



**Small Business
Product Disclosure Statement and
Insurance Policy Wording**

The Insurer	5
How To Contact Us	5
The Policy	5
ProRisk.....	5
Your Duty of Disclosure.....	5
Non-Disclosure	5
Privacy Statement	6
General Insurance Code of Practice	6
Complaints Handling.....	6
Terrorism Insurance Act 2003 (Cth) Notice (NMA2984).....	6
Policy Coverage.....	6
Section 1 - Fire and other defined events.....	6
Section 2 - Business interruption	6
Section 3 - Burglary.....	7
Section 4 - Money.....	7
Section 5 - Glass	7
Section 6 - Business Special Risks	7
Section 7 - Machinery Breakdown.....	7
Section 8 - Computer and Electronic Equipment	7
Section 9 - Employee Dishonestly.....	7
Words with Special Meanings	7
Cooling-off Period.....	7
How to Make a Claim.....	7
Under-insurance	7
Goods & Services Tax.....	7
Headings.....	8
General Definitions.....	8
Our Agreement	9
Limitations of Cover	10
General Exclusions	10
General Terms & Conditions	11
Section 1 – Fire.....	13
Definitions	13
Cover	14
Basis of Settlement.....	15

Limitations of Cover.....	16
Other Matters.....	16
Exclusions.....	17
Special Condition.....	17
Alternative Basis of Settlement Indemnity Option.....	17
Extensions of Cover.....	18
Optional Extension of Cover.....	23
Section 2 - Business Interruption.....	24
Definitions.....	24
Cover.....	25
Basis of Settlement.....	25
Limitations of Cover.....	26
Extensions of Cover.....	26
Optional Extensions of Cover.....	28
Section 3 – Burglary.....	29
Definitions.....	29
Cover.....	29
Limitations of Cover.....	29
Exclusions.....	29
Special Condition.....	29
Extensions of Cover.....	29
Section 4 – Money.....	32
Definitions.....	32
Cover.....	33
Limitation of Cover.....	33
Exclusions.....	33
Extensions of Cover.....	33
Section 5 – Glass.....	36
Definitions.....	36
Cover.....	36
Limitations of Cover.....	36
Exclusions.....	36
Extensions of Cover.....	36
Section 6 – Business Special Risks.....	37
Definitions.....	37
Cover Options.....	37

Basis of Settlement.....	37
Limitations of Cover.....	38
Exclusions.....	38
Section 7 – Machinery Breakdown	39
Definitions	39
Cover	40
Extensions of Cover	40
Exclusions.....	42
Settlement of Claims	43
Section 8 – Computer and Electronic Equipment.....	44
Definitions	44
Cover	45
Limitation.....	45
Extensions of Cover	45
Variation and Extension.....	46
Settlement of Claims	46
Conditions	47
Exclusions.....	47
Section 9 – Employee Dishonesty	47
Definitions	47
Cover	48
Extensions of Cover	48
Exclusions.....	49
Settlement of Claims	49
Special Conditions.....	49

PRODUCT DISCLOSURE STATEMENT

INTRODUCTION

The Insurer

The **ProRisk** Small Business Insurance **Policy** is issued by Professional Risk Underwriting Pty Ltd ABN 80 103 953 073 AFSL 308076 ("**ProRisk**") on behalf of the **Underwriters**.

How To Contact Us

We can be contacted by telephone or in writing at:

ProRisk

Level 3, 100 Wellington Parade
EAST MELBOURNE VIC 3002

Email: enquiries@prorisk.com.au

Phone: (03) 9235 5255

Fax: 1800 633 073

Your Insurance Broker will arrange this insurance for **You**. If **You** have any questions about the **Policy**, or **You** wish to contact **ProRisk**, please contact **Your** Insurance Broker for assistance.

The Policy

The **Policy** is an important document. The **Policy** wording and **Schedule** together set out the cover provided, the amount insured and the terms and conditions of **Your** insurance. Only those **Cover sections** shown as covered in **Your Schedule** are insured. Please read the **Policy** carefully and keep it in a safe place.

ProRisk

Professional Risk Underwriting Pty Ltd ABN 80 103 953 073 AFSL 308076, has the authority to bind this **Policy** on behalf of the **Underwriters**.

Your Duty of Disclosure

Section 21 of the Insurance Contracts Act 1984 provides that before **You** enter into a contract of general insurance with an insurer, **You** have a duty to disclose to the insurer every matter that **You** know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, upon what terms. **You** have the same duty to disclose those matters to the insurer before **You**

renew, extend, vary or reinstate a contract of general insurance.

- **Your** duty, however, does not require disclosure of matter:
- That diminishes the risk to be undertaken by the insurer;
- That is of common knowledge;
- That **Your** insurer knows, or in the ordinary course of its business, ought to know;
- As to which compliance with **Your** duty of disclosure is waived by the insurer.

Non-Disclosure

If **You** fail to comply with **Your** duty of disclosure, **Underwriters** may be entitled to reduce their liability under the contract in respect of a claim or may cancel the contract. If **Your** non-disclosure is fraudulent, **Underwriters** may also have the option of avoiding the contract from its beginning.

Privacy Collection Statement

ProRisk is bound by the obligations of the Privacy Act 1988 (as amended) regarding the collection, use, disclosure and handling of personal information.

We collect personal information about **You** and about other individuals to enable **Us** to provide **You** with relevant products and services, to assess **Your** application for insurance and, if a contract is entered, to enable **Us** to provide, administer, and manage the **Policy**, and to investigate and handle any claims under the **Policy**. **We** may disclose personal information **We** collect to third parties (who may be located in the United Kingdom and other countries outside Australia). These include the insurer, lawyers, claims adjusters, and others appointed by **ProRisk** to assist **Us** in providing relevant products and services. **We** may also disclose **Your** information to people listed as co-insured on the **Policy** and to **Your** agents. By providing **Your** personal information to **Us**, **You** consent to **Us** making these disclosures.

If **You** do not provide all or part of the information required, **We** may not be able to provide **You** with **Our** products and services, consider **Your** application for insurance, administer the **Policy**, assess or handle claims under the **Policy**. **Your** Duty of Disclosure may require **You** to provide personal information to **Us**.

When **You** provide **Us** with personal information about other individuals, **We** rely upon **You** to

have made them aware of that disclosure, and to ensure that they are aware of the matters set out in this **ProRisk** Privacy Statement and **ProRisk's** Privacy Policy and have consented to the disclosure.

Further information about **ProRisk's** collection, use, disclosure and handling of personal information is set out in its Privacy Policy, available on its website at www.prorisk.com.au. To obtain a hard copy of our Privacy Policy or to request access to or correction of or to update personal information, contact the Privacy Officer at **ProRisk** by email: enquiries@prorisk.com.au or by mail at the address shown on the **Policy**.

General Insurance Code of Practice

ProRisk and **Underwriters** proudly support the General Insurance Code of Practice. The purpose of the Code is to raise standards of practice and service in the general insurance industry. A copy of the Code can be obtained from www.codeofpractice.com.au.

The **Policy** and the **Schedule** are Insurance Council of Australia's General Insurance Code of Practice compliant, apart from any claims adjusted outside Australia.

Complaints Handling

Any enquiry or complaint relating to this Insurance should be referred to **ProRisk** in the first instance. **We** have a complaints handling and internal dispute resolution process to assist **You**, and information about **Our** complaints handling procedures is available upon request. If this does not resolve the matter or **You** are not satisfied with the way a complaint has been dealt with, **You** should write to the Complaints Department of the **Underwriters**:

The Complaints Manager
Swiss Re International SE, Australia Branch
Level 36, Tower Two, International Towers
Sydney
200 Barangaroo Avenue, Sydney NSW 2000
Telephone: (02) 8295 9500
Email: complaints_anz@swissre.com

Complaints that cannot be resolved by the Complaints Department of the **Underwriters** may be referred to the:

Australian Financial Complaints Authority
 GPO Box 3
Melbourne VIC 3001
Email: info@afca.org.au
Telephone: 1800 931 678

Further details will be provided at the appropriate stage of the complaints process.

Terrorism Insurance Act 2003 (Cth) Notice (NMA2984)

Underwriters have treated this insurance (or part of it) as an insurance to which the Terrorism Insurance Act 2003 (Cth) (TIA) applies.

TIA and the supporting regulations made under the Act deem cover into certain policies and provide that the Terrorism exclusion to which this insurance is subject shall not apply to any "eligible terrorism loss" as defined in TIA.

Any coverage established by TIA is only in respect of any "eligible terrorism loss" resulting from a "terrorist act" which is a "declared terrorist incident" as defined in TIA. The terrorism exclusion, to which this insurance is subject applies, with full force and effect to any other loss and any act or event that is not a "declared terrorist incident".

All other terms, conditions, insured coverage and exclusions of this insurance including applicable limits and deductibles remain unchanged.

If **Underwriters** have reinsured this insurance with the Australian Reinsurance Pool Corporation, then **Underwriters** will not be liable for any amounts for which they are not responsible under the terms of TIA due to the application of a "reduction percentage" as defined in TIA which results in a cap on **Underwriters** liability for payment for "eligible terrorism losses".

Policy Coverage

The **Policy** contains nine separate **Cover Sections**. **You** can choose the **Cover Sections** which meet **Your** requirements and **You** will only have cover for those sections which **You** have selected and for which **You** have paid the required premium. Each **Cover Section** contains some specific limitations and exclusions. There are also general exclusions which apply to all sections of the policy. Before choosing which **Cover Sections** **You** require, **You** should read the whole of this document carefully and ensure that it meets **Your** requirements. The **Cover Sections** are as follows:

Section 1 - Fire and other defined events

This section covers damage to **Property** at **Your Premises** arising from the specified events. Cover also provides some additional benefits and limitations of cover.

Section 2 - Business interruption

This section covers loss of income and increased cost of working resulting from

interruption of **Your** of **Business** caused by events which are covered under certain other **Cover Sections** of the **Policy**.

Section 3 - Burglary

This section covers the theft of contents and stock from **Premises**.

Section 4 - Money

This section covers money at **Your Premises**. You may choose blanket cover or specified cover for the categories set out in the **Policy**.

Section 5 - Glass

This section covers glass at **Your Premises**, together with the additional benefits set out in the **Policy**.

Section 6 - Business Special Risks

Depending on the option which **You** choose, this section covers **Items** specified in the schedule for accidental damage or against fire, theft and other specified events.

Section 7 - Machinery Breakdown

This section covers the breakdown of mechanical machinery at **Your Business**.

Section 8 - Computer and Electronic Equipment

This section covers **Damage** and **Breakdown** of **Computer Systems** and **Electronic Equipment** at **Your Premises**.

Section 9 - Employee Dishonestly

This section covers loss of money, negotiable instruments or goods caused by fraud or dishonesty on the part of an **Employee**.

Words with Special Meanings

Words are sometimes capitalised or italicised to show that words are abbreviations or have a particular defined meaning, please refer to the Definitions contained in this introduction, and the relevant **Cover Sections** to obtain the full meaning of these terms.

Cooling-off Period

If **You** want to return **Your** insurance after **Your** decision to buy it, **You** may cancel it and receive a full refund. To do this **You** may notify **Your** broker electronically or in writing within 21 days from the date the **Policy** commenced.

This cooling-off right does not apply if **You** have made or are entitled to make a claim. Even after the cooling-off period ends, **You** still have cancellation rights. However, **Your** broker may deduct certain amounts from any

refund for administration costs or any non-refundable taxes.

If the **Policy** is for an event that will start and finish within the 21 day cooling-off period, **You** can only exercise **Your** right before the event starts or the expiry of the cooling-off period, whichever is the earlier.

How to Make a Claim

If **You** need to make a claim against this **Policy**, please refer to 'Claims Procedures' under General Terms & Conditions. If **You** have any queries, please contact **Your** intermediary or **Us** as soon as possible.

Under-insurance

The Fire **Cover Section** contains Under-insurance (also known as 'Average') clauses that may limit the amount that **We** pay when **You** have a claim. This will only happen if **You** understate a **Sum Insured** or declared value.

Example:

The insurable value of **Your** property, insured in accordance with the Basis of Settlement at the commencement of the **Insurance Period**, upon which the **Sum Insured** or limit of liability is based, is declared as \$1,000,000.

Property damage amounting to \$400,000 occurs from an event covered by the **Policy**.

The insurable value of such property at the commencement of the **Insurance Period** calculated as stated, is actually \$1,500,000.

Under-insurance applies because the declared value of the property is less than 80% of the insurable value calculated in accordance with the Basis of Settlement applicable.

$$\frac{\$1,000,000 \times \$400,000}{\$1,500,000}$$

$$\text{Claim payment} = \frac{\$1,000,000 \times \$400,000}{\$1,500,000} = \$333,333$$

In this example, **We** would pay \$333,333 for the cost of reinstating **Your** property, subject to the application of any **Excess(es)**.

Goods & Services Tax

The **Sum Insured** that **You** choose should exclude Goods and Services Tax ("GST").

In the event of a claim, if **You** are not registered for GST, **We** will reimburse **You** the GST component in addition to the amount **We** pay **You**. If **You** are registered for GST, **You** will need to claim the GST component from the Australian Taxation Office.

<u>Input Tax Credit</u>	<u>Claim Settlement</u>
0%	Settled inclusive of GST

100%	Settled less GST
80%	Settled less 80% of the GST

You must advise **Us** of **Your** correct input tax credit percentage where **You** are registered as a **Business** and have an Australian Business Number. Any GST liability arising from **Your** incorrect advice is payable by **You**.

Headings

Headings have been included for ease of reference, but do not form part of the **Policy**.

1. General Definitions

The following definitions shall apply to the words used in the **Policy**.

- 1.1 **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.
- 1.2 **Australia** means the Commonwealth of Australia and all of its States and Territories including all external Territories, all referred to in this **Policy** as Australia.
- 1.3 **Building** means a permanently fixed structure that consists of a roof and external walls that completely enclose an area beneath the roof when doors and windows that form part of the structure are closed. Provided that when the word building is used in the **Schedule** to describe a category of property insured, it is agreed that the following property is included in that category:
- 1.3.1 carports, pergolas and canopies;
 - 1.3.2 barns and out buildings;
 - 1.3.3 storage sheds and tanks;
 - 1.3.4 walls, fences, gates and letterboxes;
 - 1.3.5 all permanent fittings and fixtures to any building;

- 1.3.6 external fixed items including:
 - (a) swimming pools, saunas and spas;
 - (b) gangways between buildings;
 - (c) lights and signs; and
 - (d) air conditioning units;
- 1.3.7 flag poles;
- 1.3.8 communications masts, aerials, antennae and dishes;
- 1.3.9 fixed floor coverings;
- 1.3.10 paths and driveways;
- 1.3.11 foundations of any building;
- 1.3.12 structural improvements to any building;
- 1.3.13 underground and above ground services connected to any building; and
- 1.3.14 piers and jetties.

1.4 **Business** means **Your** business, occupation, trade or profession as described in the **Schedule**.

1.5 **Contents** means all contents (including **Stock**) at the **Premises**, including property (other than **Buildings**) of others, and when the word Contents is used in the **Schedule** to describe a category of property insured, it is agreed that **We** accept the designations used in **Your** books and records.

1.6 **Cover Section** means the individual coverage that **We** give **You** that attaches to and forms part of **Your Policy** when this is shown in the **Schedule**, for example Burglary Section or Glass Section.

1.7 **Employee Dishonesty** means the unlawful taking of property by **Your** employee, whether acting alone or in collusion with others, with the intent to:

- 1.7.1 cause loss to **You**; or
- 1.7.2 benefit any person or organisation other than **You**.

