintaining the normal operation of the Business.

Item 4 – Reinstatement of documents

The necessary and reasonable cost of legal, clerical and other charges actually incurred in reinstating Documents.

Item 5 – Book debts / accounts receivable

- a) The loss of Your book debts or book debts, of a Client where You are responsible for them, which are, or become, irrecoverable as a result of Damage to books of accounts or other Business records, calculated on the difference between:
 1. the Outstanding Debit Balances; and
 2. the total of the amounts received or traced in respect thereof.
- b) The additional expenditure, incurred with Our prior consent, in tracing and establishing Client debit balances after the date of the occurrence of the Damage.
- c) The interest charges at the ruling rate of Your bank on any loan to offset impaired collections of such sums that become irrecoverable as a result of the Damage.

Item 6 – Gross rentals

- a) The amount by which the Gross Rentals earned during the Indemnity Period fall short of the Standard Gross Rentals.
- b) Any additional expenditure necessarily and reasonably incurred by You for the sole purpose of avoiding or minimising the reduction in Gross Rentals during the Indemnity Period, but not exceeding the reduction in Gross Rentals thereby avoided.

Item 7 – Weekly income

The percentage reduction in the Actual Average Weekly Income during the Indemnity Period, applied to the Weekly Income sum insured.

Under this item:

- a) the Indemnity Period commences with the occurrence of the Damage that gives rise to the interruption or interference; and
- b) no payments will be made once the Weekly Income exceeds ninety-five per cent (95%) of the Actual Average Weekly Income; and
- c) if the Weekly Income is less than ten per cent (10%) of the Actual Average Weekly Income, then the Weekly Income will be treated as being nil.

Item 8 – Accountants fees

The reasonable cost of accountants' and other professionals' fees and other expenses, necessarily incurred by You in producing or certifying the bills, accounts or particulars required by Us, in respect of any claim made under this section. This amount is in addition to the amount payable under General Condition 'Claim preparation expenses' of this Policy.

Item 9 – Gross 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
- b) 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. However, Our payment will not exceed the amount of reduction in Revenue thereby avoided, less any sum saved during the Indemnity Period

in respect of such charges and expenses of Your Business payable out of Revenue as may cease or be reduced in consequence of the Damage.

Accumulated stocks

In adjusting any loss, We will take account of and make equitable allowance for 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.

Additional benefits

This section is extended to include the following additional benefits. Additional benefits 1 to 10 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:

- a) item 1 Gross Profit; or
- b) item 2 loss of Payroll; or
- c) item 6 Gross Rentals; or
- d) item 7 Weekly Income; or
- e) item 9 loss of gross Revenue;

resulting from interruption of or interference with Your Business as a result of Damage occurring during the Period of Insurance to, or as a direct result of:

1. Unspecified customers and/or suppliers premises

Any loss to property for which a claim would have been payable under section 1 of this Policy if such Property had been insured under this Policy, resulting in interruption of or interference with the Business, as a consequence of Damage occurring within Australia to property:

- a) at suppliers' and/or customers' premises; or
- b) preventing movement of goods to, or from, a suppliers' or customers' premises shall be deemed to be loss resulting from Damage to Property used by You at the Situation.

The most We will pay under this additional benefit, is twenty per cent (20%) of the sum insured for that item specified in the Schedule.

2. Murder, suicide or disease

The occurrence of any of the circumstances set out in this additional benefit shall be deemed to be Damage to property used by You at the Situation.

- a) Murder or suicide occurring at the Situation.
- b) Injury, illness or disease caused by the consumption of food or drink provided and consumed at the Situation.
- c) The outbreak of a human infectious or contagious disease occurring within a 20 kilometre radius of the Situation.
- d) Closure or evacuation of Your Business by order of a government, public or statutory authority consequent upon:

- i. the discovery of an organism likely to result in a human infectious or contagious disease at the Situation; or
 - ii. bomb threat; or
 - iii. vermin or pests at the Situation; or
 - iv. defects in the drains or other sanitary arrangements at the Situation.
- e) Shark or crocodile attack occurring within a 20-kilometre radius of the Business Premises during the Period of Insurance.

Cover under additional benefits 2(c) and 2(d)(1) does not apply in respect of highly pathogenic avian influenza in humans or any other diseases declared to be quarantinable diseases under the Quarantine Act 1908 and subsequent amendments.

3. Prevention of access, public utilities, computer installation, commercial complexes

Any loss to property for which a claim would have been payable under section 1 of this Policy if such property had been insured under this policy, resulting in interruption of or interference with the business as a consequence of Damage to:

- a) Property within fifty (50) kilometres of the Situation, which prevents or hinders access to, or use of, the property, or
- b) land based Property, either at or away from the Situation, within Australia, belonging to or under the control of suppliers of electric power, gas, communications, water or sewerage reticulation control systems, from which You obtain services, subject to the limitation below; or
- c) Computer installations, including ancillary equipment and data processing media utilised by You anywhere in Australia; or
- d) property in any commercial complex of which the Business forms a part or in which the Business is contained, which results in cessation or diminution of trade, including any cessation or diminution of trade due to temporary falling away of custom shall be deemed to be loss resulting from Damage to Property used by You at the premises.

In relation to additional benefit 3(b), We will not be liable for the first two (2) usual trading days of any loss.

4. Roads, bridges and railway lines

Interruption of or interference with Your Business as a result of Damage to roads, bridges and/or railway lines within the Commonwealth of Australia over which raw materials and other Stock are conveyed to or from the Business Premises.

5. Fines and damages

Following a claim under item 1 Gross Profit or item 2 Payroll for which We have agreed to indemnify You, this insurance extends to include Your liability, incurred during the Indemnity Period, to pay cancellation charges, or fines or damages other than aggravated, punitive or exemplary damages:

- a) for breach of contract resulting from non-completion or late completion of orders for Your goods or services; or in discharge of contract purchases of Your goods or services

- b) for breach of contract for the purchase by You of goods or services that cannot be utilised by You, during the Indemnity Period, less any value to You of such goods or services or the amount received from sale.

The most We will pay under this additional benefit is twenty per cent (20%) of the total sum insured for Gross Profit and Payroll.

This additional benefit applies in addition to the sum insured shown in the Schedule.

6. Storage sites

Any loss resulting from interruption of or interference with the Business, as a consequence of Damage to Your property sustained while it is stored or being processed at any premises in Australia not occupied by You, shall be deemed to be loss resulting from Damage to property used by You at the Situation.

The most We will pay under this additional benefit, is twenty per cent (20%) of the sum insured for that item specified in the Schedule.

7. Transit

Any loss resulting from interruption of or interference with the Business as a consequence of Damage to Your Property while it is in transit by road, rail, sea or air within Australia and outside of the Situation occupied by You, shall be deemed to be loss resulting from Damage to Property used by You at the Situation.

The most We will pay under this additional benefit, is twenty per cent (20%) of the sum insured for that item specified in the schedule.

8. Explosion of pressure equipment

Damage to pressure vessels including boilers, compressors or economisers by self-explosion or collapse, shall be deemed to be loss resulting from Damage to Property used by You at the Situation.

9. Documents

Any loss resulting from interruption of or interference with the Business as a consequence of Damage to Documents that belong to You or are held in trust by You, while they are in transit or at premises not occupied by You, shall be deemed to be loss resulting from Damage to Property used by You at the Situation.

The most We will pay under this additional benefit is twenty per cent (20%) of the sum insured for that item specified in the schedule.

10. Motor vehicles owned or operated by you

Any loss resulting from interruption of or interference with the Business as a consequence of Damage to any registered Vehicles or trailers owned or operated by You, but not while such Vehicles are on a public thoroughfare, shall be deemed to be loss resulting from Damage to Property used by You at the Situation.

11. Return premium clause

In the event of the:

- a) Gross Profit earned; or
- b) Payroll paid; or

- c) Gross Rentals earned; or
- d) gross revenue earned,

in accordance with the indemnity afforded in respect of such items, in the course of the Business during the accounting period of twelve (12) months (or a proportionately increased multiple thereof where the Indemnity Period exceeds twelve (12) months) most nearly concurrent with the Period of Insurance, being certified by Your accountant or auditor as being less than the respective sum insured, a pro rata return of premium not exceeding fifty per cent (50%) of the premium paid for such Period of Insurance will be made in respect of the difference, but:

- a) if a claim has been paid or became payable in the Period of Insurance, for which an adjustment is to be made under this clause, the amount of the claim will be included in the calculation of Gross Profit, gross revenue or Gross Rentals earned or Payroll paid for such period
- b) no return premium will be allowed unless You lodge the accountant's or auditor's certificate with Us within twelve (12) months of expiry of the Period of Insurance for which the return of premium is claimed.

12. Turnover output

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, but that only one such term will operate in connection with any one occurrence involving Damage.

13. Government incentives

The pecuniary loss under item 1 Gross Profit and item 2 Payroll of this section includes the loss of any Government – approved incentives, subsidies or market development allowances to which You are entitled in relation to the Business resulting from interruption of or interference with Your Business in consequence of Damage giving rise to a claim.

Exclusions

We will not be liable for any claim under this section if:

1. the Damage occurs after the Business has been dissolved or wound up or is being carried on by a liquidator or receiver or has ceased to operate; or
2. Your interest in the Business ceases, other than by death.

Variations & extensions

Cover only applies if shown in the Schedule.

1. Suppliers premises

This section extends to include loss resulting from interruption of or interference with the Business as a consequence of Damage, for which insurance is provided under items 1, 2, 7 or 9, to Property (including Your Property while it is temporarily deposited at premises anywhere in Australia), at the premises of Your suppliers of materials or where work is done in connection with Your Business, and which is shown in the Schedule.

Our liability under this extension shall not exceed the percentage of the sum insured shown against each supplier's premises in the Schedule.

2. Customers premises

This section extends to include loss resulting from interruption of or interference with the Business as a consequence of Damage, for which insurance is provided under items 1, 2, 7 or 9, to Property at the premises of Your customers shown in the Schedule.

Our liability under this extension shall not exceed the percentage of the sum insured shown against each customer's premises in the Schedule.

3. Goodwill

Following Damage to any building at Your Business Premises We will pay, up to the 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 Your 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 Your Business at the Business 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 of Your Policy had that building been insured under that section, and
- d) the Business that is purchased is similar to Your Business.

Special terms and conditions

1. Departmental clause

If the Business is conducted in departments, divisions or Situations, the independent trading results of which are ascertainable, in the event of Damage giving rise to a claim under this section, the provisions of this insurance will apply separately to each department, division or Situation affected by the Damage.

2. New business clause

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

"Standard Revenue" means the Revenue achieved between the date of commencement of Your 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 Your Business to the date of the Damage, converted to a 12-month equivalent figure.

"Weekly Income" means the amount calculated by averaging the Weekly Income obtained during the period

from the date of the commencement of Your Business to the date of the Damage.

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

"Annual Turnover" means the actual Turnover achieved, from the commencement of Your Business to the date of the Damage, converted to a 12-month equivalent figure.

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

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

3. Underinsurance/average

Where at the date of the occurrence of the Damage the sum insured as shown in the Schedule for:

- a) Gross Profit is less than eighty per cent (80%) of the Annual Gross Profit (appropriately increased if the Indemnity Period exceeds twelve (12) months)
- b) Payroll is less than the amount produced by applying the Payroll limits set out in the Schedule to eighty per cent (80%) of the amount produced by applying the Rate of Payroll to the Annual Turnover (appropriately increased if the Indemnity Period exceeds twelve (12) months)
- c) Book Debts is less than eighty per cent (80%) of the total amount of Outstanding Debit Balances
- d) Gross Rentals is less than eighty per cent (80%) of the Annual Gross Rentals (appropriately increased if the Indemnity Period exceeds twelve (12) months)
- e) Gross Revenue is less than eighty per cent (80%) of the Annual Revenue (appropriately increased if the Indemnity Period exceeds twelve (12) months),

then the amount payable for those Items will be proportionately reduced.

This clause shall not apply if the claim does not exceed ten per cent (10%) of the sum insured for the respective item.