1.8 **Endorsement** means an individual endorsement document that **We** give **You** that attaches to and forms part of the **Policy**. This document varies the terms and conditions of the **Policy**.

1.9 **Excess** means the first amount of each claim. The amount of the **Excess** is shown in the **Schedule**.

- 1.10 **Flood** means the covering of normally dry land with water released or that has escaped from the normal confines of:
- 1.10.1 any watercourse, whether natural or altered;
 - 1.10.2 any lake, whether natural or altered; or
 - 1.10.3 any reservoir, canal or dam.
- 1.11 **Insurance Period** means the insurance period shown in the **Schedule** or any subsequent period for which **We** have agreed to renew or extend the cover.
- 1.12 **Insured** means the entity named as the Insured in the **Schedule**.
- 1.13 **Money** means coins, bank notes or negotiable instruments such as, but not limited to, cheques, stamps, money orders, vouchers and tickets and which is the property of the **Business**.
- 1.14 **Policy** means this document, including the policy wording, any **Endorsements** to it, the **Schedule**, the **Proposal** and any other documents that **We** issue to **You** and advise **You** that they form part of the **Policy**.
- 1.15 **Pollutant** means any solid, liquid, gaseous or thermal irritant, including but not limited to smoke, vapour, soot, fumes, acid, alkalis, chemicals or waste. Waste includes but is not limited to material to be recycled, reconditioned or reclaimed.
- 1.16 **Premises** means the premises at the location or locations shown in the **Schedule**.
- 1.17 **Premium** means the amount(s) shown in the **Schedule** that **You** have to pay inclusive of all charges for the cover **We** provide under the **Policy**.
- 1.18 **Proposal** means the proposal document **You** complete for this insurance.
- 1.19 **Schedule** means the schedule document that **We** give **You** that attaches to and forms part of **Your Policy**.
- 1.20 **Specified Items** means the items specified as such in the **Schedule**.
- 1.21 **Stock** means all stock at the **Premises**, including work in progress and property of others held on consignment, and when the word Stock is used in the

Schedule to describe a category of property insured, it is agreed that **We** accept the designations used in **Your** books and records.

- 1.22 **Sum Insured** means the sum insured shown in the **Schedule** for each **Premises**.
- 1.23 **Underwriters** means Swiss Re International SE Australia Branch (ABN 38 138 873 211).
- 1.24 **We, Us** and **Our** means **ProRisk** on behalf of **Underwriters**.
- 1.25 **You, Your** or **Yours** means the person(s) or parties shown as the **Insured** in the **Schedule**, including all subsidiary companies, organisations and entities incorporated in **Australia** in which the **Insured** has a controlling interest (exceeding 50%) engaged in the **Business** described in the **Schedule** and not for any other purpose or activity.

Policy

2. Our Agreement

Subject to all of the terms and conditions contained in the **Policy** and payment of the **Premium**, **We** will provide **You** with the cover shown in the **Cover Sections** of the **Policy** up to the amount shown in the **Schedule** or any lesser limit specified in **Your Policy**.

2.1 Approved Claim Preparation Costs

In addition to the amount of cover provided by each **Cover Section**, **We** will pay up to \$25,000 for reasonable professional fees and such other expenses incurred by **You** for the preparation of a claim under a **Cover Section**.

However, before **You** incur these claim preparation costs **You** must obtain **Our** written approval to incur these costs.

2.2 Emergency Mitigation Costs

In the case of an emergency where **You** are required to prevent further loss or damage to **Your** property as a direct result of that emergency, and the property is covered by the **Policy**, **We** give **You** the authority to arrange these emergency repairs on **Our** behalf.

2.3 Repairs to Damage by You

When **We** agree that the repair of the damage can be undertaken by **You** or **Your** employees, **We** agree to pay **Your** labour costs and overhead expenses subject to the limitations of cover referred to in Clause 3, Limitations of

Cover. However **We** will not pay more than the amount required for a competent contractor to do the same work.

3. Limitations of Cover

The cover provided by the **Policy** is limited by the limitations of cover shown in the **Cover Sections** and the general exclusions applicable to all **Cover Sections** that follow.

4. General Exclusions

The following general exclusions apply to all **Cover Sections** of the **Policy**:

4.1 Acquisition of Companies

The **Policy** does not cover:

- 4.1.1 any other legal entity acquired during the **Insurance Period**; or
- 4.1.2 any property or liability belonging to associated with such legal entity or business undertaking or operation, except as stated below.

Provided that **We** have been notified in writing within 30 days of any acquisition, and the business undertaking of the other entity is similar to that of the **Business**, **We** will agree to provide cover subject to **Your** acceptance of **Our** terms and undertaking to pay the additional **Premium We** may require. **Our** liability shall not exceed the **Sum Insured** or any sub-limit applicable under the relevant **Cover Sections** for each **Category** of **Property** (as defined in the relevant **Cover Section**).

4.2 Aggravated, Punitive or Exemplary Damages, Fines or Penalties

Your Policy does not cover any fines, penalties, exemplary, punitive, liquidated or aggravated damages or additional damages resulting from the multiplication of compensatory damages.

4.3 Alteration of Risk

If the risk of loss or damage covered by the **Policy**, is significantly increased by any alteration in the circumstances that affect **You** or **Your Business We** will not cover any claims that are caused by or arise from such alteration unless:

- 4.3.1 **You** did not know of the alteration; or
- 4.3.2 **You** have notified **Us** of the alteration and **We** have agreed to accept the alteration to the risk. If

We accept the alteration, **We** shall be entitled to payment of an appropriate additional **Premium**.

4.4 Asbestos

The **Policy** does not cover any liability for:

- 4.4.1 personal injury arising directly or indirectly, out of or caused by, through or in connection with the inhalation of (including the fear of inhalation of, or exposure to) asbestos, asbestos fibres or derivatives of asbestos;
- 4.4.2 property damage, or loss of use or diminution in value of property, arising directly or indirectly, out of or caused by, through or in connection with asbestos, asbestos fibres or derivatives of asbestos; and
- 4.4.3 the cost of cleaning up, removing, treating, controlling, storing or disposing of asbestos, asbestos fibres or derivatives of asbestos.

Provided that this Exclusion shall not apply to Extension of Cover 14.8 (Extra Cost of Reinstatement).

4.5 Obsolete or Redundant Plant & Equipment

The **Policy** does not cover obsolete or redundant plant and equipment (but not property categorised as **Stock**) that is no longer used in the **Business** provided that this exclusion shall not apply to items kept for spare parts.

4.6 Pollution

The **Policy** does not cover:

- 4.6.1 loss, damage, costs or expense, directly or indirectly arising out of the 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);
- 4.6.2 loss, damage, costs or expense, directly or indirectly arising out of the discharge, seepage, migration, dispersal, release or escape of **Pollutants** caused by any product that has been discarded, dumped, abandoned or thrown away by others;

- 4.6.3 the cost of removing, nullifying or cleaning up **Pollutants**;
- 4.6.4 the cost of preventing the escape of **Pollutants**.
- 4.7 Exclusion 4.6.1 and 4.6.3 shall not apply where the loss arises from a sudden identifiable, unintended and unexpected event which takes place in its entirety at a specific time and place and occurs in **Australia**. However, the total aggregate limit of liability for all claims for each **Premises** during the **Insurance Period** shall not exceed the total **Sum Insured** stated in the **Schedule**.

4.8 Unoccupied Buildings & Premises

Except for loss or damage to insured property by lightning, earthquake and subterranean fire, the **Policy** does not provide any cover for or at a **Building** or **Premises** after that **Building** or **Premises** has been unoccupied for more than 90 consecutive days. Unoccupied means left vacant by **You** or any other authorised person whether furniture or other **Contents** remain or not.

Provided that:

- 4.8.1 cover will apply at an unoccupied **Building** or **Premises** if **We** have specifically agreed to this in writing;
 - 4.8.2 cover will resume when that **Building** or that **Premises** is again occupied by authorised persons; and
 - 4.8.3 **You** agree to pay **Us** any additional **Premium** that **We** may require.
- #### 4.9 War, Act of Terrorism, Confiscation, Radioactivity, Nuclear Perils

The **Policy** does not cover loss, damage, costs or expense, directly or indirectly caused by, resulting from or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence thereto:

- 4.10 any war, hostilities whether war is declared or not, acts of foreign enemies, rebellion, revolution, civil war, invasion, insurrection or the use of military or usurped power; or
- 4.11 any **Act of Terrorism** or any action taken in controlling, preventing,

suppressing or in any way relating to any **Act of Terrorism**; or

- 4.12 any order of any government, public or local authority involving the confiscation, nationalisation, requisition, damage or destruction of any property unless such destruction was undertaken to reduce the spread of fire; or
- 4.13 radioactivity or any radioactive substances; or
- 4.14 nuclear fission or nuclear fusion.

5. General Terms & Conditions

The following general terms and conditions apply to **Your Policy**:

5.1 Precautions

You must take all reasonable care to prevent or minimise loss or damage, including by compliance with any law, by-law, ordinance or regulation that concerns the safety of persons or property.

5.2 Cancellation

5.3 How You may cancel the Policy

You may cancel the **Policy** or any **Cover Section** at any time by notifying **Us** in writing. **You** can do so by giving such notice through **Your** intermediary.

Where **You** involves more than one person or party, **We** will only cancel the **Policy** when written agreement to cancel is received from all of the such named persons or parties.

5.4 How We may cancel the Policy

We may cancel the **Policy** or any **Cover Section** in any of the circumstances permitted by the Insurance Contracts Act 1984 (Cth) by informing **You** in writing.

We will give **You** this notice in person or send it to **Your** address last known to **Us**.

5.5 The Premium

We will refund **You** the proportion of **Premium** for the unexpired portion of the **Insurance Period** less any tax or duty paid or owing for which **We** are unable to obtain a refund.

5.6 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 portion of the **Insurance Period**.

5.7 Claims Procedures

You must not negotiate, admit or deny any claim without **Our** written permission.

When an event happens that is likely to result in a claim under the **Policy**, **You**, or any other person or party covered by the **Policy**, must:

- 5.7.1 take all reasonable precautions to prevent further loss, damage, injury, illness or liability;
- 5.7.2 inform the police immediately if property is lost, stolen or maliciously damaged;
- 5.7.3 notify **Us** immediately of the event;
- 5.7.4 provide **Us** with full written details of the event within 30 days of learning that the event happened;
- 5.7.5 supply **Us** with all information and assistance as **We** may reasonably require;
- 5.7.6 allow **Us** to use any legal rights held by **You** or held by any other party covered by **Your Policy**;
- 5.7.7 as far as possible preserve any products, appliances, plant or other items which might prove necessary or useful as evidence until **We** have had an opportunity of inspection.

5.8 Payments in respect of Goods and Services Tax

When **We** make a payment to **You** or on **Your** behalf under the **Policy** for the acquisition of goods, services or other supplies, **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.

When **We** make a payment to **You** or on **Your** behalf under the **Policy** as compensation instead of payment for the acquisition of goods, services or other supplies, **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 had the payment been applied to acquire such goods, services or supplies.

5.9 Payment of Excess

When **You** have a claim under a **Cover Section** of the **Policy** **You** must pay the **Excess** amount in accordance with the terms and conditions applicable to that **Cover Section**. Limits and sub-limits of the **Sum Insured** shall apply in addition to, and shall not be reduced by, the amount of any applicable **Excess**.

Should a single event result in **You** claiming under more than one **Cover Section** of the **Policy**, then only the single highest **Excess** will apply to all claims that arise out of the one event.

Only one **Excess** will apply to all damage resulting from earthquake, subterranean fire, volcanic eruption, bushfire, storm, hail or rainwater that is continuous, is due to the same general conditions, and occurs within a 72-hour period from the first happening of damage.

5.10 Progress Payments

If **We** have agreed that a claim is covered by the **Policy**, **We** will make reasonable progress payments.

5.11 Interests of Other Parties

When the **Policy** covers the interests of more than one party, any act or omission of an individual party will not prejudice the rights of the remaining parties, provided that the remaining parties immediately on becoming aware of any act or omission relevant to **Our** acceptance of the risk or which increases the risk of loss, damage or liability, give notice in writing of the circumstances to **Us** and agree to pay such reasonable additional **Premium** as **We** may require.

5.12 Fraudulent Claims

If **You** or any party covered by the **Policy** makes a claim or arranges for some other party to make a claim that is in any way false, dishonest or fraudulent, **We** may be entitled to refuse payment of the claim.

5.13 Non-Disclosure or Misrepresentation

If **You** make a misrepresentation to **Us** or if **You** do not comply with **Your** duty of disclosure and **We** issue the **Policy** with terms and conditions that are different to the terms and conditions that would have been issued had there not been any misrepresentation and **Your** duty of disclosure had been complied with, then:

- 5.13.1 our liability under the **Policy** will be reduced so that **We** are placed in the same position as **We** would have been in had there not been any misrepresentation and **Your**

duty of disclosure had been complied with;

5.13.2 **We** may also cancel the **Policy**; or

5.13.3 **We** may avoid the **Policy** if the misrepresentation or **Your** non-disclosure was fraudulent.

5.14 **Other Insurance & Contribution**

When **You** make a claim on the **Policy** **You** must also supply **Us** with written details of all policies that may cover or partially cover that claim.

5.15 **Notifications**

All notices and communications must be made or confirmed in writing by **You** or **Your** intermediary. Other forms of communication will not be acted upon by **Us** until confirmed in writing by **You** or **Your** intermediary.

5.16 **Proper Law & Jurisdiction**

The construction, interpretation and meaning of the provisions of the **Policy** shall be determined in accordance with the laws of **Australia** and the Australian State or Territory in which the **Policy** is issued. In the event of any dispute arising under this **Policy**, including but not limited to its construction, validity, performance and/or interpretation, **You** will submit to the exclusive jurisdiction of any competent court in the Commonwealth of Australia.

5.17 **Geographical Limits**

The cover provided under the **Policy** is limited to loss or **Damage** which occurs in **Australia**.

5.18 **Sanctions Limitation**

We will not be liable under this **Policy** to provide any cover nor pay any **claim** or pay any other benefit to the extent that the provision of such cover, payment of such **claim** or provision of such other benefit would expose **Us** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of any jurisdiction applicable to **Us**.

COVER SECTIONS

Section 1 – Fire

Introduction

This **Cover Section** only forms part of the **Policy** when Section 1 Fire is shown as Covered in the **Schedule** and is limited to the **Insurance Period** indicated.

6. Definitions

In addition to the general definitions in clause 1 of the **Policy**, the following definitions shall apply to these words where used in this **Cover Section**.

6.1 **Breakdown** means the actual breaking, seizing, deformation or melting of any part of any property while that property is in use that is caused by mechanical, electrical or electronic defect within the property and which directly results in sudden malfunction that requires repair or replacement before the property can resume normal operation.

6.2 **Category** and **Categories** means the category into which property can be designated from the following:

6.2.1 **Building(s)**;

6.2.2 plant, machinery and all **Contents** excluding **Stock**;

6.2.3 **Stock**;

6.2.4 all **Contents**;

6.2.5 tenant's leasehold improvements; or

6.2.6 specified items that are specified as such in the **Schedule**.

For the purpose of this definition, **We** agree to accept the designation used by **You** in **Your** records, prior to the loss or **Damage**.

6.3 **Damage** or **Damaged** means accidental physical damage, destruction or loss.

6.4 **Insured Peril** means any of the insured perils that are shown in this **Cover Section** under the heading Cover.

6.5 **Pollution** or **Contamination** means the discharge, dispersal, release or escape of any type of **Pollutant** or contaminant into or upon property, land, atmosphere or any watercourse or body of water including, but not limited to, ground water.

- 6.6 **Pre-Damage Value** means the value of the property that is damaged immediately before the damage has occurred. This value must take account of depreciation, wear and tear, maintenance, construction, general condition and the anticipated future useful life of the property.
- 6.7 **Property** means any tangible property both real or personal of every kind and description belonging to **You** or that **You** are responsible for, or for which **You** have assumed responsibility to insure prior to the occurrence of any damage. This does not include personal property of directors, partners and employees that is not on the **Premises**.
- 6.8 **Reinstatement** means to restore that part of the **Property** that is damaged so that the function, output and construction are similar to that part of the **Property** when it was new, by repairing it or, at **Our** option, replacing that part of the **Property** with similar new **Property**.
- 6.9 **Replacement Cost** means the cost to replace **Property** with new **Property** that has similar function, output and construction to that of the original **Property** when it was new. This shall include all charges, fees and costs such as, but not limited to local authority permit and approval charges, architects, engineers and other consultants fees necessarily incurred when replacing this **Property**.
- 6.10 **Total Sum Insured** means the amount shown in the **Schedule** as the total sum insured for each specific **Premises**.

7. Cover

We will pay up to the **Sum Insured** in accordance with the Basis of Settlement for **Property** shown in the **Schedule** that is damaged at the **Premises** during the **Insurance Period** by any of the following **Insured Perils**:

7.1 Fire, Lightning & Explosion

Fire, lightning, explosion, earthquake, subterranean fire, volcanic eruption or tsunami.

Provided that **We** will not pay for damage to any pressure vessel (including a boiler) caused by the explosion or implosion thereof:

7.1.1 where the pressure vessel is not used solely for domestic purposes; and

7.1.2 has a value of more than \$200,000.

7.2 Impact

Impact caused by:

7.2.1 vehicles or their loads;

7.2.2 animals;

7.2.3 trees or branches;

7.2.4 communication masts, towers, antennae or dishes;

7.2.5 aircraft, spacecraft, including sonic boom, meteorites or space debris; or

7.2.6 a falling **Building** or other structure or part thereof.

7.3 Leakage of Liquid other than Water

Liquid other than water discharged or leaking from any tank, pipe or storage system installed in or on the **Building** or in an adjoining building.

7.4 Malicious Damage

Malicious damage to **Property** that is not caused by **You**, including malicious damage caused during industrial disputes, riots and civil commotions and by persons carrying out a theft or attempted theft. However, **We** do not cover theft or disappearance of **Property** other than theft of parts of the **Building** when **Buildings** are insured.

7.5 Molten Material

Escape of molten material from its normal container or safety devices, but excluding damage to the molten material, its normal container and the cost of locating or rectifying the cause of the escape.

7.6 Storm, Hail and Water

Storm, wind, hail, water including rainwater or snow.

Provided that damage to textile blinds and awnings, shade cloth, shade houses, fibreglass houses and glass houses, gates, fences, signs and retaining walls caused by or arising from storm, rainwater, wind, hail or snow is limited to a maximum of \$25,000 in total, any one event.

This **Insured Peril** does not include damage:

7.6.1 caused by erosion, landslide, mudslide, rockslide or subsidence;

7.6.2 that occurs gradually;

7.6.3 caused by **Flood**; or

7.6.4 caused by the action of the sea, tidal wave or high water;

unless caused by or arising as a direct consequence of an earthquake or seismological disturbance, volcanic eruption or water escaping from a water main owned by a water supply authority.

8. Basis of Settlement

When **Property** shown in the **Schedule** is damaged during the **Insurance Period** the following basis of settlement will apply at each of the **Premises**:

8.1 Business Records

8.1.1 for damage to **Business** books, plans, computer records, patterns, and other **Business** records, **We** will pay the cost of re-creating the documents that are damaged; and

8.1.2 for damage to **Business** records of **Your** customers at the **Premises** or **Your Business** records stored off-site, **We** will pay up to a maximum of \$25,000 any one loss.

8.2 Old Plant & Equipment

Unless specifically insured otherwise:

8.2.1 for items kept as spare parts, **We** will pay the cost of repairs or the second hand replacement value of a similar part of the same age and condition, whichever is the lesser; and

8.2.2 for any item kept for use as backup in an emergency, **We** will pay the cost of repairs or the second hand replacement value of a similar item of the same age and condition, whichever is the lesser.

8.3 Branded Goods

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

8.3.1 All Other Property that is Damaged

For all other **Property** that is damaged **We** will pay for the cost of **Reinstatement**.

8.4 Output Replacement

For any **Property** which has a measurable function, capability or output and it is necessary to replace the item or items with new **Property** to perform a similar function or functions, **We** will pay **Your** claim as follows:

8.4.1 if **Property** is to be replaced by an item which has the same or lesser total function, capability or output, the amount **We** will pay is the new installed cost of such replacement item or items.

8.4.2 if **Property** 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 no greater than the cost of **Reinstatement** of the **Damaged Property**, **We** will pay the new installed costs of the item or items replaced.

8.4.3 if **Property** 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 Cost** of the **Property** damaged, the amount **We** will pay is the lesser of the cost of **Reinstatement** or that proportion of the new installed cost of the replacement item or items which the output of the property damaged bears to the output of the replacement item or items.

8.5 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 **Cover 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 **Cover Section**, whichever occur later.

9. Limitations of Cover

9.1 Categories of Property

We will only pay for **Property** at specific **Premises** that can be correctly designated as one of the **Categories of Property** shown in the **Schedule** for that **Premises**.

9.2 Sum Insured

9.2.1 For each specific **Category of Property** at specific **Premises** **We** will only pay up to the **Sum Insured** shown for that **Category of Property** at that **Premises** unless **We** have stated otherwise elsewhere in this **Cover Section**.

9.2.2 For each of the specific **Premises** where **Damage** happens, the **Sum Insured** for each **Category of Property** that suffers **Damage** will be reduced by any payment made or due to be made by **Us** following **Damage** covered by this **Cover Section**.

9.3 Total Sum Insured

9.3.1 **We** will not pay more than the **Total Sum Insured** that applies to the specific **Premises** where the **Damage** happens.

9.3.2 The **Total Sum Insured** that applies to the specific **Premises** will be reduced by any payment made or due to be made by **Us** following **Damage** covered by this **Cover Section**.

9.4 Delay in Reinstatement or Re-creation of Documents

If **Reinstatement** of documents is unreasonably delayed by **You**, **We** will only pay the lesser of:

9.4.1 the cost of **Reinstatement** including the cost of re-creation of documents that would have been incurred had the **Reinstatement** or re-creation of documents taken place immediately after the **Damage**; or

9.4.2 the actual cost of **Reinstatement**.

10. Other Matters

10.1 Cash Settlement

If **You** request a cash settlement or if **Reinstatement** is not carried out, **We** will only pay the lowest of:

10.1.1 the cost of repairing the insured **Property** less an equitable allowance for age, wear and tear, depreciation and betterment; or

10.1.2 the **Pre-Damage Value** of the **Property** at the time of its loss or destruction; or

10.1.3 the **Sum Insured** applicable to such **Property** if separately specified.

In the event of a cash settlement for the purposes of calculating under-insurance under Clause 10.3 (Under-Insurance), the calculation will be based on the **Pre-Damage Value** of the **Property** and not its **Replacement Cost**.

10.2 Directors and Employees Property

Cover for **Damage** to the personal property of directors, partners, employees and social club of **Your Business** that is on the **Premises** is limited to a maximum of \$5,000 any one person, any one event.

10.3 Under-Insurance

If there is a claim for **Damage to Property** at **Premises** covered by this **Policy** that exceeds 10% of the **Total Sum Insured** applicable at that **Premises**, **We** will pay that proportion of any claim calculated in accordance with the basis of settlement, that the **Total Sum Insured** for all **Categories of Property** insured at the **Premises** at the commencement of the **Insurance Period** bears to 80% of the cost of **Damage Reinstatement** of the **Property** calculated at the commencement date of the **Insurance Period** in accordance with the basis of settlement.

Provided that any additional costs incurred when **You** comply with the requirements of any lawful authority (as described in Extensions of Cover – 14.8 Extra Cost of Reinstatement) will be omitted from the calculation of **Our** proportion.

10.4 Excess

You are liable for the **Excess** for each and every event that results in **Damage**.

11. Exclusions

Unless otherwise stated in the **Schedule**, **We** will not pay for **Damage** to:

- 11.1 furs, jewellery, gold, silver, platinum, pearls, diamonds, sapphires, rubies and other precious stones, unless these items are **Stock** and **Stock** is shown in the **Schedule** as insured;
- 11.2 **Money**;
- 11.3 glass, unless such glass is directly **Damaged** by:
 - 11.3.1 fire, lighting, explosion, impact, storm and tempest or earthquake;
 - 11.3.2 riot, civil commotion, persons taking part in industrial disputes; or
 - 11.3.3 persons acting maliciously, other than where such glass is cracked or broken through its entire thickness;
- 11.4 **Property** in transit outside the **Premises**, other than **Property** that is covered by Extension of Cover – 14.18. Restricted Transit;
- 11.5 aircraft, locomotives, rolling stock, watercraft whilst in water;
- 11.6 registered motor vehicles including, but not limited to, motor cycles, caravans and trailers;
- 11.7 animals, other than animals within a **Building** and owned as **Stock**, and the **Building** was **Damaged** by fire, lightning, explosion, impact, storm or tempest;
- 11.8 bridges, docks, roadways, tunnels and wharves;
- 11.9 canals, dams, reservoirs other than tanks, and their **Contents**;
- 11.10 standing timber, growing crops, plants, land including top soil and fill, landscaping, gardens and pastures.

Provided that when **Reinstatement** of **Damage** to a **Building** is covered under the **Policy** the cost of restoring landscaping and gardens to a condition similar to that immediately prior to the **Damage** is not excluded **Property**;

- 11.11 **Property** being constructed, built, erected, altered or dismantled, including all associated materials or

supplies. Provided that this exclusion does not apply to:

- 11.11.1 such **Property**, if the total cost of this work is less than \$100,000 or 20% of the total **Sum Insured** at the **Premises** concerned, whichever is the lesser;
- 11.11.2 that portion of the **Building** or part of any **Property** that is not directly affected by such work;
- 11.12 mining property and any equipment located beneath the surface of the ground, provided that this exclusion does not apply to underground services connected to a **Building**;
- 11.13 **Property** while it is undergoing any process where **Damage** results from it being processed;
- 11.14 landlord's fixtures and fittings unless these are included as part of the **Sum Insured** for **Buildings**;
- 11.15 any **Building** that is vacant awaiting or undergoing demolition, and this exclusion shall apply to all **Contents**, fittings, plant and machinery associated with such **Property** unless **We** have agreed otherwise;
- 11.16 pressure vessels (including boilers) arising from the explosion or implosion thereof, where:
 - 11.16.1 the load on the safety valve upon the particular equipment was in excess of the manufacturer's specification at the time of the damage; or
 - 11.16.2 any safety valve limiting pressure was removed or rendered inoperative;
- 11.17 **Property** caused by scratching, biting or pecking by birds.

12. Special Condition

12.1 Sprinklers and Fire Alarm Systems

It is a condition precedent to liability under the **Policy** that where fire protection systems (either manual or automatic sprinkler or alarm systems) are installed in the **Building**, these systems must be maintained in accordance with the relevant Australian Standards.

13. Alternative Basis of Settlement Indemnity Option

If Indemnity is shown as the basis of settlement cover in the **Schedule**, then:

- 13.1 The following basis of settlement will apply instead of that shown under Basis of Settlement set out in Clause 8 (Basis of Settlement) of the **Policy**:

Basis of Settlement - Indemnity

When **Property** is **Damaged** at any **Premises** during the **Insurance Period**, **We** will pay the cost to repair or replace that **Property** less an equitable allowance for age, wear, tear, depreciation and betterment, and will make an adjustment for the general condition and remaining useful life of that **Property** as well as the useful life of the individual items or components that are **Damaged**; and

- 13.2 Clause 10.3 (Under-Insurance) is replaced with the following clause:

Under-Insurance on an Indemnity Basis

If there is a claim for **Damage** to **Property** at **Premises** covered by this **Policy** that exceeds 10% of the total **Sum Insured** applicable at that **Premises**, **We** will pay that proportion of any claim calculated in accordance with the basis of settlement under this cover option, that the total **Sum Insured** for all **Categories of Property** insured at the **Premises** at the commencement of the **Insurance Period** bears to 80% of the market value of all such **Property** at the commencement date of the **Insurance Period**.

Provided that:

- 13.2.1 the value of the claim will be calculated first in accordance with the basis of settlement specified in Clause 13.1 (Basis of Settlement); and
- 13.2.2 the only extension of Cover that will apply to this **Cover Section** is Clause 14.14 (Minimisation of Damage).

14. Extensions of Cover

When **Property** at specific **Premises** is damaged by an **Insured Peril**, then, provided that **We** do not pay more in the aggregate than the **Total Sum Insured** for that **Premises**, **We** will pay for the following costs that are incurred as a result of that **Damage**:

14.1 Accidental Damage

The reasonable cost of repair or replacement of accidental **Damage** of **Property**, not otherwise excluded by this **Cover Section**, at the **Premises** or while temporarily located at any other **Premises** in **Australia**.

This cover is subject to the following **Damage** exclusions.

- 14.1.1 Breakage of internal glass and all other glass that is cracked through its entire thickness, unless such glass is directly damaged by fire, lightning, explosion, earthquake, impact, storm and tempest.
- 14.1.2 **Property** while it is undergoing any process where **Damage** results from it being processed.
- 14.1.3 **Damage** to any **Building** that is vacant awaiting or undergoing demolition. This exclusion shall also apply to all **Contents**, fittings, plant and machinery associated with such **Property**, regardless of the fact these items were intended to be removed prior to demolition unless **We** have agreed otherwise.
- 14.1.4 **Damage** caused by or arising from:
- (a) theft, other than physical damage to property at the **Premises** during theft or any attempted theft;
 - (b) the incorrect sitting of **Buildings** as a result of error in design or specification, faulty workmanship or non-compliance with the requirements of any statutory regulations;
 - (c) demolition ordered by any lawful authority as a result of failure by **You** to comply with any lawful requirement;
 - (d) any unexplained shortage or inventory shortage or disappearance of **Property**;
 - (e) **Pollution** or contamination of property, except when caused directly by fire, lightning, explosion, impact by any road vehicle or animal, aircraft or other aerial devices or articles dropped from them, falling communication

masts, towers, antennae or dishes, falling **Buildings** or structures or parts thereof, meteorite, riot, civil commotion, persons taking part in an industrial dispute, persons acting maliciously, earthquake, storm, the bursting, overflowing and discharging of tanks, apparatus or pipes containing water or liquid of any kind, or sprinkler leakage;

- (f) **Flood;**
- (g) storm, rainwater, wind, hail or snow.