4. Alternative trading

If during the Indemnity Period, goods are sold, work is performed or services are rendered elsewhere than at the Business Premises for the benefit of Your 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 Annual Revenue, weekly Revenue or Turnover (as the case may be), during the Indemnity Period.

Claims procedure

Please refer to the claims procedure in the general provisions of this Policy for details of Your obligations in the event of a claim.

Section 3

Theft Of Money

Cover

The items shown in the Schedule are insured against:

1. theft; or
2. loss, destruction or Damage caused by any accident, not otherwise excluded,

discovered within 10 working days of the occurrence of such theft or accident.

Limitation

The most We will pay during any one Period of Insurance or for any claim arising out of one event or series of events arising directly or indirectly from one source or original cause, for each item specified in the Schedule, is the sum insured shown in the Schedule for that item.

Definitions

In this Section:

Bank means a bank, building society, credit union, agency or similar financial institution.

Combined Money means the combined sum insured for:

- a) Money in Private Residence; and
- b) Money in Secure Safe or Strongroom; and
- c) Money in Transit; and
- d) Money on Premises During Business Hours; and
- e) Money on premises – Outside Business Hours,

for the specific sum insured in the Schedule however in respect of d) above, this is limited to a maximum of \$1,000.

Money in Private Residence means Money contained in:

- a) Your home; or
- b) the home of a person authorised by You when it has been taken home for safe keeping from Your Business Premises or the place of collection.

Our liability ceases when Your financial service provider ceases trading on its next full trading day.

Money in Secure Safe or Strongroom means Money in a securely locked safe or securely locked Strongroom on the premises, provided that the key and details of the combination are removed from the Business Premises whilst closed for business. For the purpose of this definition, Business Premises does not include such area within the Business Premises occupied by You as a residence.

Money in Transit means:

1. Money in Your personal custody or in the custody of persons authorised by You whilst in transit within Australia but not Money in Private Residence or loss from any Vehicle left unattended.

2. Money whilst contained in the night safe, night depository chute, or automatic teller machine of any Bank. Our liability ceases at Bank closing time on the next business day following deposit therein.

Money on Premises During Business Hours means Money when held at Your Business Premises during the hours when Your Business is normally open to the public, and the manner in which the Money is kept is appropriate, and amounts to reasonable precautions to protect that Money against theft or loss.

Money on Premises Outside Business Hours means Money when held at Your Business Premises during the hours when Your Business is not normally open to the public, and the manner in which the Money is kept is appropriate, and amounts to reasonable precautions to protect that Money against theft or loss.

Personal Money means current coin, bank notes, currency notes, cheques, public transport tickets, private transport tickets (excluding airline tickets), bridge or highway tokens, car wash tokens and stored value or similar type cards belonging to the owners, partners, proprietors, directors or employees of Your Business.

Specified Money means Money specifically described in the Schedule under specified money.

Strongroom means a burglar-resistant structure constructed of masonry and steel that 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.

Additional benefits

The following additional benefits are available if You have selected this section:

1. Counterfeit currency

We will pay You 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 \$500 in any one Period of Insurance.

There is no cover under this additional benefit if:

- a) You and Your employees fail to take reasonable steps to detect forged notes; or
- b) the forgery in question would be apparent to a reasonable person.

2. Seasonal increase

The sum insured shown in the Schedule for Combined Money, Money in Private Residence, Money in Secure Safe or Strongroom, Money in Transit, Money on Premises during Business Hours and Money on Premises Outside Business Hours will automatically increase by fifty per cent (50%) during the following periods:

- a) Sixty (60) days before Christmas Day and twenty-one (21) days following Christmas Day.
- b) Forty two (42) days before Good Friday and ten (10) days following Good Friday.
- c) Forty two (42) days before 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 twenty per cent (20%) 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; and ten (10) days following the same festive, religious or ethnic event or celebration,

or as otherwise shown in the Schedule.

3. Bank holiday increase

The sum insured shown in the Schedule for Combined Money, Money in Transit, Money on premises – Business Hours, Money on premises outside Business Hours, Money in Securely Locked Safe or Strongroom, and Money in Private Residence will automatically increase by one hundred per cent (100%) on:

- a) bank holidays; or
- b) gazetted public holidays (other than bank holidays), that fall on days adjacent to a weekend. If such a weekend occurs during the period specified in this section for seasonal increase or the period specified in the Schedule for seasonal increase, only the Bank holiday Increase will apply.

Cover under this additional benefit will apply until the close of trading of Your Bank on the next business day following such Bank holiday or gazetted public holiday.

4. Travellers money

Cover under this part is extended to include loss, of Money belonging to You occurring while such Money is in Your personal custody or in the custody of Your employee while travelling outside Australia in connection with Your Business. We will not pay more than \$10,000 or the amount specified on the Schedule for "Money in Transit" (whichever is the greater).

5. Damage to premises, safe or strongroom

In respect of Damage (other than breakage of glass) to the Business Premises due to theft of Money or attempted theft of Money, We will pay You, up to a sublimit of \$10,000 for any one occurrence, for:

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

6. Locks and keys

If keys are stolen, or there are reasonable grounds to believe that keys have been stolen and duplicated, We will:

- a) pay for the keys and locks to be replaced and the reasonable and necessary cost to have the security restored to the same level of security as existed immediately prior to the loss
- b) indemnify You in respect of the cost of temporary protection reasonable and necessary for the safety and protection of the Property Insured, pending restoration of the security
- c) pay the reasonable cost of developing and replacing security film exposed because of theft or attempted theft.

The most We will pay under this additional benefit is \$10,000 for any one event.

7. Injury during theft

If an injury is suffered by an owner, partner, proprietor or director, during a theft or attempted theft of Property Insured or Money insured under this Policy for which We have agreed to pay Your claim, and such injury is the sole cause of:

- a) Item 1. death
- b) Item 2. total and permanent loss of sight in one or both eyes
- c) Item 3. total and permanent loss of one or both hands or feet,
occurring within twelve (12) months of such owner, partner, proprietor or director sustaining the injury; or
- d) Item 4. temporary or permanent total disablement from attending to usual business.

We will, in respect of such injury, pay to such owner, partner, proprietor or director or his or her legal representative, in respect of:

- a) Items 1, 2, and 3: \$10,000, in respect of all injury sustained by any one person during any one theft or attempted theft; or
- b) Item 4: \$200 per week or eighty per cent (80%) of the average weekly earnings of such owner, partner, proprietor or director, whichever is the lesser, to a maximum period of thirteen (13) weeks from the date of sustaining the injury.

No amount will be payable in respect of:

- c) death attributable to, or consequent upon, or accelerated by; or
- d) disablement aggravated by, attributable to, or consequent upon, any pre-existing physical defect, illness or disease or injury.

8. Temporary protection and security guard

If Business Premises or security protection equipment installed at the Business Premises are Damaged during a theft or attempted theft, We will pay the costs reasonably and necessarily incurred for the temporary protection of, and the employment of security guards to safeguard the Property Insured, until the Business Premises or security protection equipment are repaired or replaced. The most We will pay under this additional benefit is \$10,000 for any one event.

9. Additional premises – provisional cover

Cover is extended to include all money within Australia from any new Business Premises that becomes Yours after the commencement of the Period of Insurance, for thirty (30) 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.

The most We will pay under this additional benefit is twenty per cent (20%) of the highest 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 thirty (30) days of Your commencement of the use of the property. If We agree to provide continuing cover for such additional property, We may first require You to pay an additional premium.

- c) except as provided under Additional Benefit – ‘Traveller’s Money’, whilst it is outside the Commonwealth of Australia.

10. Clothing, tools and personal effects

If, during theft or attempted theft of Money (other than Personal Money), in circumstances for which cover is provided in this section, clothing, tools and personal effects (excluding Money), not otherwise insured, belonging to the owners, partners, proprietors, directors or employees of Your Business is destroyed, lost or Damaged, We will indemnify such owners, partners, proprietors, directors or employees for the cost of repairing or replacing such clothing, tools or personal effects.

The most We will pay under this additional benefit is \$5,000 per person and \$10,000 for any one event.

11. Theft by employee

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 forty-five (45) 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. However, We will not pay more than \$5,000 under this additional benefit for any one occurrence.

Variations & extensions

Cover only applies if shown in the Schedule.

Personal money

Insurance under this Part for Money on premises – Business Hours, and Money in Securely Locked Safe or Strongroom is extended to include Personal Money.

The most We will pay under this extension is the percentage, shown in the Schedule for Personal Money, of the sum insured in respect of such Money on premises – Business Hours or Money in Securely Locked Safe or Strongroom.

Claims procedure

Please refer to the claims procedure in the general provisions of this Policy for details of Your obligations in the event of a claim.

Exclusions

We will not be liable for:

1. Consequential loss

Any Consequential Loss whatsoever.

2. Dishonoured cheques

Loss arising out of the payment of Money, for or in consideration of a cheque or negotiable instrument that is subsequently dishonoured.

3. Unexplained disappearances

Unexplained disappearances or unexplained shortages, whether resulting from clerical or accounting errors or shortages in supply or delivery of materials to or by You.

4. Employee dishonesty

Loss, destruction or Damage due to, or sustained by or through theft or any attempted theft, or any act of fraud or dishonesty committed by any:

- a) members of Your family, or
- b) persons in Your service, other than loss or destruction or Damage through theft, or any attempted theft committed by persons in Your service, following forcible and violent entry by such persons to the Business Premises.

5. Money;

- a) whilst contained in an unlocked and unattended Vehicle
- b) stolen from a safe or Strongroom opened by a key or by use of a combination which has been left on the Business Premises outside Business Hours

Section 4

Glass

Cover

We will indemnify You in the event of Breakage of Glass at the Situation shown in the Schedule.

The amount of indemnity will be determined in accordance with the settlement of claims clauses.

Definitions

In this section;

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

1. external fixed glass, or plastic material used as glass, and any shatter resistant or reflective film affixed thereto, forming part of the Business Premises including external windows, doors or skylights
2. ceramic tiled shop fronts.

Glass means Internal Glass, External Glass, Signs and Specified Glass.

Internal Glass means

1. all internal glass, sinks, wash basins and sanitary ware and mirrors (other than hand mirrors), whilst in the Business Premises; and
2. showcase frames, display cabinets and counter frames whilst in the Business Premises,

but does not include:

- a) glass forming part of stock in trade or merchandise
- b) glassware, crystal, crockery or china; or
- c) imperfect glass.

Premises means the buildings at the Situation.

Signs means Glass or plastic that forms part of a sign.

Specified Glass means glass specifically described in the Schedule under specified glass.

Settlement of claims

In the event of a Breakage of Glass shown in the Schedule, We will, at Our option:

1. replace the broken Glass in compliance with the requirement of the Standards Association of Australia and any Statutory Authority; or
2. pay the cost of replacement of such Glass.

Additional benefits

The following additional benefits are available if You have selected this section:

1. External glass

In the event of Breakage of External Glass, We will indemnify You for up to \$7,500 or the amount specified in the Schedule, whichever is the higher, for each of the following:

- a) replacing sign writing or ornamentation affixed to the broken Glass
- b) replacing burglar alarm tape or wiring affixed to the broken Glass
- c) temporary shuttering, boarding up or other protection reasonably necessary for the safeguarding of the Business Premises or contents therein, pending replacement of the broken Glass
- d) replacing Damaged window frames and tiled shop fronts, but with due allowance for wear and tear
- e) replacing shatter resistant or reflective film affixed to broken Glass.

2. Destruction of stock or contents

We will indemnify You for loss as a result of 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.

The most We will pay under this additional benefit during any one Period of Insurance, is the lesser of:

- a) the value at cost, of the stock or contents destroyed or Damaged, less any amount realised from the sale of any salvage; or
- b) \$7,500.

3. Overtime

We will pay the reasonable costs for after-hours service by repairers, express delivery and overtime charges to repair or replace broken Glass.

4. Malicious damage

We will pay for the cost of replacement of External Glass which has suffered malicious Damage to External Glass. This Additional Benefit is payable even where there is no Breakage of External Glass.

Claims procedure

Please refer to the claims procedure in the general provisions of this Policy for details of Your obligations in the event of a claim.