14.1.5 **Damage** or loss caused directly by or arising directly from:

- (a) **Breakdown;**
- (b) gradually operating causes such as, but not limited to, wear and tear, mildew, mould, corrosion, disease, oxidation, fading, tree roots, evaporation, change in flavour, colour, temperature or texture;
- (c) vermin, insects, termites;
- (d) latent defect, inherent defects, faulty workmanship, faulty material, structural defects or faulty design;
- (e) faults or defects known to **You** or 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 or renewed;
- (f) the cessation of work whether total or partial or cessation, interruption or retarding of any process or operation as a result of any industrial dispute;
- (g) fraud or dishonesty by **You** or **Your** directors, partners, employees, officers or any other persons who have an interest in the **Property**;
- (h) deliberate and unauthorised corruption, amendment or erasure of data by **You** or **Your** directors, partners, employees, officers or any other person who has an interest in the

Property whether acting alone or in collusion with any other person;

- (i) the gaining of unauthorised access by any person, other than **You** or **Your** directors, partners, employees, officers or any other person who has an interest in the property, to **Your** computer via any communication system that is used by **Your** computer system;
- (j) the operation or presence of any computer program that alters or erases data or programs in a manner that is undesired by **You**;
- (k) a computer virus, being 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;
- (l) explosion or implosion of any pressure vessels (including any boilers);
- (m) scratching, denting, chipping or defacing, except when caused directly by fire, lightning, explosion, impact by any road vehicle or animal, aircraft or other aerial devices or articles dropped from them, falling communication masts, towers, antennae or dishes, falling **Buildings** or structures or parts thereof, meteorite, riot, civil commotion, person taking part in an industrial dispute, persons acting maliciously, earthquake, storm, the bursting, overflowing and discharge or leaking of tanks, apparatus or pipes containing water or liquid of any kind, or sprinkler; or
- (n) scratching, biting or pecking by birds.

14.2 **Automatic Reinstatement**

At each of the **Premises**, when a **Category Sum Insured** and a **Total Sum Insured** is reduced following **Damage** covered by this **Cover Section**, **We** will automatically increase

these reduced amounts to their value immediately before the **Damage**, provided that **You** pay or agree to pay the additional **Premium** required by **Us**.

14.3 Capital Additions

If **You**:

- 14.3.1 make additions or structural changes to **Your Buildings, Contents, and Specified Items** obtained or built during the **Insurance Period**; or
- 14.3.2 change **Your** processes or machinery; or

We will hold **You** covered for 30 days from the date the additions or changes are made or commenced for an amount not exceeding 20% of the **Total Sum Insured** on **Buildings, Contents** and **Specified Items** or \$500,000 whichever is the lesser, in respect of property insured at any one **Premises**.

This extension of cover is in addition to **Your Sum Insured**.

However, **You** must notify **Us** of the additions or changes within 30 days of the additions or change and at that time **We** will be entitled to:

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

14.4 Demolition & Debris Removal

The reasonable costs incurred by **You** for:

- 14.4.1 the demolition and removal of **Property** that is **Damaged**;
- 14.4.2 the demolition and removal of any **Property** that is necessary to allow **Reinstatement** of **Property** that has been **Damaged**; and
- 14.4.3 the cleaning up, removing, storing and disposing of **Damaged Property** at or from:
 - (a) the **Premises**; and
 - (b) any other location that **You** are legally required to remove debris from or clean up, provided that **You** do not own **Property** at this other location and **Your** liability did not result from an agreement made after

the start of the **Insurance Period**, unless this liability would have existed anyway.

14.5 Discharge of Mortgage(s)

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, **We** will pay towards the reasonable legal costs relating to the discharge of a mortgage on **Buildings** only, up to ten per cent (10%) of the **Sum Insured** on **Buildings** following settlement of a claim on the basis of a total loss, whether actual or constructive total loss.

14.6 Disposal of Salvage

We will not sell or dispose of any salvage without giving **You** the opportunity to retain it at its salvage value, but this extension of cover does not allow **You** to abandon **Property** to **Us**.

14.7 Exploratory Costs

We will indemnify **You** for the reasonable costs 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 indemnify **You** for the repair or replacement of such apparatus, appliances, pipes or other systems that give rise to the **Damage**.

The most **We** will pay under this extension of cover for any one event is \$25,000.

14.8 Extra Costs of Reinstatement

The additional costs incurred by **You** to reinstate **Your** insured **Property** in complying with the requirements of any lawful authority that are imposed after the **Damage** but limited to costs directly relating to that portion of the **Building** actually **Damaged**.

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

The most **We** will pay under this extension of cover for any one event is \$25,000.

14.9 Fees and Costs

Fees and costs such as, but not limited to, local authority permit and approval charges, architects, engineers and other consultants fees necessarily incurred in **Reinstatement of Property** that is **Damaged**.

14.10 Fire Fighting Costs

Costs and expenses, including wages of **Your** employees, up to \$25,000 necessarily and reasonably incurred:

- 14.10.1 in extinguishing fire at or in the vicinity of, and threatening to involve the **Property** insured;
- 14.10.2 in preventing or diminishing imminent **Damage** to the **Property** insured;
- 14.10.3 in gaining access consequent upon **Damage** to the **Property** insured;
- 14.10.4 in the replenishment of fire fighting appliances and apparatus;
- 14.10.5 for the purpose of shutting off the supply of water or other substances that are accidentally discharged from any fire protective equipment or otherwise;
- 14.10.6 in the removal of debris from the situation by Fire Brigade Services.
- 14.10.7 for which **You** are liable under any Fire Brigade Act or similar legislation as a direct consequence of fire at the **Property**.

Payment under this extension of cover is not dependent on **Damage to Property** insured.

14.11 Floor Space Ratio Index (Plot Ratio)

If an insured **Building** is **Damaged** in circumstances for which a claim is payable under this **Cover Section** and –

- 14.11.1 if the cost of reinstatement is more than fifty per cent (50%) of the cost that would be required for reinstatement if the **Building** had been totally destroyed; and
- 14.11.2 if reinstatement is only legally permissible with a reduced floor space ratio index,

We will pay, in addition to any other amount payable on reinstatement of the **Building**, the difference between the actual cost of reinstatement incurred in accordance with the reduced floor space ratio index and the cost of reinstatement that would have been incurred had a reduced floor space ratio index not been applicable.

14.12 Landscaping

The cost of repairing **Damage** to landscaping caused by an **Insured Peril** or accidental **Damage**. Landscaping includes trees, shrubs, plants and lawn.

Provided that the maximum amount payable under this extension of cover is \$10,000.

14.13 Loss of Land Value

We will indemnify **You** for 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 **Cover Section**.

Provided that:

- 14.13.1 this shall be calculated by subtracting the land value after rebuilding or after **We** have agreed that rebuilding is not possible, from the land value before the damage; and
- 14.13.2 **We** will not pay more than 10% of the **Sum Insured** for **Buildings** at the **Premises** where the **Damage** occurred.

Clause 10.3 Under-Insurance does not apply to this extension of cover, which is in addition to the **Sum Insured**.

14.14 Minimisation of Damage

We will pay for the reasonable cost of removing **Property** from the **Premises**, and any **Damage** resulting from the removal, if the **Premises** are threatened by fire or any other **Insured Perils** by this **Cover Section** and the purpose of the removal was to prevent or minimise **Damage** insured under this **Cover Section**.

14.15 New Premises – Temporary Cover

We will temporarily extend the cover provided by this **Cover Section to Property** at any premises that is used by **Your Business** for the first time during the **Insurance Period**.

Provided that:

- 14.15.1 this temporary cover is limited to a period of 30 consecutive days from the day that **You** first use the new premises;
- 14.15.2 this temporary cover is not available to **Property** that cannot be correctly designated to one of the categories of **Property** that has a **Sum Insured** shown in the **Schedule**;
- 14.15.3 this temporary cover is only available to **Property** that is of a similar type to that insured by this **Cover Section**;
- 14.15.4 for each specific **Category** of **Property** shown in the **Schedule**, this temporary cover is limited to 10% of the **Sum Insured** for that **Category**, or if more than one **Premises** is shown in the **Schedule** then this 10% limitation will apply to the lowest **Sum Insured** that applies to a specific **Category** of **Property**;
- 14.15.5 the new premises have building, fire protection and security features that are similar to those at one of the **Premises** (shown in the **Schedule**); and
- 14.15.6 **You** provide **Us** with full details of the new **Premises** within 60 days of **Your** first using the new **Premises**.

14.16 Other Parties/Waiver of Subrogation

We automatically extend cover to include all other parties that have an insurable interest in the **Property** including lessors, financiers, trustees, mortgagees, owners and others who are specifically noted in **Your** records; and **We** waive any rights and remedies or relief that **We** are entitled to by way of subrogation against any of these parties.

14.17 Public Holiday Increase

The **Sum Insured** for **Stock** will automatically increase by thirty per cent (30%) on:

- 14.17.1 bank holidays;
- 14.17.2 gazetted public holidays that fall on days adjacent to a

weekend. If such a weekend occurs during the period specified in extension of cover 14.19 (Stock Seasonal or Festive Increase) only one such increase will apply.

Cover under this extension of cover will apply until the close of trading on the next business day following such bank holiday or gazetted public holiday.

14.18 Restricted Transit

We will cover **Damage** to each **Category** of **Property** shown in the **Schedule** during transit within Australia:

- 14.18.1 that is caused by fire, explosion, wind, earthquake and malicious damage, but not theft; and
- 14.18.2 whilst in transit in or on any vehicle owned or operated by **You** caused by collision or overturning of the conveying vehicle.

Provided that the maximum amount payable under this extension of cover is the lesser of \$25,000 or 10% of the **Sum Insured** for that **Category** of **Property**.

14.19 Stock Seasonal or Festive Increase

The **Sum Insured** for **Stock** is increased by 50% for losses occurring during the days specified in the **Schedule** under the heading 'Seasonal or Festive Increase', up to a maximum of 116 days or, if no days are specified, this increased cover for **Stock** will apply to:

- 14.19.1 eight (8) weeks prior to and including Christmas Day;
- 14.19.2 three (3) weeks after and including 26 December;
- 14.19.3 six (6) weeks prior to and including Easter Tuesday;
- 14.19.4 one (1) week after but not including Easter Tuesday;
- 14.19.5 six (6) weeks prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter) where **You** can reasonably demonstrate that the **Stock** levels during that period have risen by more than 20% 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

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

If **Your Sum Insured** on **Stock** is included in the **Sum Insured** for **Contents**, **We** will only apply the increased cover to the portion of the **Sum Insured** that relates to **Stock** at the **Premises** where the loss occurred.

Provided that this extension of cover will not extend the insurance beyond the **Insurance Period**.

14.20 Temporary Protection and Watchmen

We will cover the costs reasonably incurred by **You** to protect the **Property** including the cost of temporary repairs, the hiring of watchmen or the removal of insured **Property** to a place of safe storage pending the repair or **Reinstatement** of **Your Premises** and the additional cost of such storage, if not otherwise insured.

Provided that the maximum amount payable under this extension of cover is \$25,000, any one event.

14.21 Temporary Removal to Other Premises

We will extend the cover provided by this **Cover Section** to **Property**, while it is temporarily removed from the **Premises** shown in the **Schedule**, to some other **Premises** in Australia for any period up to 90 days.

Provided that:

- 14.21.1 this extension of cover does not apply to **Property** in transit;
- 14.21.2 this extension of cover is only available to **Property** that can be correctly designated to a **Category** that has a **Sum Insured** shown for the **Premises** at which this **Property** is normally located; and
- 14.21.3 the most **We** will pay under this extension of cover is 20% of the **Sum Insured** for the **Category** of **Property** that applies to this **Property** at the

Premises at which the **Property** is normally located.

14.22 Temporary Repairs

We will cover the cost of temporary repairs to **Property** that is **Damaged** including, but not limited to, the cost of dismantling, shoring up, propping and underpinning property.

14.23 Unpacking Expenses

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

15. Optional Extension of Cover

Notwithstanding any other provision in the **Policy**, if shown in the **Schedule**, the following extensions of cover shall apply:

15.1 Flood

When 'Flood' is shown as covered in the **Schedule**, **We** will provide cover for **Damage** to **Property** caused by **Flood**.

15.2 Fusion

When 'Fusion' is shown as covered in the **Schedule**, **We** will provide cover for the burn out of electric motors which form part of **Buildings** or **Contents** insured under this **Cover Section** during the **Insurance Period**, if the burn out is caused by or directly due to the electric current. However:

15.2.1 **We** will not pay for burn out of electric motors greater than 1.8 kilowatts (2.5 horse power).

15.2.2 If an electric motor cannot be replaced, **We** will pay the replacement cost of an equivalent motor or motor in a sealed unit of the same specification and standard available today. **We** will not pay for replacement of the whole appliance or content.

15.3 Increase in Cost of Working

When 'Increase in Cost of Working' is shown in the **Schedule**, **We** will pay up to the **Sum Insured** shown for additional increase in cost of working for all costs not otherwise recoverable that are necessarily incurred by **You** in an attempt to reduce a loss of income.

Provided that the maximum amount payable under this extension of cover is \$50,000 or 20%

of the **Sum Insured** during the **Insurance Period**, whichever is the lesser for any one event.

Section 2 - Business Interruption

Introduction

This **Cover Section** only forms part of the **Policy** when Section 2 Business Interruption is shown as covered in the **Schedule** and is limited to the **Insurance Period**.

16. Definitions

In addition to the general definitions in clause 1: the following definitions shall apply to these words where used in this **Cover Section**.

16.1 **Additional Uninsured Working Expenses** means those expenses that are shown as Additional Uninsured Working Expenses in the **Schedule** for this Business Interruption **Cover Section**.

16.2 **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 relevant period after the **Damage**.

16.3 **Damage or Damaged** means accidental physical damage, destruction or loss. Damaged has a corresponding meaning to damage.

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

16.5 **Gross Rental** means the amount receivable by **You** in accordance with a lease or agreement existing at the time of **Damage** to the building.

16.6 **Income** means:

16.6.1 income received from the renting or leasing of any part of the **Premises** including monies paid by the lessee as outgoings under the terms of the rental or leasing agreement; and

16.6.2 income from **Your Business** at the **Premises** for goods sold,

work done or services rendered, less:

(a) working expenses for freight, packing, bad debts, and the purchase of goods, materials, components, or **Stock**;

(b) any other **Additional Uninsured Working Expenses** shown in the **Schedule**; and

(c) **Payroll** if this is shown in the **Schedule**.

16.7 **Indemnity Period** means the period that starts on the date of the **Damage** and ends not later than the number of weeks or months stated in the **Schedule** after the date of the **Damage** during which the productivity of **Your Business** is affected as a consequence of the **Damage**.

16.8 **Insured Damage** means In relation to **Property**, insured **Damage** means **Damage to Property** when both the **Property** that is **Damaged** and the cause of the **Damage** are covered by the **Policy** under one or more of the following **Cover Sections**:

16.8.1 Fire;

16.8.2 Burglary;

16.8.3 Money;

16.8.4 Glass;

16.8.5 Business Special Risks;

16.8.6 Employee Dishonesty.

16.9 **Interruption** means interruption or interference.

16.10 **Loss of Income** means loss or reduction of **Your Income** that occurs during the **Indemnity Period**.

16.11 **Payroll** means all gross remunerations including, but not limited to, salaries, wages, directors fees, payroll tax, fringe benefits tax, bonuses, holiday pay, sick pay, workers compensation insurance premiums, accident compensation levies, superannuation and pension fund contributions of **Your** directors, partners, employees and officers.

16.12 **Property** has the same meaning as appears in the definition in **Cover Section 1 - Fire** - of the **Policy**.

16.13 **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**.

17. Cover

We will pay in accordance with the Basis of Settlement, for **Loss of Income** that results from an **Interruption of Your Business** caused by any **Insured Damage** that happens at the **Premises**.

Provided that this **Insured Damage** happens during the **Insurance Period** shown for this Business Interruption **Cover Section**.

18. Basis of Settlement

18.1 Accumulated Stocks Clause

In calculating any claim, **We** will take into account and make an equitable allowance if any shortage in **Income** due to the **Damage** is postponed by reason of the **Income** being temporarily maintained from accumulated **Stock** of finished goods.

18.2 Additional Expenditure

We will also pay for additional expenditure necessarily incurred for the sole purpose of reducing **Loss of Income** that is covered by this **Cover Section**.

Provided that this expenditure is limited to the amount of **Income** that would otherwise have been lost had the additional expenditure not been incurred.

18.3 Auditors & Accountants

We will accept as proof of the **Loss of Income** a certified statement from **Your** accountants or auditors that shows the financial details requested by **Us**.

18.4 Departmental Clause

If **Your Business** is conducted in departments, and the independent trading results can be determined, the provisions of the Basis of Settlement will apply separately to each department affected by the **Damage**.

18.5 Gross Rentals

Loss of **Gross Rentals** will be calculated by the amount by which the **Gross Rentals** earned during the **Indemnity Period** fall short of the **Standard Gross Rentals**.

We will also pay any additional expenditure necessarily and reasonable 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.

18.6 Loss of Income

Loss of Income will be calculated by subtracting the **Income** earned during the **Indemnity Period** from the **Income You** would have earned during the **Indemnity Period** had the **Damage** not occurred.

Provided that the **Income You** would have earned during the **Indemnity Period** had the **Damage** not occurred:

18.6.1 will be calculated by reference to the income for:

- (a) a period of the same duration as the **Indemnity period** that starts a year prior to the date of the **Damage**; or
- (b) a period of **Your** normal **Business** operations that corresponds most closely to the **Indemnity Period** if **Your Business** has operated for less than a year at the start of the **Indemnity Period**; and

18.6.2 will be adjusted to take into account any:

- (a) trends of the **Business** and other influences that would vary the **Income**;
- (b) changes to how **Stock**, materials, finished goods or partially finished goods are used, purchased or sold including salvage sales of **Stock** following **Insured Damage**; and
- (c) savings made during the **Indemnity Period** that reduce the normal cost of running **Your Business**.

Provided that this expenditure is limited to the amount of **Income** that would otherwise have been lost had the additional expenditure not been incurred.

18.7 Payroll

When **Payroll** is specifically covered and a **Sum Insured** shown, **We** will pay the percentage shown in the **Schedule** of **Your** normal **Payroll** costs during the **Indemnity Period**.

Provided that **Our** payment is limited to **Your** actual **Payroll** costs during the **Indemnity Period** or the **Sum Insured** shown in the **Schedule** whichever is the lesser.

18.8 Reinstatement of Documents

The necessary and reasonable cost of legal, clerical and other charges actually incurred in reinstating **Your** documents or documents for which **You** are responsible.

19. Limitations of Cover

19.1 Closure of Your Business

If during the **Indemnity Period** **You** permanently close **Your Business** for any reason (including involuntary closure), then the **Indemnity Period** will end on the day **You** permanently close **Your Business** unless **We** agree in writing to continue this period.

Nothing in this clause shall affect **Your** right to claim a reasonable adjustment where the decision to close the **Business** is taken with **Our** approval in the interest of all parties and directly arises from the interruption of **Your Business** that is caused by **Insured Damage** that happens at the **Premises**.

19.2 Excess

You are liable for the **Excess** for each and every event that results in a **Loss of Income**.

19.3 Sum insured

During the **Insurance Period** for this **Cover Section**, **We** will not pay more than the **Sum Insured** shown in the **Schedule**.

Any limits stated under the extensions of cover are within and not additional to the **Sum Insured for Income**.

The total **Sum Insured** will be reduced by any payment made or due to be made by **Us** following **Insured Damage**.

19.4 Time Excess (Computers)

We will not pay for any **Loss of Income** that results within 24 hours of **Insured Damage** to computers, computer installations, computerised equipment or software.

19.5 Under-insurance

19.5.1 Income

If the annual **Sum Insured** for **Income** is less than 80% of the **Income** for the year immediately prior to the date of the **Damage**, then **We** will pay a proportion of the **Loss of Income**.

The proportion that **We** will pay will be the same as the proportion that the annual **Sum Insured** for **Income** bears to 80% of the **Income** for the year immediately prior to the date of the **Damage**.

19.5.2 Payroll

If the annual **Sum Insured** for **Payroll** is less than 80% of the **Payroll** paid during the year immediately prior to the date of the **Damage**, then **We** will only pay a proportion of the **Payroll**

costs incurred during the **Indemnity Period**.

The proportion that **We** will pay will be the same as the proportion that the annual **Sum Insured** for **Payroll** bears to 80% of the **Payroll** paid during the year immediately prior to the date of the **Damage**.

20. Extensions of Cover

Provided that the total **Sum Insured** shown in the **Schedule** for this **Cover Section** is not exceeded:

20.1 Accountants Fees

In the event of **Damage** giving rise to a claim under this **Cover Section**, **We** will pay the reasonable costs 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 claims made under this **Cover Section**.

The most **We** will pay under this extension of cover is \$5,000.

20.2 Accounts Receivable (Book Debts)

We will pay for the following **Insured Damage** to **Your** accounts receivable records:

20.2.1 all amounts due to **You** that cannot be collected as a direct result of damage to **Your** accounts receivable records; and

20.2.2 debt collection costs that would not have been incurred had **Your** accounts receivable records not been **Damaged**.

Provided that these debt collection costs are necessarily incurred to collect amounts that otherwise would not have been collected.

Provided that **We** will not pay for:

20.2.3 losses due to book-keeping or accounting errors or omissions;

20.2.4 loss due to **Your** dishonesty or dishonesty of **Your** directors, partners, employees and officers or any other person who has an interest in the accounts receivable records;

20.2.5 bad debts that would normally not be collected by **You**; and

20.2.6 collection costs that would normally have been incurred.

20.3 Automatic Reinstatement

When the **Total Sum Insured** is reduced following **Insured Damage**, **We** will automatically reinstate the **Total Sum Insured**

to its value immediately before the **Insured Damage**.

Provided that **You** pay the additional premium required by **Us**.

20.4 Damages and Penalties

We will pay up to 5% of the **Sum Insured** for **Income** for, any amounts for which **You** are liable, resulting from an interruption of **Your Business** caused by **Insured Damage** to **Your** property or non-owned property used by **You** at the **Premises** for:

- 20.4.1 damages for breach of contract resulting from non-completion or late completion of orders; or
- 20.4.2 the discharge of contract purchases, cancellation notices, damages for breach of contracts for the purchase of goods or services **You** cannot use during the **Indemnity Period**, less the value of these goods to **You** or the amount received for their sale.

Provided that **We** will not cover any liability **You** may incur for exemplary, punitive or aggravated damages.

20.5 Increase in Cost of Working

We will pay up to the **Sum Insured** shown for Increase in Cost of Working for all costs not otherwise recoverable that are necessarily incurred by **You** in an attempt to reduce a **Loss of Income**.

This amount is additional to the Additional Expenditure costs payable under Basis of Settlement.

20.6 Government Incentives

The pecuniary loss under 18.6 **Loss of Income** and 18.7 Payroll of this **Cover 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.

20.7 Landlord's Property and Other Non-Owned Property used by You at the Premises

We will pay for **Loss of Income** that results from an interruption of **Your Business** that is caused by **Insured Damage** to **Your** landlord's and/or other non-owned property used by **You** at the **Premises**.

20.8 Murder, Suicide & Infectious Disease

We will pay for **Loss of Income** that results from an interruption of **Your Business** that is caused by:

- 20.8.1 any legal authority closing or evacuating all or part of the **Premises** as a result of:
- 20.8.2 the outbreak of an infectious or contagious human disease occurring within a 20-kilometre radius of **Your Premises**. However, there is no cover for highly pathogenic Avian Influenza or any disease declared to be a quarantinable disease under the Quarantine Act 1908 (as amended) irrespective of whether discovered at the location of **Your Premises**, or out-breaking elsewhere;
- 20.8.3 vermin or other animal pests at the **Premises**; or
- 20.8.4 hygiene problems associated with drains or other sanitary arrangements at the **Premises**;
- 20.8.5 poisoning directly caused by the consumption of food or drink provided on the **Premises**; and
- 20.8.6 murder or suicide occurring at or near the **Premises**.

20.9 Other Premises and Property

We will pay up to 20% of the **Sum Insured** for **Income**, for each **Loss of Income** that results from an interruption of **Your Business** that is caused by **Insured Damage** that occurs in Australia to the following property:

- 20.9.1 Unspecified Suppliers
Property at the **Premises** of any of:
 - (a) **Your** suppliers; or
 - (b) manufacturers of products utilised or sold by the **Business**; or
 - (c) repairers or processors of materials, components, or goods.
- 20.9.2 Unspecified Customers
Property at the premises of any of **Your** customers and clients.
- 20.9.3 Documents
Documents and electronic data files belonging to or held in trust by **You** while in transit or while at premises not occupied by **You**.
- 20.9.4 Storage Sites
Your property stored at any premises not occupied by **You**, including freight forwarders.

20.9.5 Transit
Your property while in transit outside of the premises occupied by **You**.

20.9.6 Roads, Bridges and Railway Lines
 Roads, bridges and railway lines over which **Stock**, components and materials are conveyed to and from the **Premises**. Provided that **Damage** by **Flood** is excluded.

20.9.7 Computer Data
 Computer installations including ancillary equipment and data processing media utilised by **You**.

20.10 Prevention of Access
We will pay for **Loss of Income** that results from an interruption of **Your Business** that is caused by **Insured Damage**:

20.10.1 to any property within a retail complex when **Your Business** is located within a multi-tenanted retail complex; or

20.10.2 to property in the vicinity of the **Premises** which shall prevent or hinder the use or access to the **Premises**.

20.11 Prevention of Access by a Public Authority

We will pay for **Loss of Income** that results from an interruption of **Your Business** that is caused by any legal authority preventing or restricting access to **Your Premises** as a result of **Damage** to or threat of **Damage** to property within a 20-kilometre radius of **Your Premises**.

20.12 Public Utilities

We will pay for **Loss of Income** that results from an interruption of **Your Business** that is caused by **Insured Damage** to land-based property located in Australia that belongs to or is under the control of any company or authority producing, supplying or delivering the electricity, gas, water, sewerage or communication services, used by the **Business**.

Provided that where the property of the supplier is not at or immediately adjacent to **Your Premises**, the interruption of the supply extends for more than 48 hours.

20.13 Registered Motor Vehicles

We will pay for **Loss of Income** that results from an interruption of **Your Business** that is caused by **Damage** to registered motor

vehicles including, but not limited to motorcycles, caravans and trailers that are owned and/or operated by **You** in the **Business**, but only while at **Your Premises**.

21. Optional Extensions of Cover

Notwithstanding any other provision in the **Policy**, if shown in the **Schedule**, the following extensions of cover shall apply:

21.1 Machinery Breakdown/Pressure Equipment Collapse or Explosion Business Interruption

We will pay for **Loss of Income** that results from an interruption of **Your Business** caused by a breakdown of machinery or explosion or collapse of pressure equipment.

Provided that the machinery that is **Damaged** and the cause of the **Damage** are covered by the Machinery Breakdown **Cover Section**.

When Machinery Breakdown/Pressure Equipment Collapse or Explosion Business Interruption is shown in the **Schedule** as covered, **We** will pay up to the **Sum Insured** shown in the **Schedule**.

21.2 Electronic Equipment Business Interruption

We will pay for **Loss of Income** that results from an interruption of **Your Business** caused by a breakdown of computer systems or electronic equipment.

Provided that the computer system or electronic equipment that is **Damaged** and the cause of the **Damage** are covered by the Electronic Equipment **Cover Section**.

When Electronic Equipment Business Interruption is shown in the **Schedule** as covered, **We** will pay up to the **Sum Insured** shown in the **Schedule**.

21.3 Reinstatement 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 respect of the necessary and reasonable costs actually incurred in reinstating data on to **Data Carrying Media**.

Provide that **We** will not be liable for the first two trading days of any loss.

When Reinstatement of Data is shown in the **Schedule** as covered, **We** will pay up to the **Sum Insured** shown in the **Schedule**.

Section 3 – Burglary

Introduction

This **Cover Section** only forms part of **Your Policy** when Section 3 Burglary is shown as covered in the **Schedule** and is limited to the **Insurance Period**.

22. Definitions

In addition to the general definitions in clause 1, the following definitions shall apply to these words where used in this **Cover Section**.

22.1 Property means:

22.1.1 Contents;

22.1.2 Stock including goods for which **You** are reasonable;

22.1.3 Specified Items listed in the **Schedule**.

23. Cover

We will pay for the cost of replacing or repairing **Property** which is lost or damaged by theft or attempted theft, at the **Premises** consequent upon:

23.1 visible forcible and violent entry into or exit from **Buildings** at the **Premises**;

23.2 a person hiding on the **Premises** during normal operating hours until the **Premises** are closed and locked up;

23.3 an actual, attempted or threatened armed hold up; or

23.4 an actual, attempted or threatened assault or violent act.

Provided that the theft happens during the **Insurance Period**.

24. Limitations of Cover

24.1 **We** will only pay up to the **Sum Insured** applicable to **Property** at each **Premises**.

24.2 When payment for any loss covered by this section is made by **Us**, the **Sum Insured** relating to the **Property** will be reduced by the amount paid. However, provided that **You** pay any additional **Premium** **We** require **We** will reinstate the **Sum Insured** to its original amount. Only one such reinstatement will apply in any one **Insurance Period**.

24.3 Excess

You are liable for the **Excess** for each and every event giving rise to a claim under this **Cover Section**.

24.4 Unspecified Items

Cover for unspecified items is limited to a maximum amount of \$2,000 for any one item.

25. Exclusions

We will not pay for loss arising from or relating to:

25.1 **Theft** from any open-sided structure such as, but not limited to, verandas, yards or other open spaces whether or not they are partially or fully enclosed by a **Building**;

25.2 **Theft** when entry has been made using keys or security codes;

25.3 **Theft of Money** exceeding \$250 in total;

25.4 **Theft** of motorised vehicles and/or watercraft, unless motorised vehicles and/or watercraft are specifically shown as insured in the **Schedule** for this **Cover Section**;

25.5 unexplained disappearances or unexplained shortages whether resulting from clerical or accounting errors or shortages in the supply of materials to or by **You**;

25.6 consequential loss of any kind; and

25.7 the dishonest manipulation of any database or computer system.

26. Special Condition

26.1 Alarm Systems

It is a condition precedent to liability under the **Policy** that where burglar alarm or intruder detection alarm systems (either local or monitored systems) are installed in the **Building**, these systems must be maintained, tested and used in accordance with the manufacturers specifications. The alarm system must be activated whilst the **Building** is unoccupied. Testing and use includes resistance, checking the battery, alarm detection coverage and transmission to the monitoring station.

27. Extensions of Cover

The following extensions of cover apply when property is lost or damaged by **Theft**, provided that **We** do not pay more than the total **Sum Insured** for this **Cover Section** in any one event.

27.1 Additional Premises – Provisional Cover

Cover is extended to include all property within Australia that becomes **Yours** after the commencement of the **Insurance Period**, for 30 days from first being used by **You** (unless the **Insurance Period** ends sooner or the property ceases to be **Yours**, whichever shall first occur), but the cover is limited to:

- 27.1.1 used in the **Business** described in the **Schedule**; and
- 27.1.2 located at the **Premises** described in the **Schedule**.

The most **We** will pay under this Extension of Cover is ten per cent (10%) of the highest **Sum Insured** shown in the **Schedule** in relation to each item of **Premises** insured.