Section 5

General & Products Liability

Introduction

This section forms part of the Policy only if shown in the Schedule and if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the general provisions and in the Schedule.

Cover

We will indemnify the Insured for all amounts which the Insured is legally liable to pay as compensation in respect of:

- a) Personal Injury
- b) Property Damage
- c) Advertising Injury,

happening during the Period of Insurance within the Territorial Limits as result of an Occurrence, and arising out of the Business or Products of the Insured.

Limitations

The limit of CGU's liability in respect of any one Occurrence shall not exceed the limit of liability stated in the Schedule.

The total aggregate limit of CGU during any one Period of Insurance for all claims arising out of Products Liability shall not exceed the limit of liability stated in the Schedule.

Subject to additional benefit 1, the limit of liability is exclusive of the Excess and Defence Costs and Expenses.

Definitions

In this section;

Advertising Injury means:

- a) defamation
- b) infringement of copyright or passing off of a title or slogan
- c) unfair competition, piracy or idea misappropriation contrary to an implied contract; or
- d) invasion of privacy,

arising from any advertisement, publicity article, broadcast or telecast, and caused by or arising out of advertising activities conducted by You or on Your behalf.

Aircraft means:

any vessel, craft or thing made or intended to fly or move in or throughout the atmosphere or space, other than:

- a) model aircraft; and
- b) unmanned tethered balloons used for advertising purposes.

Defence Costs and Expenses means the reasonable legal costs and expenses:

- a) solely and exclusively incurred by You with the prior written agreement of Us, to defend a claim under this section of the Policy for which You are entitled to indemnity under this Policy
- b) solely and exclusively incurred by Us to defend a claim under the this section of the Policy for which You are entitled to indemnity under this Policy
- c) of any claimant who has made a claim against You which is a claim under this section of the Policy, for which You are entitled to indemnity under this Policy, and You are liable to pay those legal costs and expenses.

Defence costs and expenses do not include Your own internal costs including wages, salaries or costs of anyone else insured under this Policy.

Employment Practices means any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, sexual harassment or discrimination in respect of employment or prospective employment by You.

Hovercraft means any vessel, craft or device made or intended to float on, or in, or travel on or through the atmosphere or water, on a cushion of air provided by a downward blast.

Incidental Contract means:

- a) any written contract with any public authority for the supply of water, gas, electricity or telephone services in connection with the Business but does not include those contracts in connection with work done for such authorities
- b) any written rental agreement for the lease of real or personal property provided such rental, lease or hiring agreement that does not require You to insure such property
- c) where You are required by contract to release any government, public authority, statutory authority or landlord but only to the extent required by such contract.

North America means:

- a) the United States of America and the Dominion of Canada; and
- 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.

Occurrence means:

An event including continuous or repeated exposure to substantially the same general conditions which results in Personal Injury, Property Damage or Advertising Injury neither expected nor intended from the standpoint of You

All events of a series consequent on or attributable to, one source or original cause are deemed one Occurrence.

Personal Injury means:

Any of the following:

- a) bodily injury, death, sickness, illness, disability, disease, shock, fright, mental anguish or mental injury, loss of consortium or services resulting therefrom
- b) false arrest, wrongful detention, false imprisonment, malicious prosecution or humiliation
- c) wrongful entry, eviction or other invasion of right of privacy;

- d) defamation, unless arising out of Advertising Injury
- e) assault and battery not intentionally committed by or at the direction of You unless so directed for the purpose of preventing or eliminating danger to persons or property.

Principal means any person with whom You have entered into a written contract or agreement to do any work or provide any services in connection with the Business.

Product means:

Anything (after it has ceased to be in the possession or under the control of the Insured), which is or is deemed to have been manufactured, grown, extracted, produced, processed, imported, exported, constructed, assembled, erected, installed, repaired, serviced, renovated, treated, sold supplied or distributed by or on behalf of the Insured, including any discontinued products, labels packaging or containers, the design specification or formula of any products, and including directions and instructions, advice given or omitted to be given in connection with such products.

The term 'product' shall not be deemed to include food and beverages:

- a) sold or supplied by or on behalf of the Insured from any canteen or vending machine primarily for the use of Your employees
- b) served to employees or guests for consumption on any of Your premises.

Products Liability means:

Personal Injury, Property Damage or Advertising Injury happening during the Period of Insurance within the Territorial Limits as a result of an Occurrence and arising out of any:

- a) Products; or
- b) reliance upon a representation or warranty made by You at any time with respect to any Product.

Property Damage means:

- a) physical Damage to, or loss of, or destruction of, tangible property including subsequent loss of use of the property; or
- b) loss of use of tangible property which has not been physically Damaged or destroyed.

Stand-Alone Superannuation Fund means a superannuation fund or pension fund established by You under its own trust structure managed by or on behalf of You. It does not include an industry fund, a wholesale master trust, a retail master trust, public sector employees' funds or any investment or retirement fund managers.

Territorial Limits means:

- a) anywhere in the world, except North America; and
- b) North America if the Personal Injury, Property Damage or Advertising Injury arises from:
 - i. Products exported into those countries without Your knowledge
 - ii. Overseas business visits by travelling employees and/or directors whose normal place of residence is outside North America, but not where they perform manual work or supervise manual work in North America.

Tool of Trade means a Vehicle that has tools, implements, machinery or plant attached to or towed by any Vehicle and is being used by You at any Worksite or Your premises. 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.

Worksite means any premises or site where work is performed for or in connection with the Business, and includes any surrounding area or premises used by You to undertake such work.

You means:

- a) the entity(s) or person(s) noted in the Schedule
- b) any subsidiary, controlled corporation or other organisation of Yours existing at the inception date of the Period of Insurance
- c) any new entity acquired or constituted by You during the Period of Insurance through consolidation, merger, purchase of assets, or assumption of control and active management, or creation, provided that:
 - i. the acquisition is notified to Us in writing within ninety (90) days
 - ii. We give notice to You in writing that the new entity is covered under this Policy after the ninety (90) day period; and
 - iii. You pay any additional premium that may be required by Us in respect of the new entity.
- d) every past, present or future director, executive officer, employee, partner or shareholder of You in a), b) or c) (including any spouse or family member of such person whilst performing a designated role in connection with the Business, attending a function or accompanying legitimate Business travel), whilst acting within the scope of their duties in such capacity
- e) any voluntary worker of Yours referred to in a), b) and c)
- f) any person whilst working for You referred to in a), b) and c) for the purpose of gaining unpaid work experience
- g) any employee Stand-Alone Superannuation Fund managed by You including any trustees or directors of such fund
- h) any Principal in respect of liability:
 - i. arising out of the performance by or on behalf of You of any contract or agreement for the performance of work for such Principal, but only to the extent required by such contract or agreement
 - ii. any Products sold or supplied by You, but only in respect of Your own acts or omissions in connection with such Products and in any event.
- i) any social or sporting clubs, child care facilities, first aid, fire and ambulance services formed with the consent of Yours referred to in a), b) or c), including any office bearer or member of any such club whilst acting in that capacity
- j) any director, partner, officer or executive of Yours referred to in a), b) or c) in respect of private work undertaken by any employee for such person including any employee whilst actually undertaking such work
- k) if any party named in the Schedule as an insured is an individual, the personal representative of that individual in the event of the death, incapacitation or mental disorder of that individual, but only in respect of liability incurred by that individual in connection with the Business.

Additional benefits

The following additional benefits are available if You have selected this section:

1. Defence costs and expenses

With respect to the indemnity provided by this Policy We will pay in addition to the limit of liability Defence Costs and Expenses.

We will defend any suit against You seeking compensation for Personal Injury, Property Damage or Advertising Injury to which indemnity under this Policy applies even if the allegations of the suit are groundless false or fraudulent.

We are not obliged to pay Defence Costs and Expenses or defend any claim or legal action after Our liability under this Policy to indemnify You has been exhausted by either payment of judgment, settlement or payment to You.

If a payment exceeding Our liability under this Policy to indemnify You has to be made to dispose of a claim, the liability of Us for Defence Costs and Expenses is limited to the proportion that Our liability to indemnify You under this Policy bears to that payment.

In the event of a claim being made against You in any court or before any other legally constituted body in North America, the total amount payable in respect of the claim by Us under this Policy including Defence Costs and Expenses are subject to the limit of liability stated in the Schedule.

- d) any Products where You knew, or reasonably should have known, would be incorporated into the structure, machinery, controls or construction of any Aircraft.

3. Asbestos

Any liability arising out of or in any way connected with any claim or claims in respect of Personal Injury, Property Damage, Advertising Injury, loss or losses arising directly or indirectly out of, or in any way connected with, asbestos in whatever form or quantity.

4. Contractual

Any liability arising out of or in any way connected with any liability or obligation:

- a) assumed under the terms of a contract, agreement or warranty; or
- b) which requires You effect or maintain insurance with respect to premises, property or goods not owned by You.

This exclusion 4 a) does not apply to:

- i. the extent that such liability or obligation would have been implied by law in the absence of such contract, agreement or warranty
- ii. liability assumed under an Incidental Contract
- iii. any contract specifically excepted by Our written agreement.

5. Defamation

Any liability for defamation arising out of or in any way connected with the publication or utterance of libel, slander, defamatory or disparaging material:

- a) resulting from statements made prior to the Period of Insurance
- b) resulting from statements made by You, or at the direction of You, with knowledge of its falsity; or
- c) incurred where Your business is advertising, broadcasting, publishing or telecasting.

6. Employers liability

- a) Any liability required by law to be covered under any fund, scheme, Policy of insurance or self- insurance pursuant to or required by any legislation relating to workers compensation, whether or not such fund, scheme or insurance has been effected. However, this Policy will respond to the extent that Your liability is not required to be covered under any such Policy of insurance, fund, scheme or self- insurance arrangement pursuant to or required by any legislation relating to workers compensation. For the purpose of exclusion 6 a) the term 'worker' means any person deemed to be employed by You pursuant to any workers compensation law or legislation. Voluntary workers and unpaid work experience students are not deemed to be Your workers if not treated as workers by any workers compensation law or legislation.
- b) Any liability imposed by the provisions of any industrial award or agreement or determination where such liability would not have been imposed in the absence of such industrial award or agreement or determination.
- c) Any liability relating to Employment Practices.

Exclusions

This Policy does not cover:

1. Advertising injury

Any Advertising Injury arising out of or in any way connected with any:

- a) statement made by, or at the direction of You where You knew or suspected the statement or any part of the statement was false
- b) failure to perform any obligation pursuant to any contract. This exclusion 1 b) does not apply to any claim for unauthorised appropriation of advertising ideas contrary to an implied contract
- c) incorrect description of Products, goods or services
- d) any mistake in the advertised price, of Products, goods or services
- e) failure of Products, goods or services to conform with advertised performance, quality, fitness or durability
- f) where Your Business is advertising, broadcasting, publishing or telecasting.

2. Aircraft

Any liability arising out of or in any way connected with:

- a) the ownership, use, maintenance, operation of any Aircraft by You
- b) repair or servicing of critical components of Aircraft
- c) any Products that are incorporated into the hull or critical components of any Aircraft; or

7. Faulty work

Any liability arising out of or in any way connected with the cost of reinstating, repairing, replacing, performing, completing, correcting or improving any work done or undertaken by or on behalf of You.

8. Fines or penalties and punitive damages

Any liability arising out of or in any way connected with fines, penalties, exemplary, punitive, liquidated or aggravated damages, and any additional damages resulting from the multiplication of compensatory damages.

9. Intentional conduct

Any liability arising out of or in any way connected with alleged or actual fraudulent, dishonest, malicious, intentional or criminal act or omission of Yours.

10. Loss of use

Any liability for the loss of use of tangible property which has not been physically Damaged or destroyed resulting from:

- a) a delay in or lack of performance by or on behalf of You in respect of any contract or agreement; or
- b) the failure of a Product or work performed by or on behalf of You to meet the level of performance, quality, fitness, or durability expressly or impliedly warranted or represented by You.

This exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical Damage to, or destruction of the Product or work performed by or on behalf of You after the Product or work has been put to its intended use by any person or organisation other than You.

11. Pollution

Any liability arising out of or in any way connected with:

- a) the actual, alleged or threatened discharge, seepage, migration, dispersal, release or escape of Pollutants into or upon any property, land, the atmosphere or any watercourse or body of water, including ground water;
- b) the cost of testing, monitoring for, containing, removing, nullifying, or cleaning up of Pollutants or the cost of preventing the release or escape of Pollutants.

Provided that with respect to liability incurred outside North America, this exclusion 11 shall not apply where such discharge, seepage, migration, dispersal, release or escape is caused by a sudden, identifiable, unintended and unexpected event from the standpoint of You which takes place in its entirety at a specific time and place during the Period of Insurance. This exclusion 11 will apply to any liability incurred in North America regardless of how it arises.

12. Product defect

Any liability arising out of or in any way connected with Property Damage to any Products if the Damage is attributed to any defect in them or, to their harmful nature or unsuitability. This exclusion is restricted to the defective or harmful or unsuitable part of a Damaged Product, and does not apply to any resultant Damage caused to the remainder of the Product.

13. Property in the physical or legal control

Any liability arising out of or in any way connected with Property Damage to property You own, lease, hire, is loaned or rented to You, or is otherwise in Your physical or legal control other than:

- a) premises or part of any premises (including the contents of such premises), leased or rented to the Insured, or temporarily occupied by You for the purpose of the Business. This clause 13 a) does not extend to any liability where You have assumed the responsibility to effect or maintain insurance with respect to any premises referred to in this clause
- b) premises temporarily occupied by You (including the contents of such premises), for the purpose of carrying out work in connection with the Business. This clause 13 b) does not extend to liability for physical Damage to or destruction of any premises or contents on which You were or are working on, if such physical Damage or destruction arises from such work
- c) any other property temporarily in Your possession for the purpose of being worked upon. This clause 13 c) does not extend to liability for physical Damage to or destruction of that part of any property on which You were or are working on, if such physical Damage or destruction arises from such work
- d) any Vehicle (including its contents, spare parts and accessories while they are in or on a Vehicle), not belonging to or used by You while such Vehicle is in a car park owned or operated by You, provided You do not operate the car park for reward as a principal part of the Business
- e) Property Damage to any Vehicle temporarily in Your possession for the purpose of parking or removing from a car park such a Vehicle
- f) any other property (except property owned by You), temporarily in Your physical or legal care, custody or control subject to a maximum of \$250,000, or other higher amount stated in the Schedule, for any one Occurrence and in the aggregate during any one Period of Insurance.

14. Products guarantee

Any liability arising out of or in any way connected with any guarantee or warranty given by or on behalf of You in respect of any Product. This exclusion does not apply to a guarantee or warranty imposed by legislation.

15. Professional indemnity

Any liability arising out of any breach of duty owed in a professional capacity or any error or omission connected therewith by You or any person for whose breach of duty You may be legally liable.

This exclusion does not apply to claims arising out of:

- a) advice or service where no fee was charged; or
- b) the rendering of or failure to render professional medical advice by any person employed by You (not being a qualified medical practitioner), to provide first aid on Your premises
- c) advice given in respect of the use or storage of Products.

16. Recall of products

Any liability or expense arising out of or in any way connected with the withdrawal, recall, inspection, repair, adjustment, replacement, removal, cost of investigation, disposal or loss of use of any Products or any property of which Your Products form a part where such Products or property are withdrawn from the market or from use by any person or organisation because of any known, alleged or suspected defect or deficiency in such Products.

17. Vehicles

Any liability for Personal Injury or Property Damage caused by or arising out of the ownership, operation, use or possession of any Vehicle:

- a) which is registered for use on a public road or which is legally required to be registered; or
- b) in respect of which compulsory liability insurance or statutory indemnity is required by any legislation, whether or not such insurance has been effected.

However, this exclusion does not apply to:

- i. Claims in respect of Personal Injury where compulsory liability insurance or statutory indemnity does not provide indemnity and where the reason or reasons why compulsory liability insurance or statutory indemnity does not provide indemnity does not involve a breach of any legislation by the Insured.
- ii. Property Damage arising out of or in connection with the loading and unloading of goods to or from any Vehicle or from the delivery or collection of goods by any Vehicle.
- iii. Property Damage arising out of the use of 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 as a Tool of Trade.

18. Watercraft and hovercraft

Any liability arising out of or in any way connected with the ownership, maintenance, operation or use by an Insured of any Watercraft exceeding ten (10) meters in length or any Hovercraft.

This exclusion does not apply to liability arising out of:

- a) the use of Watercraft by an independent contractor carrying out works and/or operations on behalf of You in the course of Your Business; or
- b) Watercraft or Hovercraft owned and operated by others and used by You for the purpose of Business entertainment
- c) floating jetties, floating pontoons or buoys.

Special terms & conditions

1. Cross liabilities

Where more than one party comprises the Insured each of the parties shall be considered as a separate and distinct unit and the word You shall be considered as applying to each party in the same manner as if a separate Policy had been issued to each, provided that nothing in this clause results in the increase of the limit of liability in respect of any Occurrence or Period of Insurance.

2. Reasonable care

You must:

- a) take all reasonable precautions to:
 - i. prevent Personal Injury, Property Damage and Advertising Injury
 - ii. prevent the manufacture, sale or supply of defective Products; and
 - iii. comply and ensure that Your employees, workers, servants and agents comply with all statutory obligations, by-laws or regulations imposed by any public authority for or in connection with the safety of persons and property.
- b) 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.

3. Discharge of liability

We may at any time pay to You, in respect of all claims against You arising directly or indirectly from one Occurrence, the limit of liability (after deduction of any amount already paid by Us in respect of those claim). This payment will extinguish all liability under the Policy in connection with such claim or claims, including Defence Costs and Expenses.

4. Waiver of subrogation

We agree to waive Our rights of subrogation under this Policy against:

- a) each insured party
- b) any corporation, organisation or person which or who owns or controls the majority of the capital stock of any corporation or organisation that is an insured party. Where such corporation, organisation or person is covered by any other Policy of insurance or indemnity, Our right of subrogation is not waived to the extent of cover and up to the amount of such other cover
- c) any government, public or local authority, statutory authority or any landlord insured under the definition of Incidental Contract point c) but only to the extent required by such Incidental Contract.

5. Other insurances

If You make a claim under this Policy in respect of an Occurrence recoverable under this Policy, which Occurrence is or may be covered in whole or in part by any other Policy of insurance, You must advise Us of the full details of such other insurance when making a claim under this Policy.

Notwithstanding anything contained in this Policy to the contrary, We agree that this Policy will, in respect of the Business, where a Principal or another (including You) has effected public liability insurance (the Primary Insurance), provide the following indemnity:

- a) to pay as compensation in respect of Personal Injury or Property Damage not otherwise recoverable under those policies
- b) to pay all amounts in excess of that recoverable under those policies
- c) to pay the difference (if any) between the Excess under the Primary Insurance and the Excess that would have been applicable under this Policy if the Business or Products of Yours had been insured

provided that such losses and/or amounts would, but for the existence of the specified policies, be recoverable under this Policy and subject to the limit of liability and provided that such cover is for the sole benefit of You.

6. Prevention of loss

In the event of an Occurrence, You must promptly take at the Insured's expense all reasonable steps to prevent other Personal Injury, Property Damage or Advertising Injury arising out of the same or similar conditions. These expenses are not recoverable under this Policy.

7. Subrogation

In the event of payment under this Policy to or on behalf of the Insured, We are subrogated to all Your rights of recovery against all persons and organisations and You shall execute and deliver instruments and papers and do all that is necessary to assist in the exercise of such rights.

8. Claims procedure

In addition to the claims procedure set out in the general conditions of this Policy, You must give Us notice in writing, of every loss, Damage, Occurrence, claim, writ, summons, impending proceedings, impending prosecution or inquest that is or might give rise to a claim under this Policy.

You or Your legal representative must:

- a) take all reasonable precautions to preserve anything which might prove necessary or useful by way of evidence in connection with any claim
- b) take all practical steps to recover any property; and
- c) not, without Our consent in writing, make any admission, offer, promise or payment in connection with any Occurrence or claim.

We will have full discretion in the conduct of any proceedings in connection with any claim and You shall give all information and assistance as We may require in the prosecution, defence or settlement of any claim.

Section 6 Employee Dishonesty

Cover

1. After You have:

- a) provided to Us the Claim Documents; and
- b) made available to Us for interview all persons nominated by Us who in Our opinion will be helpful to assist Us to investigate Your claim or a Loss.

We will indemnify You against Loss.

The amount of the indemnity will be determined in accordance with the clauses under the heading "Settlement of Claims".

Definitions

In this section:

Claim Documents means:

1. the documentation created in the preparation of, or evidencing, a claim; and
2. all records and Documents that may assist Us to investigate:
 - a) a claim; or
 - b) a Loss; or
 - c) Your right of recovery in consequence of a Loss; including electronic records, Computer records, video and audio recordings, working papers, internal memoranda, reports, accounting records and audit Documents.

Employee means:

1. a person:
 - a) employed by You under a contract of service; or
 - b) assigned, by any agency whose business it is to furnish personnel, to perform employee duties for Youin the ordinary course of Your Business, during the Period of Insurance, and whom You have the right to direct in the detail of that person's performance of work.
2. a former employee during a period of not more than 6 months following the cessation of that person's service
3. a group of employees, which means
 - a) two or more employees acting in collusion
 - b) an employee acting alone and also acting as a member of a group of employees
 - c) two or more groups of employees having an employee in common,

but employee does not include:

1. a person who is not directly paid remuneration by You other than as described in 1(b) above; or
2. a person who is one of Your directors or trustees, except when performing acts within the scope of the usual duties of an employee; or

3. a person who is a member of any committee that examines or audits or has custody of or access to Your Money, negotiable instruments or goods.

Limit of Indemnity means the limit of indemnity of Employee Dishonesty insurance shown in the Schedule for all Losses during the Period of Insurance.

Limit per Employee means the limit per employee for Employee Dishonesty insurance, shown in the Schedule, in respect of any Loss or all Losses caused by an act or acts of the one Employee.

Loss means direct loss:

1. of:
 - a) Money
 - b) negotiable instruments; or
 - c) goods,which belong to You, or are in Your possession and for the loss of which You are liable
2. occurring in the ordinary course of Your Business
3. caused directly by an act of fraud or dishonesty:
 - a) of an Employee; and
 - b) committed within twelve (12) months before discovery by You of the act of fraud or dishonesty, and
4. discovered by You:
 - a) during the Period of Insurance; or
 - b) if this section is not renewed or is cancelled, within twelve (12) months after the Period of Insurance or the date of cancellation for this section of the Policy,

but in either case no later than twelve (12) months after the cessation of employment of the relevant Employee, and does not include cover for any indirect or Consequential Loss whatsoever; and the loss must occur within the Period of Insurance.

Settlement of claims

We will:

- a) pay You the amount of lost Money
- b) at Our option, replace lost contents or stock or pay the market value of the contents or stock.

Our total liability for all Losses and claims preparation fees during the Period of Insurance shall not exceed the sum insured shown on the Schedule.

Our liability for all Losses relating to acts of fraud or dishonesty committed by one Employee, or any group of employees, or any number of groups of employees that contain one common Employee, will not exceed the Limit per Employee shown on the Schedule.

Our liability will be reduced by the sum of all Moneys to which an Employee who caused a Loss would have been entitled, but which are retained by You or which You are entitled to retain.

We will be liable only for that part of the Loss that exceeds the Excess shown on the Schedule or on any Endorsement to this section.

Additional benefits

The following additional benefits are available if You have selected this section:

1. Superannuation funds

The definition of You, Your, includes any superannuation or pension scheme formed by You and exclusively for the benefit of Employees, but does not include any scheme that is administered by a professional funds manager.

2. Welfare, social or sporting clubs

The definition of You, Your, includes any welfare, social or sporting club formed with Your knowledge and consent exclusively for the benefit of Employees and their families.

3. Unidentified employee

We will cover You for Loss caused by an unidentifiable Employee, provided that:

- a) You can prove that the Loss was caused by fraud or dishonesty of an Employee; and
- b) You bear any cost in proving that the Loss was caused by fraud or dishonesty.