Full details of such additional property are to be supplied to **Us** within 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.

27.2 Business Records

Following a **Theft** which is covered by this **Cover Section We** will pay the costs necessarily incurred by **You** to re-create **Business** books, plans, computer system records, patterns and other **Business** records.

Provided that the total amount payable under this Extension of Cover is limited to \$5,000.

27.3 Clothing & Personal Effects

If clothing or personal effects are lost or damaged during a **Theft**, **We** will pay the cost of replacing these items.

Provided that the total amount payable under this Extension of Cover is limited to \$5,000 any one person and \$10,000 in total, any one event.

27.4 Damage to Premises

Provided that the **Sum Insured** for specific **Premises** is not exceeded, **We** will pay for the cost of repairing **Buildings** that are physically damaged during a **Theft** at that **Premises**.

27.5 Disposal of Damaged Property

We will also pay in addition to the **Sum Insured** the costs necessarily incurred by **You** to dispose of damaged **Property** which has no salvage value.

Provided the maximum **We** will pay is limited to \$5,000 in total any one event.

27.6 Employee Dishonesty

We will pay **You** for loss of **Contents** arising from **Employee Dishonesty**, occurring during the **Insurance Period**, which is discovered within 30 days of its occurrence. Exclusion 21.7, and proviso 23.17.3 do not apply to this Extension of Cover.

Provided that **Our** liability under this Extension of Cover shall not be cumulative. This Extension shall not apply if **You** are also insured under Cover Section 9 – Employee Dishonesty.

27.7 Illegal Use of Corporate Financial Transaction Card

If this **Policy** covers **Your Contents** and any corporate credit card used by the **Business** is lost or stolen during the **Insurance Period**, **We** will pay any financial loss sustained by **You** arising from the illegal use of the card by an unauthorised person.

Provided that **We** will not pay:

- 27.7.1 any financial loss arising from the misuse or illegal use of corporate credit cards by **Your** employees or any other person acting in collusion with an employee of **Yours**; or
- 27.7.2 more than \$5,000 in total for the illegal use of any one credit card.

27.8 Injury During Theft

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

- 27.8.1 death;
- 27.8.2 total and permanent loss of sight in one or both eyes;
- 27.8.3 total and permanent loss of one of both hands or feet;

occurring within twelve (12 months) of such event; or

- 27.8.4 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:

Items 27.8.1, 27.8.2 and 27.8.3, \$10,000 in the aggregate for all injuries sustained by any one

person during any one **Theft** or attempted **Theft**; or

Item 27.8.4: \$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:

27.8.5 death attributable to, or consequent upon, or accelerated by; or

27.8.6 disablement aggravated by, attributable to, or consequent upon,

any pre-existing physical defect, illness or disease or injury.

27.9 Locks & Keys

If during the **Insurance Period** keys used at the **Premises** are accidentally lost or stolen, **We** will pay:

27.9.1 the cost incurred to replace these keys; and

27.9.2 other costs that are necessarily incurred to restore the security of the **Premises** to the same level of security that existed prior to the loss of these keys.

Provided that the maximum amount that **We** will pay is limited to \$5,000 in total, any one event.

27.10 Money

Following a **Theft** or attempted **Theft**, at the **Premises**, of **Money** belonging to the **Business**, **We** will pay **You** up to \$250 any one event.

27.11 New Premises – Temporary Cover

We will temporarily extend the cover provided by this **Cover Section** to **Property** at any **Premises** that are used by **Your Business** for the first time during the **Insurance Period**.

Provided that:

27.11.1 this temporary cover is limited to a period of 60 consecutive days from the day that **You** first use the new **Premises**;

27.11.2 this temporary cover is not available to **Property** that cannot be correctly designated to one of the categories that are

shown as insured in the **Schedule**;

27.11.3 this temporary cover is only available to **Property** that is of a similar type to that insured by this **Cover Section**;

27.11.4 for each specific **Category** of **Property** shown in the **Schedule** this temporary cover is limited to 50% of the **Sum Insured** for that **Category**;

27.11.5 if more than one **Premises** are shown in the **Schedule** then this 50% limitation will apply to the lowest **Sum Insured** that applies to a specific **Category** of **Property**;

27.11.6 the new **Premises** have building and security features that are similar to those at one of the **Premises** shown in the **Schedule**, having the same occupation;

27.11.7 **You** provide **Us** with full details of the new **Premises** within 90 days of **You** first using the new **Premises**; and

27.11.8 **You** pay the **Premium** that **We** require for this new **Premises**.

27.12 Permanently Fixed (non-portable) Apparatus

Provided that the **Sum Insured** for specific **Premises** is not exceeded cover is extended to include **Theft**, whether following forcible and violent entry or otherwise, of permanently fixed (non portable) apparatus or appliances, owned by **You** or for which **You** are legally responsible or have assumed responsibility to insure, attached to a building other than by means of a flexible or tensile cord to a power point.

Provided the maximum **We** will pay is limited to \$2,500 in total any one event.

27.13 Reinstatement of Sum Insured

When a **Sum Insured** is reduced following a **Loss** **We** will automatically increase this reduced **Sum Insured** to its value immediately before the **Loss**.

Provided that:

27.13.1 the maximum amount **We** will pay during the **Insurance Period** is limited to twice the **Sum Insured**; and

27.13.2 **You** pay or agree to pay any additional **Premium** **We** require.

27.14 Seasonal or Festive Increase

The **Sum Insured** for **Stock** excluding any cigarettes or tobacco goods, is increased by up to a maximum of 50% for losses occurring during the days specified in the **Schedule** under the heading 'Seasonal or Festive Increase', up to a maximum number of 116 days, or

If no days are specified, the 50% increase for **Stock** excluding any cigarettes or tobacco goods, will apply to:

27.14.1 eight (8) weeks prior to and including Christmas Day;

27.14.2 three (3) weeks after and including 26 December;

27.14.3 six (6) weeks prior to and including Easter Tuesday;

27.14.4 one (1) week after but not including Easter Tuesday;

27.14.5 six (6) weeks prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter) where **You** can reasonably demonstrate that the **Stock** levels during that period have risen by more than 20% 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

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

Provided that this extension of cover will not extend the insurance beyond the **Insurance Period** noted in the **Policy Schedule**.

27.15 Security

We will pay the costs necessarily incurred by **You** to replace and develop security film and restore the security system to its former functionality following a **Theft** or attempted **Theft** that is covered by this **Cover Section**.

Provided that the maximum amount **We** will pay is limited to \$5,000 in total any one event.

27.16 Temporary Protection and Watchmen

Following a **Theft** that is covered by this **Cover Section** **We** will pay the costs necessarily incurred by **You** to safeguard the **Premises** such as temporary repairs and the employment of watchmen or guards.

Provided that the maximum amount that **We** will pay is limited to \$5,000 in total, any one event.

27.17 Theft without Forcible Entry

We will cover loss or **Damage** to **Property** caused by **Theft** from the **Premises** even if there is no visible forcible and violent entry.

Provided that **We** will not pay for **Loss** or **Damage** caused by or relating to:

27.17.1 **Theft** involving shoplifting;

27.17.2 **Theft** by a member of **Your** family;

27.17.3 **Theft** by **You** or any of **Your** employees; and

27.17.4 consequential loss of any kind.

Provided that the maximum amount that **We** will pay is limited to \$2,000 in total, any one event.

Section 4 – Money

Introduction

This **Cover Section** only forms part of **Your Policy** when Section 3 Money is shown in the **Schedule** and is limited to the **Insurance Period**.

28. Definitions

The following definitions shall apply to the words used in this **Cover Section**.

28.1 **Business Hours** means **Your Business** and office hours including overtime hours when **You** or **Your** employees are on the **Premises** for **Business** purposes.

28.2 **Locked** means to engage locking mechanisms and activate all security features of a device so that the maximum level of security obtainable by the device is achieved.

28.3 **Loss and Lost** means accidental loss, damage or destruction.

28.4 **Money**, for the purpose of this **Cover Section**, is extended to include **Money** held in trust or for which **You** are

responsible and which is not otherwise insured.

- 28.5 **Safe** means a burglar-resistant container that has been designed to resist fire and attack by hand-held or power-operated tools which has been specifically designed for the storage of **Money** and valuables.
- 28.6 **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.
- 28.7 **You** or **Your** is extended to include **Your** directors, officers, partners, employees and if **You** are a registered club, **Your** club members while acting for the club.

29. Cover

29.1 Blanket Cover

When blanket cover is shown in the **Schedule**, cover is provided in all of the circumstances described below, as if all of the Specified Covers were shown in the **Schedule**.

29.2 Specified Cover

When Specified Cover is shown in the **Schedule**, **We** will pay up to the **Sum Insured** shown in the **Schedule** for loss of **Money** during the **Insurance Period** for the following categories of **Money**:

29.2.1 Money in Transit

Money in transit or in a nightsafe or automatic teller machine until removed by a bank employee.

Provided that this cover is only provided up until the close of **Business** on the next bank trading day from the time the transit commenced.

29.2.2 Money on the Premises

- (a) **Money** on the **Premises** during **Business Hours** when not contained in a **Locked Safe** or **Locked Strongroom**.
- (b) **Money** on the **Premises** outside **Business Hours** when not contained in a **Locked Safe** or **Locked Strongroom**, provided that this cover is limited to a maximum of \$1,000 in any loss.

29.2.3 Money in a Locked Safe or Locked Strongroom

Money contained in a **Locked Safe** or **Locked Strongroom**.

29.2.4 Money in Your Custody

Money in **Your** personal custody or the personal custody of an authorised person while in a private residence.

30. Limitation of Cover

30.1 Excess

You are liable for the **Excess** for each and every event that results in a **Loss**.

31. Exclusions

We will not pay for:

- 31.1 theft from an unattended vehicle that is not **Locked**;
- 31.2 theft from a **Safe** or **Strongroom** when the locking device is opened by either or both:
 - 31.2.1 a key, a magnetic key or card, or similar device;
 - 31.2.2 a sequence of numbers or letters, or numbers and letters; or
 - 31.2.3 theft from a **Safe** or **Strongroom** that is not **Locked** during non **Business Hours**;
 - 31.2.4 shortage due to error or omission;
 - 31.2.5 **Loss** discovered more than 10 working days after such Loss.

Provided that this does not apply to extension of cover, 27.6. (Employee Dishonesty);

31.3 **Loss** due to fraudulent or dishonest acts by **You**.

Provided that this does not apply to theft by **Your** employees following visible, forcible and violent entry;

- 31.4 **Loss** due to the dishonest manipulation of any database or computer system;
- 31.5 consequential loss of any kind.

32. Extensions of Cover

32.1 Reinstatement of Sum Insured

When a **Sum Insured** is reduced following a **Loss** **We** will automatically increase this reduced **Sum Insured** to its value immediately before the **Loss**.

Provided that:

32.1.1 the maximum amount **We** will pay during the **Insurance Period** is limited to twice the **Sum Insured**; and

32.1.2 **You** pay or agree to pay any additional **Premium** **We** require.

32.2 Seasonal or Festive Increase

The **Sum Insured** for **Money** is increased by 50% for losses occurring during the days specified in the **Schedule** under the heading 'Seasonal or Festive Increase', up to a maximum of 116 days or, if no days are specified, this increased cover will apply to:

32.2.1 eight (8) weeks prior to and including Christmas Day;

32.2.2 three (3) weeks after and including 26 December;

32.2.3 six (6) weeks prior to and including Easter Tuesday;

32.2.4 one (1) week after but not including Easter Tuesday;

32.2.5 six (6) weeks prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter) where **You** can reasonably demonstrate that the **Stock** levels during that period have risen by more than 20% 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

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

Provided that this extension:

32.2.7 will not extend the insurance beyond the **Insurance Period** noted in the **Policy Schedule**; and

32.2.8 does not apply to **Money** on **Premises** outside of **Business Hours**; and

32.2.9 will not apply to the individual days specified in extension of cover, 32.5. (Bank or Public Holiday Increase).

32.3 Additional Cover

The following cover is additional to the **Sum Insured**:

32.4 Additional Premises – Provisional Cover

Cover is extended to **Premises** in Australia that become **Yours** after the commencement of the **Insurance Period**, for 30 days from first being used by **You** (unless the **Insurance Period** ends sooner or the **Premises** cease to be **Yours**, whichever shall first occur), but the cover is limited to the **Business** described in the **Schedule**.

The most **We** will pay under this Extension of Cover is ten per cent (10%) of the highest **Sum Insured** shown in the **Schedule** for any one **Premises**.

Full details of such additional property are to be supplied to **Us** within 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.

32.5 Bank or Public Holiday Increase

The **Sum Insured** and the limits of **Loss** for items shown in the **Schedule** are increased by 100% on days that are bank or public holidays. This increase shall continue to apply up until 4 pm on the first bank trading day after such holiday.

Provided that this extension of cover does not apply to:

32.5.1 damage to **Safes** and **Strongrooms**; and

32.5.2 **Money** on **Premises** outside **Business Hours**; and

32.5.3 any of the days covered by extension of cover 32.2. Seasonal or Festive Increase.

32.6 Counterfeit Currency

We will indemnify **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.

Provided that the maximum amount payable under this extension is limited to \$250 in total

32.7 Damage to Safes or Strongrooms

If Blanket Cover or **Money** in **Safes** or **Strongrooms** is shown in the **Schedule**, then **We** will pay up to \$5,000 for **Damage to Safes** and **Strongrooms** caused by **Theft** or an attempted **Theft of Money**.

32.8 Employee Dishonesty

We will pay **You** for **Loss of Money** by theft or dishonesty by any of **Your** employees occurring during the **Insurance Period**, which is discovered within 30 days of its occurrence. Exclusions 31.3 and 31.4 do not apply to this extension.

Provided **Our** liability under this extension of cover is limited to \$1,000 for any one event. This extension shall not apply if **You** are also insured under Cover Section 9 – Employee Dishonesty. If **You** are also insured under the Burglary **Cover Section**, the benefits payable for **Employee Dishonesty** shall not be cumulative.

32.9 Keys, Locks and Combinations

If Blanket Cover or **Money in Locked Safes** or **Locked Strongrooms** is shown in the **Schedule** then **We** will pay to replace locks, keys, magnetic keys or cards or similar devices, or to change the sequence of numbers or letters, or numbers and letters to any **Safe** or **Strongroom** if:

- 32.9.1 keys, magnetic keys or cards or similar devices are accidentally lost;
- 32.9.2 the sequence of numbers or letters, or numbers and letters becomes known by any unauthorised person or are accidentally lost, or;
- 32.9.3 circumstances have allowed the unauthorised duplication of keys, magnetic keys or cards or similar devices;
- 32.9.4 **We** will also pay the cost of opening **Safes** and **Strongrooms** following **Loss** of keys, magnetic keys or cards or similar devices.

Provided that the maximum amount payable under this extension is limited to \$5,000 in total, any one event.

32.10 Injury During Theft

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

- 32.10.1 death;
- 32.10.2 total and permanent loss of sight in one or both eyes;

- 32.10.3 total and permanent loss of one of both hands or feet;

occurring within twelve (12 months) of such injury; or

- 32.10.4 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:

Items 32.10.1, 32.10.2 and 32.10.3, \$10,000 in the aggregate in respect of all injuries sustained by any one person during any one **Theft** or attempted **Theft**; or

Item 32.10.4: \$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:

- 32.10.5 death attributable to, or consequent upon, or accelerated by; or
- 32.10.6 disablement aggravated by, attributable to, or consequent upon,

any pre-existing physical defect, illness or disease or injury.