4. Costs of recovery

If You sustain a loss greater than the sum insured shown in the Schedule for this Policy section, We will pay up to an additional twenty per cent (20%) of the sum insured shown in the Schedule for costs and expenses that You have reasonably incurred in an attempt to recover the lost contents, stock or Money.

5. Retroactive cover

If this Policy section replaces any previous fraud and dishonesty Policy held by You that is terminated, cancelled or allowed to expire at the time of the replacement, We will cover any loss that is within the Period of Insurance of the previous Policy provided that:

- a) the loss is not covered by the previous Policy; and
- b) the loss would have been recoverable by You under the previous Policy but for the fact that under the previous Policy the time for discovery of that loss had expired; and
- c) the loss would have been covered under this Policy section if it had been in force when the acts or defaults causing the Loss were committed; and
- d) You are not in breach of Your duty of disclosure to Us in respect of any previous fraud or dishonesty arising before the Policy was entered into by You.

We will not cover You for any loss arising from any act of dishonesty committed more than twelve (12) months before the inception of this Policy section.

We will not cover You for more than the lesser of:

- a) the insured amount shown in the Schedule; or
- b) the amount that would have been recoverable under the previous Policy had it continued in force until the discovery of the loss.

Exclusions

This section does not cover:

1. Loss arising from an act committed by an Employee after You have knowledge of, or reasonable cause to suspect, the commission by the Employee of an act of fraud or dishonesty, unless if, when You first obtained the knowledge or reasonable cause for suspicion:
 - a) the Money, negotiable instruments or goods that are the subject of the Loss were in the possession of the Employee; and
 - b) You immediately took all reasonable action to regain possession of the Money, negotiable instruments or goods.
2. loss arising from the dishonesty of an Employee outside the Commonwealth of Australia; or
3. fraud or dishonesty by any of Your Employees committed with Your connivance.

Special terms & conditions

1. Notification of loss

You must:

- a) notify Us in writing within twenty-one (21) days after discovery by You of Loss, or any act of fraud or dishonesty that may give rise to a Loss or after You first have reasonable cause for suspicion thereof; and
- b) deliver to Us as soon as practicable, but no later than three (3) months after the notice in (a), the Claim Documents and full details in writing of the Loss and of Your claim under this section.

2. Observance of system of audit, supervision and checks

You must observe the system of audit, supervision and checks which, in connection with this section, You stated to Us that You observe.

3. Notification of alteration of risk

You must as soon as practicable notify Us in writing of any change that will or might increase the risk, including:

- a) a change in the nature of Your Business
- b) Your non-observance of the system of audit, supervision and checks which, in connection with this section, You stated to Us that You observe;

so that We may either cancel the section or agree to the variation of its terms and conditions in accordance with the Insurance Contracts Act 1984.

4. Prevention of further loss after discovery

You must, immediately when You discover Loss, take all reasonable steps to regain possession of the Money, negotiable instruments or goods and take all reasonable steps to prevent further Loss occurring.

5. Our rights of conduct and recovery

- a) We will, upon Your notice to Us of a Loss, have the right to recover the Loss and We will have full discretion in the recovery of the Loss
- b) You must not in any way prejudice Our right or ability to recover a Loss
- c) You must co-operate with Us fully in the recovery of a Loss.

Section 7 Machinery

Introduction

This section forms part of the Policy only if shown in the Schedule and if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the general provisions and in the Schedule.

Cover

The property for which a sum insured is shown in the Schedule, is insured whilst at the Situation, as follows:

1. for Machinery, against Breakdown
2. for Goods in Cold Chamber, against Deterioration

The amount of indemnity will be determined in accordance with the clauses under the heading of settlement of claims.

Limitations

In respect of Machinery, or Pressure Equipment, Our total liability for any claim arising out of one event or series of events arising directly or indirectly from one source or original cause will not exceed the sum insured shown in the Schedule.

In respect of Deterioration of Goods, Our total liability during any one Period of Insurance or for any claim arising out of one event or series of events arising directly or indirectly from one source or original cause will not exceed the sum insured shown in the Schedule.

Definitions

In this section:

Breakdown means sudden and unforeseen physical destruction or physical Damage to Machinery, including Collapse and Explosion or Pressure Equipment, which requires repair or replacement to enable normal working to continue.

Cold Chamber means the cold storage chamber including all parts of the refrigeration or controlled atmosphere gas generating and scrubbing plant system including associated controls and pressure pipe systems necessary for the purpose of maintaining the temperature or gas concentration in the cold storage chamber.

Collapse means unforeseen and unexpected physical destruction, Damage, distortion bending, or crushing of any part of Pressure Equipment, caused by vacuum or reduced pressure in the Pressure Equipment, including Damage caused by overheating resulting from insufficiency of water.

Deterioration (in relation to Goods, with 'deteriorated' having a corresponding meaning), means unforeseen and unexpected putrefaction, decay or contamination of refrigerated Goods within Cold Chambers as specified in the Schedule, caused by a rise or fall in temperature due to:

1. Breakdown of Cold Chamber Machinery, for which a claim has been admitted under this section, or would have been admitted other than for the application of the Excess
2. a change in the concentration of gases in the Cold Chamber caused by Breakdown
3. contamination of Goods caused directly by contact with refrigerant gas leaking from the insured Machinery
4. failure of thermostats or operation or failure of pressure controls or other limiting devices. This will not include loss due to the manual operation of switches or valves
5. failure of the public electricity supply to the terminal point of the suppliers feed at the Situation caused by:
 - a) an accidental failure of the supplier's system; or
 - b) a scheme of rationing necessitated solely by accidental Damage to a part of the supplier's system; or
 - c) a deliberate act of the supplier performed for the sole purpose of safeguarding life or protecting a part of the supplier's system.

Explosion means unforeseen and unexpected physical destruction or physical Damage caused by sudden and violent rending of the permanent structure of the Pressure Equipment by force of internal steam, gas or fluid pressure (including pressure of ignited flue gases), or vacuum causing displacement of any part of the Pressure Equipment together with forcible ejection of its contents.

Goods means the perishable goods specified in the Schedule, including their packaging material, belonging to You or for which You are responsible or have assumed a responsibility to insure.

Machinery means the electric, electronic, Pressure Equipment, mechanical or hydraulic machinery together with associated controls belonging to You or for which You are responsible or have assumed a responsibility to insure, but does not include:

1. wiring, fittings and outlet sockets of electric lighting or electric power circuits
2. Computers, office machines and portable and/or hand-held electronic equipment
3. telephone and closed circuit television installations
4. any Mobile Machinery, vessel, craft or thing made or intended to fly, float or travel, or stored in or mounted upon such Mobile Machinery, vessel, craft or thing
5. gaming, gambling, amusement, vending and/or coin/card-operated machinery, or audio or visual entertainment equipment
6. research, diagnostic and electro-medical equipment; unless specified in the plant schedule

Mobile Machinery means any mechanically operated or driven machine on wheels or self-laid tracks.

Pressure Equipment means the permanent structure of a boiler, pressure vessel, economiser or superheater 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.

Settlement of claims

In the event of a claim for:

1. Breakdown

In respect of Breakdown of Machinery or Pressure Equipment, We will, at Our option, repair or replace the Damaged items or pay the cash equivalent of such repair or replacement. We will also pay the cost of liquids or refrigerant gas or insulating oil necessary to complete the repairs.

The amount payable will include the cost of transport and labour and the onsite cost of parts.

If it is necessary to replace parts that are unavailable or obsolete, We will not pay more than the estimated cost of replacement of similar parts for similar type of plant currently available. If similar parts are found to be unobtainable, We shall not pay more than the manufacturer's or supplier's latest list price.

We will not pay for the costs of any alterations, improvements, maintenance or overhauls carried out on the occasion of the repair or replacement.

2. Explosion or collapse of pressure equipment

We will, at Our option, repair or replace the Damaged items or pay the cash equivalent of such repair or replacement as follows:

- a) In the case of repairable Damage, We will pay the cost of repairs necessary to restore the Pressure Equipment to its condition as it was when last working safely before the Explosion or Collapse.
- b) In the case of the Pressure Equipment that cannot be repaired at a cost less than the value of a new equivalent unit, We will pay the cost of installing and commissioning replacement Pressure Equipment of equivalent quality and size. If the Pressure Equipment is replaced with equipment that is of a better kind, quality or size, We will pay the cost that would have been incurred if an exact replacement had been installed.
- c) If the repair or replacement is not effected within twelve (12) months of the Explosion or Collapse, We will not pay more than the indemnity value of the Pressure Equipment immediately prior to the Explosion or Collapse.

The amount payable will include the costs of transport and labour, the onsite cost of parts and air freight.

We will not pay for the costs of any alterations, improvements, maintenance or overhauls carried out on the occasion of the repair or replacement.

3. Deterioration of goods in cold chambers

We will, at Our option:

- a) replace the Deteriorated Goods, or
- b) pay the actual cost price of the Deteriorated Goods, including their packaging and the cost of disposing of them, however, We will not pay for any Deteriorated Goods that had passed their 'use by' or 'best before' dates at the date of loss.

In respect of each settlement option above for which a claim is made under this section, We will deduct the Excess and the value of any salvage obtained following repair or replacement.

Additional benefits

The following additional benefits are available if You have selected this section:

1. Additional costs associated with repair

In respect of each event resulting in a claim that is admitted under this section for Breakdown of Machinery or Explosion or Collapse of Pressure Equipment, We will pay the reasonable expenses necessarily incurred for:

- a) temporary repairs
- b) hiring of substitute Machinery or Pressure Equipment
- c) overtime
- d) express freight including overseas air freight;
- e) removing, storing and disposing of debris being the residue of Damaged Property Insured, excluding any Pollutants deposited beyond the boundaries of the Situation.

We will not be liable for:

1. the costs and expenses for specialists or consultants to travel to or from Australia where these costs exceed \$5,000
2. air freight by aircraft specifically chartered for the purpose
3. overtime charges that exceed fifty per cent (50%) of the cost of carrying out the repairs at ordinary rates
4. Breakdown of Machinery or Explosion or Collapse of Pressure Equipment that has been hired or is on loan to You from a third party.

The most We will pay for any one event under this additional benefit is \$25,000 or fifty per cent (50%) of the total sum insured, whichever is the lesser.

2. Cover for additional machinery and pressure equipment

Cover is extended to include other Machinery or Pressure Equipment, delivered and installed, after the inception of this section at any of the Situations described in the Schedule:

- a) Such additions must be of a similar type and class as described in the Schedule.
- b) Such additions must be free from known defects and comply with all applicable statutory requirements.
- c) Cover will not attach until such additions have become Your responsibility and have operated satisfactorily at design load, for eight hours in total.
- d) Section limits and Excesses will remain the same for such additions.
- e) You must notify Us of such additions in writing within ninety (90) days of the commencement of such additions.
- f) You must pay the extra premium required by Us for the insurance of such additions.
- g) If such additions are unacceptable to Us, We shall, within seven (7) days of receiving Your notice, give You seven (7) days' notice that the additional plant is unacceptable to Us and on expiry of that period the additional plant shall no longer be covered.

3. Seasonal increase

The sum insured for Deterioration of Goods in Cold Chambers will automatically increase by fifty per cent (50%) during the following periods:

- a) Sixty (60) days before New Year's Day and ten (10) days following New Year's Day.
- b) Forty two (42) days before Good Friday and ten (10) days following Good Friday.
- c) Forty two (42) days before 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 twenty per cent (20%) 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; and ten (10) days following the same festive, religious or ethnic event or celebration,

or as otherwise shown in the Schedule.

4. Inflation protection

The declared value of Machinery items shall at the time of loss be increased according to the Consumer Price Index by the proportion that the number of days since the commencement of the Period of Insurance shall bear to the whole of such Period of Insurance.

5. Loss minimisation

If the sum insured on Deterioration of Goods is not exhausted and Deterioration occurs to Goods insured under this section, or if Deterioration is likely to occur to such Goods because of a Breakdown, We will pay any reasonable expenses incurred by You to prevent or minimise the loss of insured Goods:

- a) if as a result Our liability is reduced; or
- b) if the expenses were incurred with Our consent; or
- c) if You reasonably considered it expedient to incur these expenses but were not able to obtain Our consent.

Exclusions

We will not pay for any loss or Damage caused by, or arising out of:

1. Consequential loss

Consequential financial loss, loss of use, or other indirect loss.

2. Liquidated damages

Liquidated damages or penalties for delay or detentions or in connection with guarantees of performance or efficiency.

3. Wear and tear

Repair or replacement necessitated by:

- a) wasting or wearing out of parts, caused by or resulting from ordinary use or working or gradual deterioration
- b) corrosion, cavitation, erosion, or deposits of scale, sludge or other sediment

- c) any direct consequences of progressive or continuous influences from working, or from atmospheric or chemical action other than accidental contact with acids or other corrosive substances causing Damage that manifests itself within twenty-four (24) hours of such accidental contact
 - d) rusting or scratching of painted or polished surfaces,
- but this exclusion does not apply to other physical Damage to Machinery or Pressure Equipment insured by this section resulting from such causes.

4. In respect of machinery:

- a) loss, destruction or Damage directly or indirectly caused by or arising from or in consequence of:
 - i. fire resulting from explosion or otherwise, lightning, thunderbolt, spontaneous combustion, fermentation, heating or any process involving the direct application of heat
 - ii. aircraft or other aerial devices or articles dropped therefrom, or sonic boom
 - iii. earthquake, subterranean fire, volcanic eruption, tsunami
 - iv. storm, tempest, rainwater, snow, sleet, wind, hail, water from or action of the sea, tidal wave, high water, Flood
 - v. water, liquids, or substances discharged, overflowing or leaking from apparatus, appliances, pipes or other systems unless such apparatus, appliances, pipes or other systems form part of the Machinery
 - vi. riots, civil commotions, strikes or locked out workers, or persons taking part in labour disturbances, or acts of vandalism, or acts of any lawfully constituted authority in connection with the foregoing acts, cessation of work whether total or partial
 - vii. Explosion (other than explosion of flue gas in boilers)
 - viii. attempts by civil authorities to prevent the spread of fire
 - ix. theft or attempted theft
 - x. unexplained inventory shortages or disappearances
 - xi. unloading on delivery to, or loading prior to dispatch from the Situation
 - xii. incorrect siting, demolitions ordered by Government or Public or Local Authorities
 - xiii. erosion, subsidence, or collapse or any other movement of earth
 - xiv. testing and commissioning, intentional overloading or experiments
 - xv. faults or defects known to You or to any employee whose knowledge in law would be deemed to be Your knowledge and not disclosed to Us at the time this insurance was arranged, extended, varied, renewed or reinstated
 - xvi. any process of heat treatment, welding, grinding, cutting, drilling or shaping or the application of tools to the property other than for the purpose of lifting the insured machine or item; or

- xvii. Damaged or faulty doors, lids, catches, latches, locks or any door-closing or lid-closing or securing mechanism or device of a Cold Chamber.
- b) or loss of or physical destruction or Damage caused to:
 - i. bits, drills, knives, saw blades, heating elements, fuses, contacts that spark or arc, and electronic valves and tubes, lasers and magnetron units
 - ii. dies, moulds, patterns, blocks, stamps, punches
 - iii. coating or engraving on cylinders and rolls
 - iv. crushing, hammering or grinding surfaces, wear plates, screens, tyres, batteries, burner jets or other parts which by their use and nature, suffer a high rate of wear or gradual deterioration
 - v. sieves, flexible pipes, seals, jointing and packing materials, filters, ropes, chains, belts, elevator and conveyor belts or bands, cables (other than electrical conductors), brushes, refractory materials, fire bars, unless as a result of Breakdown
 - vi. fuels, chemicals, filter substances, heat transfer media, cleansing agents, lubricants, oils, catalysts or other operating materials. We will not pay for loss or Damage to refrigerants or transformer oils due to defective valves, glands, seals, gauges, or loose connections of pipes. However, this exclusion 4 b) vi) does not apply to loss or Damage to refrigerants or transformer oils due to breaking of pipes or flared joints
 - vii. materials in the course of or undergoing processing
 - viii. foundations and masonry – unless specifically included and described in the Schedule
 - ix. any below ground turbine pump, submersible pump or motor, unless such pump or motor is fitted with an effective pressure or flow cut out switch that will stop the motor if the normal pumping pressure or flow is interrupted; or
 - x. any unattended engine unless such engine is fitted with an effective automatic safety engine monitoring device and such device stops the engine in the event of a lubricating or cooling fault or failure.

5. In respect of pressure equipment

repair or replacement following loss, destruction or Damage directly or indirectly caused by or arising from or in consequence of:

- a) wasting or wearing away whether by leakage or corrosion or by the action of the fuel or otherwise
- b) slowly developing deformation or distortion; or
- c) cracks, fractures, blisters, lamination separation, flaws or grooving that has not penetrated the entire thickness of the material,

however, these exclusions 5(a), (b) and (c) will not apply to subsequent Explosion or Collapse.

6. The cost of:

- a) maintenance work including but not limited to the tightening of loose parts, recalibration or adjustments
- b) alteration, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or as a separate operation; or
- c) modification or alteration of insured plant to enable it to operate with a more ozone-friendly refrigerant gas as required by the United Nations Environmental Protection Montreal Protocol with respect to substances which deplete the ozone layer, unless conversion is necessitated by a claim that We have agreed to pay under this section.

7. Maintenance agreements

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.

Claims procedure

See also the claims procedure in the general provisions of this Policy.

In the event of any 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 loss or damage being given to Us, You may carry out repairs or make good any minor damage, but in all other cases You must give Us or Our representative an opportunity to inspect the loss or 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.

Section 8

Computer & Electronic Equipment

Introduction

This section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the general provisions of the Policy and in the Schedule.

This section is made up of 2 parts:

Part A – Computer and Electronic Equipment

Part B – Business Interruption

Definitions applicable to parts A & B

In this section;

Accidental Damage means for the purpose of any cover or Excess as shown in the Schedule or this section, physical loss, destruction of or damage to the Property Insured caused by any peril or circumstance not more specifically covered or excluded by this Policy other than fire, lightning, thunderbolt, earthquake, subterranean fire and/or volcanic eruption, aircraft and/or other aerial devices and/or articles dropped or falling from them and/or impact by space debris, sonic boom, explosion, implosion or collapse, smoke and/or steam, spontaneous fermentation or heating, spontaneous combustion, subsidence, earth movement or collapse resulting therefrom, or landslide, Flood, water from or action by the sea, tsunami, tidal wave or high water, storm, tempest, wind, hail and/or rainwater, water and/or other substance discharged, overflowing and/or leaking from apparatus, appliances, pipes, sprinkler and/or any other system(s), the acts of persons taking part in riots or civil commotions or the acts of strikers or locked out workers or persons taking part in labour disturbances, the acts of malicious persons, the acts of any lawfully constituted authority in connection with any of the foregoing acts or in connection with any conflagration or other catastrophe, impact by any waterborne craft, land vehicles or animals, burglary, theft, breakage of glass, loss of Money, fraudulent or dishonest acts, fusion.

Adjustment means adjustment as necessary to provide for the trend of the Business and variations in, or other circumstances affecting, the Business, either before or after the date of occurrence of the Damage, or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted represent, as nearly as may be reasonably practicable, the results that, but for the Damage, would have been obtained during the relative period after the Damage.

Breakdown means sudden and unforeseen physical destruction, loss or Damage resulting from electronic, electrical or mechanical failure of the insured Computer System or Electronic Equipment, requiring its repair or replacement.

Computers means Electronic Data processing equipment including software programs, but does not include equipment used for gaming, gambling, amusement, audio or visual entertainment, or vending.

Computer Systems means Computers, Peripheral Equipment, and Data Carrying Media, belonging to You, or for which You are legally responsible or have assumed a responsibility to insure.

Data Carrying Media means all disks, tapes, cards or other materials used for storing data.

Electronic Equipment means all parts of electronic equipment (including Computer Systems), belonging to You or for which You are legally responsible or have assumed a responsibility to insure.

Electronic Data means the information stored on the Data Carrying Media.

Fire and Perils means physical destruction, loss or Damage resulting from:

1. fire, lightning, thunderbolt, spontaneous combustion, fermentation, heating or any process involving the application of heat. This includes Damage from civil authorities through attempts to prevent the spread of fire; or
2. aircraft or other aerial devices or articles dropped therefrom, sonic boom; or
3. earthquake, subterranean fire, volcanic eruption, tsunami; or
4. storm, tempest, rainwater, snow, sleet, wind, hail, Flood, action of the sea, tidal wave, high water; or
5. water, liquids or substances discharged, overflowing or leaking from fixed apparatus, fixed appliances, fixed pipes or other system; or
6. riots, civil commotions, strikes or locked out workers, or persons taking part in labour disturbances, or vandalism by persons, or acts of any lawfully constituted authority in connection with the foregoing acts; or
7. explosion; or
8. impact.

Gross Income means the total of:

1. the amount paid or payable to You for goods sold and services rendered; and
2. all other sources of income received by and in the course of the Business; and
3. the amount of closing stock and work in progress at the end of Your financial year;

less:

- a) purchases of stock and consumables; and
- b) the amount of opening stock and work in progress at the beginning of Your financial year; and
- c) Uninsured Working Expenses.

Indemnity Period means the period beginning with the date of the occurrence of the Damage and ending not later than the last day of the period specified in the Schedule, during which the results of the Business are affected as a consequence of the Damage.

Insured Damage means:

1. Fire and Perils; or
2. Accidental Damage; or
3. Breakdown,

when shown as the type of cover in the Schedule, or any combination of the above shown as type of cover in the Schedule.

Peripheral Equipment means all other equipment connected to and operating from the Computer, excluding underground lines.

Software means a collection of programs which cause a Computer to perform a desired operation or series of operations.

Standard Income means the Gross Income during that period in the twelve (12) months immediately before the date of the occurrence of the Damage which corresponds with the Indemnity Period (appropriately adjusted where the Indemnity Period exceeds twelve (12) months). In the event of Damage occurring before the completion of the first year's trading of Your Business, standard income shall mean the proportional equivalent, for a period equal to the Indemnity Period of the Gross Income realised during the period between the commencement of the Business, and the date of the Damage, after Adjustment.

Total New Replacement Value means the installed price of a new Computer System or Electronic Equipment of equivalent make and model and current manufacture.

Uninsured Working Expenses means the uninsured working expenses stated in the Schedule.

Part A

Computer systems & electronic equipment

Cover

Where Computers or Electronic Equipment for which a sum insured is shown in the Schedule, and where the type of cover in the Schedule, or any combination of the following is shown as a type of cover in the Schedule, such items will be insured whilst at the Situation, as follows for:

1. Fire and Perils; or
2. Accidental Damage; or
3. Breakdown.

Settlement of claims under Part A

The basis of any claims settlement under this part A shall be as follows:

1. Where the insured items are repairable, We will pay the cost of restoring the Damaged portion to a condition substantially the same as but not better or more extensive than its condition when new.
2. Where the insured items are not repairable, We will pay the cost of replacing the item with a new item, of equivalent make and model, that is compatible with Your existing systems and programs.

The amount payable will include the costs of transport and labour, the onsite cost of parts and air freight within Australia.

Additional benefits applicable to Part A

The following additional benefits are available if You have selected Part A:

1. Consulting engineers fees

Where the sum insured has not been exhausted We will pay the cost of consulting engineers' fees (excluding fees for preparing a claim), necessarily incurred with Our written consent, in the reinstatement of Computer Systems or Electronic Equipment. Where the sum insured is otherwise exhausted, the most We will pay under this additional benefit is \$5,000.

2. Additional costs associated with repair

In respect of each event resulting in a claim admitted under this section for Breakdown of Computer and Electronic Equipment, We will pay, up to the sum insured specified in the Schedule against increased cost of working, for the reasonable expenses necessarily incurred for:

- a) temporary repairs
- b) hiring of substitute Computer and Electronic Equipment
- c) overtime
- d) express freight including overseas air freight
- e) removing, storing and disposing of debris being the residue of Damaged Property Insured, excluding any Pollutants deposited beyond the boundaries of the Situation.