32.11 Security

We will pay in addition to the **Sum Insured** the costs necessarily incurred by **You** to replace and develop security film and restore the security system to its former functionality following a theft or attempted theft that is covered by this **Cover Section**.

Provided that the maximum amount **We** will pay is limited to \$2,000 in total any one event.

32.12 Temporary Protection and Watchmen

We will pay for costs necessarily incurred by **You** to **Safeguard the Premises** following theft or attempted theft that is covered by this **Cover Section**, including but not limited to temporary repairs or the employment of watchmen or guards.

Provided that the total amount payable under **Your Policy** is limited to \$2,000 in total, any one event.

32.13 Travellers Money

We will pay for **Loss of Money** in **Your** custody while **You** are travelling for **Your Business** anywhere in the world.

Provided that the maximum amount payable under this extension is limited to \$2,000 in total, any one event.

Section 5 – Glass

Introduction

This **Cover Section** only forms part of **Your Policy** when Section 5 Glass is shown as Covered in the **Schedule** and is limited to the **Insurance Period**.

33. Definitions

The following definitions shall apply to the words used in this **Cover Section**.

- 33.1 **Advertising (or Identification) Signs** means signs made from glass or electrical illuminated signs permanently fitted to the **Building** or within the boundaries of the **Premises**.
- 33.2 **Breakage or Broken** means a fracture extending through the entire thickness of the glass or in the case of laminated glass or plastic or perspex, the entire thickness of the laminate, plastic or perspex.
- 33.3 **Glass** means **Internal Glass** or **External Glass**.
- 33.4 **External Glass** means glass or plastic material used as glass fixed in external windows, doors, showcases, skylights forming part of the **Premises**.
- 33.5 **Internal Glass** means glass or plastic material used as glass in internal partitions, windows and doors, glass in counters, glass forming shelves and/or **Stock** restraints, interior showcases, fixed mirrors and other fixed internal glass including ceramic vitreous china urinals and toilet pans and hand basins.

34. Cover

If **Glass Breakage** occurs during the **Insurance Period** **We** will pay for the actual cost of replacing and fixing the **Glass** in its frame or in its normal location with **Glass** of a similar type and quality to the **Glass** that is **Broken**.

We will pay any additional costs incurred by **You** to comply with current **Building** regulations that relate to the **Glass** that is **Broken**, when applicable.

35. Limitations of Cover

35.1 Types of Glass

We will only pay for **Internal Glass** or **External Glass** if they are shown in the **Schedule**.

35.2 Excess

You are liable for the **Excess** for each and every event that results in a **Breakage**.

36. Exclusions

We will not pay for damage to:

- 36.1 property during installation or removal of **Glass**;
- 36.2 **Glass** that is **Stock** in trade or merchandise; or
- 36.3 **Glass** that is only scratched, chipped or discoloured.

37. Extensions of Cover

These extensions of cover apply following **Glass Breakage**, provided that the total of all payments under these extensions of cover is limited to \$8,000 during the **Insurance Period**.

37.1 Additional Benefits

If **Glass** shown in the **Schedule** is **Broken** during the **Insurance Period** then **We** will pay the costs that are necessarily incurred by **You** to:

- 37.1.1 effect temporary repairs, install shuttering and employ watchmen or guards;
- 37.1.2 repair or replace:
 - (a) frames, sign-writing, alarm tapes, coatings; or
 - (b) fittings;
 that are damaged as a result of **Glass Breakage**;
- 37.1.3 remove and refit fixtures and tiles to allow the repair or replacement of **Broken Glass**; and
- 37.1.4 arrange after hours services, express delivery and labour at overtime rates in relation to the repair and replacement of **Broken Glass**.

37.2 Reinstatement of Additional Benefits

Following a claim under extension of cover Clause 37.1 (Additional Benefits), if **You** pay or agree to pay an additional **Premium**, **We** will return the limit to the full \$8,000.

37.3 Advertising (or Identification) Signs

We will pay for **Breakage of Advertising (or Identification) Signs** occurring during the **Insurance Period**.

37.4 Damaged Stock or Contents

If 'Glass' is shown in the **Schedule** and **Glass** is **Broken** We will pay to repair or replace **Stock or Contents** that is damaged by such **Broken Glass**.

Section 6 – Business Special Risks

Introduction

This **Cover Section** only forms part of **Your Policy** when Section 6 Business Special Risks is shown as Covered in the **Schedule** and is limited to the **Insurance Period** indicated. The geographical limit applying to the **Policy** does not apply to this **Cover Section**.

38. Definitions

The following definitions shall apply to the words used in this **Cover Section**.

38.1 **Damage** or **Damaged** means accidental physical damage, destruction or loss.

38.2 **Item or Items** means an Item or Items that are shown in the **Schedule** whether unspecified or specified.

38.3 **Sum Insured** means the retail or market value of property of a similar type, age and condition to the **Damaged** or destroyed **Items** at the time of the **Damage**:

38.3.1 adjusted for any special features, and

38.3.2 having regard to used prices guides and any other relevant information.

39. Cover Options

We will pay up to the **Sum Insured** for the cost of repairing or replacing Items that are **Damaged** during the **Insurance Period**.

You may choose one of the two cover options to insure **Your** property.

39.1 Cover Option A - Accidental Damage

When this cover is specified in the **Schedule** We will insure the **Items** described in the **Policy Schedule** under this **Cover Section** against any unforeseen accidental

physical damage, which includes all insured events provided by Cover Option B.

39.2 Cover Option B - Fire, Theft, Collision and Other Specified Events

When this cover is stated in the **Policy Schedule**, We will insure the **Items** described in the **Policy Schedule** under this **Cover Section** for loss or **Damage** caused by:

39.2.1 fire, lightning, explosion, malicious damage or vandalism;

39.2.2 theft following forcible and violent entry which causes visible **Damage** to a locked vehicle or **Building**;

39.2.3 theft of equipment securely attached to a vehicle through use of locks or padlocks, which results in visible damage to the securing devices;

39.2.4 collision or overturning of the conveying vehicle.

40. Basis of Settlement

Unless otherwise specified in the **Policy Schedule**, claims will be settled on the basis of reinstatement and replacement and extra costs, as follows.

40.1 Reinstatement and replacement

Reinstatement and replacement shall mean:

40.1.1 where property (excluding **Stock** or customers' goods) is destroyed, the replacement thereof by similar property; or

40.1.2 where property (excluding **Stock** or customers' goods) is damaged, the repair of the damage and the restoration of the damaged portion of the property.

In either case to a condition equal to but not better or more extensive than its condition when new.

The basis of settlement of any claim shall be the cost of reinstatement or replacement of the property destroyed or damaged at the time of such destruction or damage as follows:

40.1.3 the work of replacing or repairing as the case may be, must be commenced and carried out with reasonable despatch, failing which We shall pay the indemnity value for the loss or **Damage**.

40.1.4 when any property to which this clause applies is **Damaged** or destroyed in part only, **Our** liability shall not exceed the sum specified in the **Policy Schedule**.

40.1.5 no payment beyond the amount which would have been payable under this **Cover Section** shall be made until a sum equal to the cost of reinstatement shall have been actually incurred.

40.2 Market Value

Where **Items** consisting of **Stock** or customers' goods are destroyed or **Damaged**, **We** will, at **Our** option:

40.2.1 pay the market value at the time of the loss or **Damage**;

40.2.2 replace or repair the **Stock** with property or materials of the same or similar standard and specification of the **Stock** or customers' goods at the time of loss or damage;

40.2.3 pay the cost of repair or replacement.

40.3 The Maximum Amount We Will Pay

We will not pay more than the **Sum Insured** for any **Item** **You** have chosen to insure as shown in the **Policy Schedule** for that **Item**.

41. Limitations of Cover

41.1 Excess

You are liable for the **Excess** which is shown in the **Policy Schedule** for each and every event that results in **Damage**.

41.2 Obsolete Items or Improvements

If an **Item** cannot be purchased as a new **Item** or if an **Item** cannot be repaired or replaced without improving the output, capacity or efficiency of that **Item** then **We** will only pay the cost of replacing or repairing that **Item** less an amount equal to the value of any such improvement(s).

41.3 Unspecified Items

Cover for unspecified items is limited to a maximum amount of \$2,000 for any one **Item**. Provided that **We** will not pay for excluded **Items**.

41.4 Reduced Sum Insured

The **Sum Insured** for the **Insurance Period** will be reduced by any payment made or due to be made under this **Cover Section**.

41.5 Locked Vehicle Requirement

It is a condition precedent to liability under the **Policy** that insured property whilst contained in a vehicle or trailer must be secured and locked, whilst in transit, whilst **You** are working on site and the vehicle is unattended, or away from site and the vehicle is unattended.

42. Exclusions

42.1 Excluded Causes

We will not pay for **Damage** caused by or arising from or losses relating to:

42.1.1 mechanical, electronic or electrical breakdown or derangement unless it occurs as a consequence of any other **Damage** to the insured **Item**;

42.1.2 cracking, scratching, denting, chipping, breakage of glass or fragile **Items** or surfaces, or other aesthetic defects that do not affect the operation or function of the **Item** unless it occurs as a consequence of any other **Damage** to the insured **Item**;

42.1.3 corruption or loss of data;

42.1.4 vermin or insects;

42.1.5 scratching, denting, chipping or other aesthetic defects that do not affect the operation or function of the **Item**;

42.1.6 gradually operating causes such as, but not limited to, the action of light or atmospheric conditions or gradually developing conditions, vibration, wear, tear and/or depreciation;

42.1.7 mildew, mould, corrosion, oxidation, fading, rusting or other forms of oxidation, or any process of heating, drying, cleaning, dyeing or alteration; or

42.1.8 faulty materials, faulty workmanship or latent defect.

42.1.9 dishonesty by **You** or others to whom **Items** insured in this Section are delivered, entrusted, loaned or rented;

42.1.10 action of the sea, tidal wave, high water or **Flood**.

42.2 Excluded losses

We will not pay for

- 42.2.1 any alteration, improvements or overhaul of any **Item**, even if it occurs during repair or replacement following **Damage** to the **Item** insured by this Section;
- 42.2.2 consequential loss of any kind;
- 42.2.3 theft of property left in the open air;
- 42.2.4 theft from a **Building** or vehicle unless:
 - (a) the **Building** or vehicle was securely locked, and
 - (b) the theft follows forcible and violent entry which is evidenced by visible damage to the **Building**, vehicle or securing devices;
- 42.2.5 loss, or damage to documents, manuscripts, patterns, models, moulds, plans, designs, unless shown in the **Policy Schedule**;
- 42.2.6 loss, destruction or damage caused by or arising whilst the conveying vehicle is engaged in racing, pace making, reliability trials or speed testing or is conveying any load in excess of that for which it was constructed.

42.3 Excluded Items

We will not pay for the following **Items** unless they are specified in the **Schedule**:

- 42.3.1 mobile plant, motorised vehicles, watercraft, video equipment;
- 42.3.2 **Stock**;
- 42.3.3 mobile telephones and radios, sporting equipment, aerial devices;
- 42.3.4 computers, electronic diaries, organisers or their accessories;
- 42.3.5 firearms; and
- 42.3.6 **Money**.

Section 7 – Machinery Breakdown

Introduction

This **Cover Section** only forms part of **Your Policy** when Section 7 Machinery Breakdown is shown as Covered in the **Schedule** and is limited to the **Insurance Period**.

43. Definitions

- 43.1 **Breakdown** means the actual breaking, seizing, deformation or melting of any part of any property while that property is in use that is caused by mechanical, electrical or electronic defect within the property that causes sudden malfunction that requires repair or replacement before the property can resume normal operation.
- 43.2 **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.
- 43.3 **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.
- 43.4 **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:
 - 43.4.1 **Breakdown of Cold Chamber Machinery**, for which a claim has been admitted under this **Cover Section**, or would have been admitted other than for the application of the **Excess**.
 - 43.4.2 a change in the concentration of gases in the **Cold Chamber** caused by **Breakdown**.

- 43.4.3 contamination of **Goods** caused directly by contact with refrigerant gas leaking from the insured **Machinery**.
- 43.4.4 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.
- 43.4.5 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 suppliers 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 suppliers system.
- 43.5 **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.
- 43.6 **Goods** means perishable goods, including their packaging material, belonging to **You** or for which **You** are responsible or have assumed a responsibility to insure.
- 43.7 **Machinery** means the electric, electronic, 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:
- 43.7.1 wiring, fittings and outlet sockets of electric lighting or electric power circuits;
 - 43.7.2 computers, office machines and portable and/or hand-held electronic equipment;
 - 43.7.3 telephone and closed circuit television installations;
 - 43.7.4 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;
 - 43.7.5 gaming, gambling, amusement, vending and/or coin/card-operated machinery, or audio or visual entertainment equipment;
 - 43.7.6 **Machinery** not owned by **You**;
 - 43.7.7 research, diagnostic and electro-medical equipment.
- 43.8 **Mobile Machinery** means any mechanically operated or driven machine on wheels or self-laid tracks.
- 43.9 **Pressure Equipment** means those parts of the permanent structure of a boiler, pressure vessel, economiser or superheater and attaching pipe systems that are subject to steam, gas or fluid pressure or vacuum, all belonging to **You** or for which **You** are responsible or have assumed a responsibility to insure.
- 44. Cover**
- We** will pay up to the **Sum Insured** for the cost of:
- 44.1 repairing or replacing **Machinery** arising from the **Breakdown** of that **Machinery**;
 - 44.2 repairing or replacing **Pressure Equipment**, as a result of **Collapse** or **Explosion**;
 - 44.3 replacing **Goods** in **Cold Chamber**, as a result of **Deterioration**,
during the **Insurance Period**.
- 45. Extensions of Cover**
- 45.1 **Additional Costs Associated with Repair**

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

- 45.1.1 temporary repairs;
- 45.1.2 hiring of substitute machinery;
- 45.1.3 overtime;
- 45.1.4 express freight including overseas air freight;
- 45.1.5 removing, storing and disposing of debris being the residue of damaged property insured, excluding any **Pollutants** deposited beyond the boundaries of the **Premises**.

We will not be liable for:

- 45.1.6 the costs and expenses for specialists or consultants to travel to or from Australia;
- 45.1.7 airfreight by aircraft specifically chartered for the purpose;
- 45.1.8 overtime charges that exceed fifty per cent (50%) of the cost of carrying out the repairs at ordinary rates;
- 45.1.9 **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 Extension is \$10,000 or fifty per cent (50%) of the total **Sum Insured**, whichever is the lesser.

45.2 **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 **Cover Section** at any of the **Premises** described in the **Schedule**, excluding items hired by **You**.

- 45.2.1 Such additions must be of a similar type and class as described in the **Schedule**.
- 45.2.2 Such additions must be free from known defects and comply with all applicable statutory requirements.

45.2.3 Cover will not attach until such additions have become **Your** responsibility and have operated satisfactorily at design load, for eight hours in total.

45.2.4 **Cover Section** limits and **Excesses** will remain the same for such additions.

45.2.5 **You** must notify **Us** of such additions in writing within ninety (90) days of the commencement of such additions.

45.2.6 **You** must pay the extra premium required by **Us** for the insurance of such additions.

45.2.7 If such additions are unacceptable to **Us**, **We** shall, within 7 days of receiving **Your** notice, give **You** 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.

45.3 **Reinstatement of Sum Insured – Goods**

Following a claim for **Deterioration of Goods** in **Cold Chambers** under this **Cover Section**, **We** will reinstate the **Sum Insured** from the date of the loss, provided **You** pay or agree to pay any additional premium that may be required by **Us**.