We will not be liable for:

1. the costs and expenses for specialists or consultants to travel to or from Australia
2. air freight by aircraft specifically chartered for the purpose
3. overtime charges that are fifty per cent or more higher than the labour cost of carrying out the repairs at ordinary rates
4. Breakdown of Computer and Electronic Equipment that has been hired or is on loan to You from a third party.

3. Equipment on loan

We will pay for Damage to items that You have on loan temporarily, to replace insured Computer Systems and/or Electronic Equipment where We have admitted a claim under this section. The sum insured and cover for those items on loan will be limited to the cover that would have applied to the item it replaced.

4. Inflation protection

The declared value of Computer Systems and/or Electronic Equipment items shall at the time of loss be increased by the percentage rise in the Consumer Price Index for the period from the commencement of the Policy to the time of the loss.

5. Transit and temporary removal

Cover is extended to include Computer Systems and/ or Electronic Equipment temporarily removed from the Situation to anywhere in Australia, but only to the extent of cover that is already provided. The most We will pay under this additional benefit is \$5,000 per event, unless otherwise specified in the Schedule.

Variations & extensions applicable to Part A

Cover set out below only applies if shown in the Schedule.

Transit and temporary removal

For Computer Systems and/or Electronic Equipment that are indicated in the Schedule as having this variation and extension apply, cover is extended to include temporary removal from the Situation to anywhere in Australia (or worldwide if specified in the Schedule), cover is in accordance with the extent of cover already provided and also includes theft but not:

- a) whilst in storage or whilst being transported for storage or during permanent removal from the Situation
- b) if stolen from any unlocked Vehicle
- c) whilst left unattended in the open air; or
- d) whilst in transit as checked baggage or cargo.

Part B Business interruption

Cover

If the Business carried on by You is interrupted or interfered with as a result of Insured Damage (occurring during the Period of Insurance):

- a) to Property Insured under Part A of this section, for which a claim has been paid or liability admitted, or such claim would have been paid or liability admitted but for the application of a supplier's or manufacturer's warranty, hardware maintenance agreement, or Excess; or
- b) to other property at, or within twenty (20) kilometres of, the Situation, which prevents or hinders access to, or use of, any Property Insured under Part A; or
- c) to property, either at or away from the Situation, belonging to or under the control of suppliers of electric power, gas, water or sewerage reticulation control systems from which You obtain services; or
- d) causing loss of data.

We will, after taking into account any sum saved during the Indemnity Period in respect of such charges and expenses of the Business as may cease, or be reduced as a consequence of the interruption or interference, indemnify You in accordance with the settlement of claims provision in this section.

Settlement of claims applicable to Part B

Item 1 - Increased cost of working

We will pay the additional expenses necessarily and reasonably incurred during the Indemnity Period, with Our written consent, for the sole purpose of resuming or maintaining the normal operation of the Business, but not the cost of reinstatement of data.

Item 2 - Reinstatement of data

We will pay You up to the sum insured less the applicable Excess specified in the Schedule for:

- a) The actual cost of replacement of lost or Damaged Software and Data Carrying 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.

However:

- c) We shall only be liable for costs and expenses incurred within a period of twelve (12) months following the Insured Damage occurring within the Period of Insurance.
- d) This extension only applies whilst the insured Data Carrying Media is:
 - i. at the Situation
 - ii. at a media storage situation; or
 - iii. temporarily at an alternative situation for processing purposes; or
 - iv. in transit between any of these situations.

Item 3 - Gross income

- a) the amount by which the Gross Income during the Indemnity Period as a consequence of the Damage falls short of the Standard Income; and
- b) the additional expenditure necessarily and reasonably incurred by You for the sole purpose of minimising the reduction in Gross Income during the Indemnity Period, but not exceeding the reduction in Gross Income thereby avoided, and not including the cost of reinstatement of data.

If, during the Indemnity Period, services are rendered elsewhere than at the Situation for the benefit of the Business, either by You or by others on Your behalf, the Money received or receivable in respect of those services will be brought into account in arriving at the amount of the Gross Income during the Indemnity Period.

Additional benefits applicable to Part B

The following additional benefits are available if You have selected part B:

1. Professional accountants' charges

To the extent that the total sum insured under this part B is not otherwise exhausted, We will pay the reasonable cost of accountants' and other professionals' fees and other expenses, necessarily incurred by You in producing or certifying the bills, accounts or particulars required by Us, in respect of any claim made under this section.

Where the sum insured is otherwise exhausted, the most We will pay under this additional benefit is \$10,000, or five per cent (5%) of the total sum insured on Increased Cost of Working and Gross Income, whichever is the lesser.

2. Additional rental charge

If, at the time of Damage to any Computer System or Electronic Equipment for which a claim is payable, there is a lease or hire contract in force which is cancelled and replaced by a new contract in respect of a Computer System or Electronic Equipment similar to the one that was lost or Damaged, We will pay the additional rental charges incurred that result directly from the Damage.

- a) The most We will pay under this additional benefit is twenty-five per cent (25%) of the sum insured for increased cost of working and loss of Gross Income.
- b) Our liability will cease when the Business is no longer affected by the Insured Damage, or after a period of two (2) years commencing from the time of the Damage, whichever shall first occur.
- c) This additional benefit is only payable if the sum insured for increased cost of working and Gross Income is not otherwise exhausted.

3. Failure of electricity

We will also pay in respect of interruption to or interference with Your Business as a result of failure of the public supply of electricity to the terminal point of the supplier's feed at the situation, but excluding failure caused by:

- a) a deliberate act of the electricity supplier, unless performed for the sole purpose of safeguarding life or protecting a part of the supplier's system
- b) a scheme of rationing, unless necessitated solely by physical Damage to a part of the electricity supplier's system
- c) riot, strike, lock-out, or civil commotion unless arising solely out of Damage to or destruction of the electricity supplier's system (not being Damage or destruction resulting solely from cessation of work).

4. Return premium clause

If the Gross Income earned (as certified by Your accountants or auditors), during the financial year most nearly concurrent with the Period of Insurance, is less than the sum insured for Gross Income, a pro rata return of premium not exceeding fifty per cent (50%) of the premium paid for such Period of Insurance will be made in respect of the difference.

However:

- a) If a claim has been paid or became payable in the period for which an adjustment is to be made under this clause, the amount of the claim will be included in the calculation of Gross Income earned for the period.
- b) No return of premium will be allowed, unless You lodge the accountant's or auditor's certificate with Us within twelve (12) months of the Period of Insurance for which the return of premium is claimed.

5. Breakdown of essential air conditioning equipment

We will also pay in respect of interruption to or interference with Your Business as a result of the Breakdown of air-conditioning equipment, the operation of which is essential for the operation of Your Computer Systems, but only if:

- a) the equipment is insured under the Machinery section of this Policy; and
- b) a claim has been paid or liability admitted, or such claim would have been admitted but for the application of an Excess.

6. Failure of telecommunications data transmission networks (hereinafter referred to as "Failure")

Cover for increase in cost of working or loss of Gross Income insured under part B of this section is extended to include failure of telecommunications data transmission networks in Australia, which failure is not caused by a deliberate act of the telecommunications network, unless performed for the sole purpose of protecting a part of their equipment, but:

- a) the insurance cover under this additional benefit is limited to a period of ten (10) days from the date of such failure
- b) We will not be liable in respect of any increase in cost of working or loss of Gross Income incurred during the first thirty six (36) hours immediately following such failure
- c) We will not be liable in respect of failure caused by riot, strike, lock-out, civil commotion, or vandalism, unless arising solely out of physical destruction, loss or Damage to the telecommunications data transmission networks (not being physical destruction, loss or Damage resulting solely from cessation of work).

Conditions applicable to Part B

Back up of data

You will not be entitled to any payment under part B this unless You have duplicate copies of updated file media stored off site at alternative premises.

Additional benefits to parts A & B

The following additional benefits are available if You have selected this section:

Cover for additional computer systems or electronic equipment

Cover is extended to include other Computer Systems or Electronic Equipment, delivered and installed after the inception of this section at any of the Situations described in the Schedule, for a period of ninety (90) days from the time of installation but excluding items hired by You, but:

- a) such Computer Systems or Electronic Equipment are insured only to the same extent as already described in the Schedule
- b) only if such Computer Systems or Electronic Equipment are in satisfactory working order when installed
- c) the limits and Excess as shown on the Schedule shall be the same as for similar items already insured; and
- d) You must pay any premium that We require.

Exclusions to parts A & B

This section does not cover loss or Damage caused by, or arising out of:

1. Gradual deterioration

- a) the cost of repairs or replacements; or
- b) Consequential Loss resulting from interruption to or interference with the Business directly due to repairs or replacements, necessitated solely by wasting, wearing away or wearing out caused by or naturally resulting from ordinary use of working, rusting, corrosion, oxidation, gradual deterioration, chipping of painted surfaces or scratching of any surfaces of any part of an item of property.

2. Non visible damage to data carrying media

Loss of or Damage to data, including operating systems or application programs that is not accompanied by evidence of visible and identifiable physical destruction, loss or Damage to the Data Carrying Media.

3. Maintenance agreement

The costs otherwise recoverable under any hardware maintenance agreement or hiring/leasing agreement or under any maker's or manufacturer's warranty.

4. Cost of alterations or improvements

The costs of any alterations, improvements, maintenance or overhauls carried out on the occasion of the repair or replacement.

5. Computer virus

Loss of or Damage to data and operating systems resulting from Computer Virus.

6. Damage via change in atmospheric conditions

Damage caused by atmospheric conditions, moisture or change in temperature unless directly resulting from Damage to or the malfunctioning of air conditioning equipment.

7. 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 section .

Claims procedure

Please refer to the claims procedure in the general provisions of this Policy for details of Your obligations in the event of a claim.

Section 9 General Property

Introduction

This section forms part of the Policy only if shown in the Schedule and if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the general provisions and in the Schedule.

Cover

Where property for which a sum insured is shown in the Schedule, and where the type of cover in the Schedule is indicated, such property will be insured anywhere within Australia, as follows for:

1. Accidental loss or damage

We cover You for physical loss of or Damage to Property Insured, up to the sum insured, which occurs during the Period of Insurance subject to the Policy's general exclusions and the specific exclusions of this section.

2. Fire, theft, collision and other expressed perils

We cover You for loss or Damage to the Property Insured, up to the sum insured, which occurs during the Period of Insurance subject to the general exclusions and the specific exclusions of this section, where the loss or Damage is caused by:

- a) fire lighting, 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) theft consequent upon threat of immediate violence or violent intimidation; or
- e) collision or overturning of the conveying Vehicle; or
- f) earthquake, subterranean fire, volcanic eruption, tsunami; or
- g) storm, tempest, rainwater, wind, hail but not Damage caused:
 - i. by water from or action of the sea, storm surge, high water, Flood; or
 - ii. to property in the open air unless such property is a permanent structure designed to function without the protection of walls or roof; or
 - iii. by erosion, subsidence, landslide or any other movement of earth; or
 - iv. from water seeping, percolating or otherwise penetrating into the building as a result of structural defects, faulty design or faulty workmanship in their construction; or
 - v. by water entering the buildings through an opening in the wall or roof made for the purpose of alterations, additions, renovations, or repair.

Definitions

In this section:

Conveyance means the aircraft, train, Vehicle, vessel or Watercraft by which Business property is being transported.

General Average means any extraordinary sacrifice or expenditure relating to part of the ship or its cargo that is voluntarily and reasonably made or incurred for the purpose of preserving the whole ship or cargo at risk in a sea voyage.

Property Insured means the property listed on the current Schedule under the General Property section. The current Schedule will show which of the cover options applies to Your Policy. This definition displaces from this section the definition of Property Insured set out in the General Definitions.

Transit means the time:

- a) when Business property first begins loading at the warehouse, premises or place of storage on or in to the Conveyance; and
- b) continues through the ordinary course of carriage, until the Business property is first placed inside the receiver's warehouse, premises or place of storage; but
- c) both the loading and the first placing inside the receivers' warehouse, premises or place of storage must occur during the Period of Insurance for the definition of transit to be satisfied.

Settlement of claims

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 or features that are nearly the same as, (but not less than), the item being replaced.

Additional benefits

The following additional benefits are available if You have selected this section:

Theft of other equipment

We will cover You for theft of any property not belonging to You but in Your physical or legal control for the purposes of Your Business occurring during the Period of Insurance anywhere in Australia.

This optional additional benefit does not cover theft committed by any member of Your family, or by any employee of Yours, or committed by any person whilst lawfully at Your premises.

We will not cover You under this additional benefit unless the Property Insured was:

- a) in a securely locked Vehicle and the theft was consequent upon forcible and violent entry to the Vehicle; or
- b) securely and permanently affixed to a building or Vehicle and theft is consequent upon forcible and violent removal of the Property Insured; or

- c) in a Vehicle, or was secured to that Vehicle by a steel chain having a link diameter of 10mm or greater with a padlock with a security rating of 6 or above under AS 4145.4 (or any subsequent amendment); or
- d) Your private residence or the private residence of Your employee who has been authorised by You to have the custody and control of the Property Insured, but not if a tenant commits the theft; or
- e) securely locked in a building or any part of the building and the theft is consequent upon forcible and violent entry to the building or that part of the building, but not if:
 - i. committed by any person while lawfully in the building; or
 - ii. of Property Insured which is unattended in common areas of the building; or
- f) stolen as a consequence of armed hold-up or the threat of physical violence.

We will not cover You for more than \$2,000 in any one Period of Insurance under this optional additional benefit.

Exclusions

This section does not cover:

1. Employee dishonesty

Destruction, loss or Damage due to, or sustained by or through theft or any attempted theft, or any act of fraud or dishonesty committed by any:

- a) members of Your family; or
- b) person or persons in Your service, other than loss or destruction or Damage due to, or sustained by, or through theft or any attempted theft following forcible and violent entry to the premises committed by any person or persons in Your service.

2. Territorial limitations

Destruction, loss or Damage occurring outside Australia.

3. Inventory shortages

Destruction, loss or Damage arising from unexplained inventory shortages or disappearances resulting from clerical or accounting errors, or shortage in the supply or delivery of materials to or from You.

4. Consequential loss

Any Consequential Loss whatsoever.

5. Computer virus

Destruction, loss or Damage caused by Computer Virus.

6. 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 6 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.

7. Misuse of property

Property not being used by You in accordance with the manufacturer's instructions.

8. Legal liability

Any legal liability of whatsoever nature.

Variations & extensions

The cover set out below only applies if shown in the Schedule.

1. Worldwide cover

Exclusion 2 is deleted.

2. Goods in transit

When Goods in Transit Cover option is stated on the Schedule, We will cover You in respect of Damage, as provided within with Cover Option 2 – Fire, theft, collision and other expressed perils, to Property Insured belonging to You or for which You are legally responsible, whilst it is in Transit within the Commonwealth of Australia.

Excluded property within this extension

We will not be liable under this extension for loss of or Damage to any of the following property:

- a) Money; or
- b) jewellery, watches, furs, antiques, paintings, works of art, precious metals or precious stones or articles composed of any of them; or
- c) explosives, petroleum products in bulk or gas in bulk; or
- d) pets or livestock; or
- e) cigarettes, tobacco, wines, spirits or other alcoholic beverages,

unless specified in the Schedule.

Excluded perils within this extension

We will not pay for Damage:

- a) to refrigerated stock, arising from any variation in temperature, unless the variation in temperature is directly caused by electronic or mechanical breakdown resulting in stoppage or malfunction of refrigerating machinery and the subsequent failure to perform its normal refrigeration cycle for more than four (4) consecutive hours; or
- b) to Property Insured sent by post, unless by registered post; or

- c) that arises as a result of Property Insured being worked upon; or
- d) arising from insufficiency or unsuitability of packing, preparation or stowage of the Property Insured by You or Your employees; or
- e) arising from unfitness of any Conveyance or packaging for the safe carriage of the Property Insured.

Additional benefits within this extension

Where Damage to Property Insured is covered under this extension, We will also pay

1. On forwarding and transfer

We will cover You for the reasonable costs incurred for transferring, storing and/or forwarding Property Insured to a suitable place.

The most We will pay under this additional benefit for any one loss is limited to the lesser of 15% of the sum insured for Property Insured under this extension, or \$25,000.

2. Removal of debris

We will also pay the reasonable costs incurred to remove, transport and dispose of Property Insured that is subject to the claim, provided that You are legally obliged to bear such costs.

The most We will pay under this additional benefit for any one loss is the lesser of 15% of the sum insured for Property Insured under this extension, or \$100,000.

Conditions to this extension

1. Benefit of insurance

The carrier or any other bailee of the Property Insured cannot claim any benefit under this section.

2. Claims procedure

In addition to General Condition, Claims Procedure, You must also:

- a) ensure that delivered containers and seals are examined immediately by a responsible official of the receiver; and
- b) if the container is delivered Damaged or with seals broken or missing or with seals other than stated in the shipping documents, note the delivery docket accordingly and retain all defective or irregular seals for subsequent identification; and
- c) If the Damage was not immediately apparent at the time of delivery, apply immediately for surveys to be performed by the carrier or other person who had charge of the Business property to be conducted within three (3) days of delivery.

Any admissible claim under this section will not be prejudiced where:

- i. packages, excluding shipping containers, containing Business property, excluding shipping containers, are not opened and unpacked immediately upon receipt into store; and

- ii. Damage is only discovered by You when the packages are opened or unpacked; and
- iii. the Damage has been discovered no later than ninety (90) days after the receipt of packages by the receiver.

3. General average and salvage clause

If Your Property Insured is being transported by sea between Australian ports and a General Average is declared, We insure Your proportion of the General Average and/or salvage contribution irrespective of the amount insured being less than the contributory value, subject always to the limit stated in the Schedule.

In the event of a General Average contribution arising under this extension, You must contact Us and obtain Our authority to contribute before signing any General Average bond.

4. Pairs and sets

In respect of a claim payable under this extension, where any Property Insured consists of articles in a pair or set, We will not pay more than the value of any particular article(s) of the pair or set which may be Damaged without reference to any special value which such article or articles may have as part of such pair or set. Further We will not pay more than a proportionate part of such pair or set.

Claims procedure

Please refer to the claims procedure in the general provisions of this Policy for details of Your obligations in the event of a claim.

Section 10

Taxation Investigation

Cover

If You or any person on Your behalf has during the Period of Insurance, first received notification from the Australian Taxation Office or state revenue office relating to:

1. the conduct of a taxation audit; or
2. a detailed and in depth investigation,

relating to Your liability to pay income tax, fringe benefits tax, capital gains tax, A New Tax System (Goods and Services Tax), payroll tax, superannuation payments tax, termination payments tax, or sales tax (including the amount of any such tax), in respect of Your Business, We will indemnify You for the necessary Costs which You reasonably incur up to the completion of the audit or investigation.

Limitations

1. Our total liability in respect of any one audit or investigation will not exceed the sum insured shown in the Schedule.
2. Our total liability in respect of all audits or investigations for which notice was first received during the Period of Insurance will not exceed the sum insured shown in the Schedule.

Definitions

In this section;

Accountant or Registered Tax Agent means a person recognised by either the Institute of Chartered Accountants or the Australian Society of Accountants, or any other person registered by the Australian Taxation Office or government office as a tax agent, engaged by You for the purpose of preparing, or supervising the preparation of, or reviewing prior to dispatch, all returns and statements required by the Australian Taxation Office or government office, in respect of Your liability to pay tax, but does not mean You, or a person working for You under a contract of employment.

Costs means fees, charges and disbursements of an Accountant or Registered Tax Agent or any other external professional person or consultant engaged by or replacing the Accountant or Registered Tax Agent, for work undertaken in connection with the audit or investigation.

Unjustified Refusal or Failure to Comply means Your declining to do or omitting to do anything which in Our opinion is unreasonable with respect to a request from a commissioner of taxation or his or her agents or employees to provide evidence or information. However, Your refusal or failure to comply with such a request will not be deemed unjustified if it is based upon the reasonable advice of Your Accountant or Registered Tax Agent.

Exclusions

We will not be liable for Costs relating to, or arising from:

1. Unjustified refusal or failure to comply

Your Unjustified Refusal or Failure to Comply with any lawful request made by a state or federal commissioner of taxation or his or her agents or employees for the production of Documents or the supply of information.

2. Customs legislation

Matters arising under customs legislation.

3. Prior audits

Audits or investigations, notice of which or information as to their likely conduct, was received by You or by any person acting on Your behalf prior to the Period of Insurance. Receipt of such notice or information will have occurred where the Australian Taxation Office or government office makes communication with You or with any person acting on Your behalf.

4. Territorial limitations

Any audit or investigation concerning income earned, or where the source of income is, outside Australia and its external territories, or where the services giving rise to the claim are performed by persons or firms ordinarily resident outside Australia.

5. Fraudulent acts

Any fraudulent act or fraudulent omission committed by You, or on Your behalf, or any statement made by You, or on Your behalf that is false or misleading in a material particular and where the reason for such statement can be attributed to deliberate evasion, recklessness or carelessness by You or on Your behalf. This exclusion will not apply where a false or misleading statement results from You being misled by the Australian Taxation Office or government office, and where You did not and could not be expected to know that a statement was false or misleading.

6. Imposition of penalties

The imposition of or the seeking to impose any tax, penalty tax, costs, interest or any fine.

7. Non accountant prepared returns

A return of income that has not been prepared or reviewed prior to dispatch by the Accountant or Registered Tax Agent, but this exclusion does not apply to a return that is:

- a) A prescribed sales tax return.
- b) In respect of income derived from:
 - i. a contract of employment or service between You and a third party (not being income from a company employing You where You are a director of such company or have a financial interest in that company); or
 - ii. any superannuation, pension or like benefit received by You; or
 - iii. personal investments made by or for You and upon which You are not wholly or mainly dependent for support, being income supplementary to that referred to in 7)i and 7)b)ii above.

8. Payment of taxes after due date

Your failure to pay all taxes by due date or within any extension of time granted by the Australian Taxation Office or government office.

9. Error in information

In respect of any audit or investigation that results from You, or any person acting on Your behalf, becoming aware of any error or deficiency in any information, return of income or other documentation furnished to the Australian Taxation Office or government office and choosing not to notify the Australian Taxation Office or government office without delay.

10. Subsequent objections

Any subsequent objection lodged with the Australian Taxation Office or government office, the Administrative Appeals Tribunal, or the Federal or High Courts in respect of the audit, unless agreed to by Us prior to the lodging such objection.

11. Delay in response

Your delay in responding to the Australian Taxation Office or government office.

12. Costs after completion of audit

Incurred after the audit or investigation has been completed.

Conditions

1. All taxation and other returns must be submitted within the time limits prescribed by all relevant statutes and regulations or as required by or on behalf of the Australian Taxation Office or government office or within the extensions of time granted by the Australian Taxation Office or government office.
2. You must make full and complete disclosure of all assessable income (including capital gains), as required by any relevant legislation and You must not omit from any such disclosure any matter or thing without which the disclosure is misleading in a material particular.

Claims procedure

In the event of a claim arising:

- a) 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;
- b) 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;
- c) We or Our duly appointed agent may make Our own investigation into any matter which is or may be the subject of a claim; and
- d) You must ensure that Your Accountant, Registered Tax Agent and/or solicitor co-operate with and assist Us in relation to any claim and/or any matter We wish to pursue with the Commissioner of Taxation which is or may be the subject of a claim

CONTACT DETAILS

Enquiries 13 24 81
Claims 13 24 80

Mailing address

GPO Box 9902 in your capital city

Sydney

388 George Street
Sydney NSW 2000

Perth

46 Colin Street
West Perth WA 6005

Melbourne

181 William Street
Melbourne VIC 3000

Adelaide

80 Flinders Street
Adelaide SA 5000

Brisbane

189 Grey Street
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