45.4 **Seasonal or Festive Increase**

The **Sum Insured** for **Deterioration of Goods** in **Cold Chambers** is increased by 50% for losses occurring during the days specified in the **Schedule** under the heading 'Seasonal or Festive Increase', up to a maximum of 116 days or, if no days are specified, this increased cover for **Deterioration of Goods** in **Cold Chambers** will apply to:

- 45.4.1 eight (8) weeks prior to and including Christmas Day;
- 45.4.2 three (3) weeks after and including 26 December;
- 45.4.3 six (6) weeks prior to and including Easter Tuesday;
- 45.4.4 one (1) week after but not including Easter Tuesday;
- 45.4.5 six (6) weeks prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter) where **You** can

reasonably demonstrate that the **Goods** in **Cold Chambers** levels during that period have risen by more than 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

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

Provided that this extension of cover will not extend the insurance beyond the **Insurance Period**.

45.5 Inflation Protection

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

46. Exclusions

We will not cover **You** for:

- 46.1 the cost of repair or replacement of expendable items;
- 46.2 **Breakdown** or any loss or damage caused by any crack, fracture, blister, lamination, flaw or grooving which has not penetrated completely through the entire thickness of the material of the machinery;
- 46.3 the costs incurred in repairing wear and tear or gradual deterioration including:
 - 46.3.1 wear and tear due to normal operation;
 - 46.3.2 wearing or wasting away of material caused by normal operation or resulting from atmospheric conditions, rust, erosion, or oxidation;
 - 46.3.3 damage to a safety or protective device caused by its own operation;
 - 46.3.4 the chipping or scratching of painted or polished surfaces; or
 - 46.3.5 slowly developing deformation or distortion.
- 46.4 the cost of carrying out of normal maintenance, such as the tightening of loose parts, recalibration or adjustments;
- 46.5 **Breakdown** of **Machinery**, which **You** knew or reasonably should have known to be defective before the **Breakdown** occurred;
- 46.6 any consequential loss;
- 46.7 any loss or damage caused by or arising out of the following **Insured Perils** specified in **Cover Section 1** - fire. **Breakdown**, loss or damage caused by explosion or implosion, other than:
 - 46.7.1 the sudden and violent rending of any boilers and pressure plant or pressure pipe systems by force of internal fluid pressure of ignited flue gases, but excluding other chemical action; or
 - 46.7.2 the bursting or disruption of turbines, compressors, engine cylinders, hydraulic cylinders, flywheels or other parts subject to centrifugal force, transformers, switches or oil immersed switch gear.
- 46.8 **Breakdown**, loss or damage caused during the course of maintenance, inspection, repair, alteration, modification or overhaul;
- 46.9 **Breakdown**, loss or damage caused during installation, erection or relocation;
- 46.10 damage to foundations, brickwork, and refractory materials other than as a result of **Breakdown**;
- 46.11 **Breakdown**, loss or damage arising out of plant being subjected to tests involving abnormal stresses or arising out of plant being deliberately overloaded;
- 46.12 **Breakdown**, loss or damage caused by a deliberate act, neglect or omission on **Your** part;
- 46.13 **Breakdown**, loss or damage for which the manufacturer or supplier or other parties are responsible under a maintenance or warranty agreement;
- 46.14 the cost of alterations, improvements or overhauls unless it is required for the repair or replacement;
- 46.15 the costs associated with modifying the machinery so that it operates with a more ozone friendly refrigerant gas as required by the United Nations Environmental

Programme Montreal Protocol with respect to substances which deplete the ozone layer ("UNEP");

- 46.16 **Breakdown**, loss or damage as a result of dual lifting;
- 46.17 air conditioners unless **Your Schedule** shows they are covered;
- 46.18 **Breakdown of Machinery**, which is useless or obsolete to **Your Business**;
- 46.19 any loss or damage caused by or arising out of pollution, contamination or a hazardous substance, however caused, except.
- 46.20 in respect of **Pressure Equipment We** will not cover **You** for repair or replacement following loss, destruction or damage directly or indirectly caused by or arising from or in consequence of:
- 46.20.1 wasting or wearing away whether by leakage or corrosion or by the action of the fuel or otherwise,
- 46.20.2 slowly developing deformation or distortion,
- 46.20.3 cracks, fractures, blisters, lamination separation, flaws or grooving that has not penetrated the entire thickness of the material,

However, exclusions 46.20.1, 46.20.2 and 46.20.3 will not apply to consequent **Explosion or Collapse**.

- 46.21 **Explosion or Collapse** of any **Pressure Equipment** if at the time of such **Explosion or Collapse**:
- 46.21.1 the load on the safety valve upon the particular **Pressure Equipment** was in excess of the manufacturer's specification;
- 46.21.2 any safety valve limiting the pressure was removed or rendered inoperative; or
- 46.21.3 the particular **Pressure Equipment** was not certified in accordance with the applicable **Pressure Equipment** inspection regulations.
- 46.22 loss, destruction or damage to **Pressure Equipment** where:
- 46.22.1 such equipment is operated in an unsafe condition;

46.22.2 such equipment does not comply with Australian Standards, codes or laws; or

46.22.3 an inspection by a competent person has not been carried out in accordance with the applicable Australian Standards, codes or laws.

47. Settlement of Claims

In the event of a claim for:

47.1 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.

47.2 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:

47.2.1 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**.

47.2.2 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.

- 47.2.3 if the repair or replacement is not effected within twelve (12) months of the **Explosion** or **Collapse**, **We** will not pay more than the 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.

47.3 **Deterioration of Goods in Cold Chambers**

We will, at **Our** option:

- 47.3.1 replace the **Deteriorated Goods**; or
- 47.3.2 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 event for which a claim is made under this **Cover Section**, **We** will deduct the **Excess** and the value of any salvage.

Section 8 – Computer and Electronic Equipment

Introduction

This **Cover Section** only forms part of **Your Policy** when Section 8 **Computer and Electronic Equipment** is shown as Covered in the **Schedule** and is limited to the **Insurance Period**.

48. Definitions

In this **Cover Section**:

- 48.1 **Accident** means unintended or unexpected physical destruction, loss or damage to property insured under this **Cover Section**.

- 48.2 **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.

- 48.3 **Computer System** 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.

- 48.4 **Computer(s)** means electronic data processing equipment including software programs, but does not include equipment used for gaming, gambling, amusement, audio or visual entertainment, or vending.

- 48.5 **Damage** means damage caused by **Fire and Perils**, **Breakdown** or **Accident** or any combination of these provided that such cover is specified in the **Schedule**.

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

- 48.7 **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 but does not include equipment used for gaming, gambling, amusement, audio or visual entertainment, or vending.

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

- 48.8.1 fire, lightning, thunderbolt, spontaneous combustion, fermentation, heating or any process involving the application of heat;

- 48.8.2 civil authorities through attempts to prevent the spread of fire;

- 48.8.3 aircraft or other aerial devices or articles dropped therefrom, sonic boom;

- 48.8.4 earthquake, subterranean fire, volcanic eruption, tsunami;

- 48.8.5 storm, tempest, rainwater, snow, sleet, wind, hail, Flood, action of the sea, tidal wave, high water;

- 48.8.6 water, liquids or substances discharged, overflowing or leaking from fixed apparatus,

fixed appliances, fixed pipes or other systems;

- 48.8.7 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;
- 48.8.8 explosion;
- 48.8.9 impact.
- 48.9 **Peripheral Equipment** means all other equipment connected to and operating from the **Computer System**, excluding underground lines.
- 48.10 **Total New Replacement Value** means the installed price of a new **Computer System** or **Electronic Equipment** of equivalent make and model and current manufacture.

49. Cover

We will pay up to the **Sum Insured** for the cost of:

- 49.1 **Damage to Computer Systems and Electronic Equipment**, whilst at the **Premises**, excluding:
- 49.1.1 the cost of reinstatement of data.
- 49.1.2 Consequential loss of any nature whatsoever.
- 49.1.3 visual display units such as Thin Film Transistor, Liquid Crystal Display and Plasma screens and other electrical and electronic valves and tubes, lasers and magnetron units.
- 49.2 **Breakdown** excluding:
- 49.2.1 **Breakdown** covered by a supplier's or manufacturer's warranty or Comprehensive Hardware Maintenance Agreement;
- 49.2.2 **Breakdown** of print heads, belts, chains, fuses, circuit breakers, contacts which spark or arc, photo-sensitive drum assemblies, latches, locks, securing mechanisms, batteries, carbon ribbons;

49.2.3 visual display units such as Thin Film Transistor, Liquid Crystal Display and Plasma screens and other electrical and electronic valves and tubes, lasers and magnetron units;

49.2.4 physical destruction, loss or damage resulting from **Accident**.

50. Limitation

Our total liability during any one **Insurance Period**, will not exceed for each item specified in the **Schedule**, the **Sum Insured** shown in the **Schedule** for that item, plus any amount provided for under any relevant Extension.

51. Extensions of Cover

Following a claim for which **We** have agreed to indemnify **You** and where the **Sum Insured** is not otherwise exhausted, **We** will also pay in respect of:

51.1 Additional Costs Associated with Repair

In respect of each event resulting in a claim admitted under this **Cover Section** for **Breakdown of Computer and Electronic Equipment**, **We** will pay for the reasonable expenses necessarily incurred for:

- 51.1.1 temporary repairs;
- 51.1.2 hiring of substitute **Computer and Electronic Equipment**;
- 51.1.3 overtime;
- 51.1.4 express freight including overseas air freight;
- 51.1.5 removing, storing and disposing of debris being the residue of damaged property insured, excluding any **Pollutants** deposited beyond the boundaries of the **Premises**.

We will not be liable for:

- (a) the costs and expenses for specialists or consultants to travel to or from **Australia**;
- (b) air freight by aircraft specifically chartered for the purpose;
- (c) overtime charges that are fifty per cent or more higher than the labour cost of carrying out the repairs at ordinary rates;

- (d) **Breakdown of Computer and Electronic Equipment** that has been hired or is on loan to **You** from a third party.

The most **We** will pay under this Extension for any one event is \$5,000 in total or fifty per cent (50%) of the **Sum Insured**, whichever is the lesser.

51.2 Consulting Engineers' Fees

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 Extension is \$5,000.

51.3 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 **Cover Section** at any of the **Premises** described in the **Schedule**, for a period of ninety (90) days from the time of installation but excluding items hired by **You**, but:

- 51.3.1 such **Computer Systems** or **Electronic Equipment** are insured only to the same extent as already described in the **Schedule**;
- 51.3.2 only if such **Computer Systems** or **Electronic Equipment** are in satisfactory working order when installed;
- 51.3.3 the **Sum Insured** will not be increased by more than 25 per cent of the total **Sum Insured** or \$5,000 whichever is the lesser;
- 51.3.4 **You** must pay any premium that **We** require.

51.4 Equipment On Loan

Damage to items that **You** have on loan temporarily, to replace insured **Computer Systems** and/or **Electronic Equipment**. Cover on items on loan will be limited to the cover that would have applied to the item it replaced, excluding **Breakdown**.

51.5 Inflation Protection

The declared value of **Computer Systems** and/or **Electronic Equipment** 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 such period shall bear to the whole of such period.

51.6 Reinstatement of Sum Insured

Following a claim under this **Cover Section**, **We** will reinstate the **Sum Insured** from the date of the loss, provided **You** pay or agree to pay any additional premium that may be required by **Us**.

51.7 Transit and Temporary Removal

Cover is extended to include **Computer Systems** and/or **Electronic Equipment** temporarily removed from the **Premises** to anywhere in **Australia**, but not:

- 51.7.1 whilst in storage or whilst being transported for storage or during permanent removal from the **Premises**;
- 51.7.2 if stolen from any unlocked vehicle;
- 51.7.3 whilst left unattended in the open air;
- 51.7.4 whilst in transit as checked baggage or cargo. The most **We** will pay under this Extension is \$5,000 per event, unless otherwise specified in the **Schedule**.

52. Variation and Extension

52.1 Transit and Temporary Removal

For **Computer Systems** and/or **Electronic Equipment** that are indicated in the **Schedule**, cover is extended to include temporary removal from the **Premises** to anywhere in **Australia** but not:

- 52.1.1 whilst in storage or whilst being transported for storage or during permanent removal from the **Premises**.
- 52.1.2 if stolen from any unlocked vehicle.
- 52.1.3 whilst left unattended in the open air.
- 52.1.4 whilst in transit as checked baggage or cargo.

53. Settlement of Claims

The basis of any claims settlement under this **Cover Section** shall be as follows:

- 53.1.1 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.
- 53.1.2 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**.

54. Conditions

54.1 Breakdown – Hardware Maintenance

It is a condition of the cover that the computer and electronic equipment must be operated and maintained in accordance with the manufacturers recommendations

54.2 Underinsurance/Average

In the event of **Damage**, **We** will not be liable for more than that proportion of the physical destruction, loss or **Damage** which the **Sum Insured** bears to eighty per cent (80%) of the **Total New Replacement Value** of the insured **Computer Systems** and/or **Electronic Equipment** at the time of the **Damage**.

Conditions:

- 54.2.1 **Our** liability is limited to the **Sum Insured** at the **Premises** as shown in the **Schedule**.
- 54.2.2 This clause will not apply if the amount of any **Damage** does not exceed ten per cent (10%) of the **Sum Insured** at the **Premises**.

Example: Item value \$100,000

80% of value = \$80,000

Sum Insured \$50,000

Therefore, if a \$40,000 loss occurs:

$\$50,000 / \$80,000 \times \$40,000 = \$24,800$

We would pay \$24,800 (less any **Excess**).

55. Exclusions

This **Cover Section** does not cover:

- 55.1 the cost of 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; or

- 55.2 loss of or **Damage** to data, including operating systems or application programs.
- 55.3 the costs otherwise recoverable under any hardware maintenance agreement or hiring/ leasing agreement or under any maker's or manufacturer's warranty.
- 55.4 physical destruction, loss or **Damage** due to faults or defects about which **You** or **Your** employees knew when **You** arranged, renewed, extended, varied or reinstated this insurance but did not disclose to **Us**.
- 55.5 any loss that occurs after the **Premises** becomes unattended and remains so for any period of more than sixty (60) consecutive days, unless **Our** written consent has been obtained.
- 55.6 the costs of any alterations, improvements, maintenance or overhauls carried out on the occasion of the repair or replacement.
- 55.7 loss of or **Damage** to data and operating systems resulting from computer virus.

Section 9 – Employee Dishonesty

Introduction

This **Cover Section** only forms part of **Your Policy** when Section 9 Employee Dishonesty is shown as Covered in the **Schedule** and is limited to the **Insurance Period** indicated.

56. Definitions

56.1 **Claim Documents** means:

- 56.1.1 the documentation created in the preparation of, or evidencing, a claim; and
- 56.1.2 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.

56.2 Employee means:

56.2.1 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 **You**,

in the ordinary course of **Your Business**, during the **Insurance Period**, and whom **You** have the right to direct in the performance of that person's work;

56.2.2 a former **Employee** during a period of not more than 30 days following the cessation of that person's service;

56.2.3 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.

Employee does not include:

56.2.4 a person who is not directly paid remuneration by **You** other than as described in 56.2.3(b) above; or

56.2.5 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

56.2.6 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.

56.3 Limit of Indemnity means the Limit of Indemnity of Employee Dishonesty insurance shown in the **Schedule** for

all **Losses** during the **Insurance Period**.

56.4 Loss means direct loss:

56.4.1 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;

56.4.2 occurring in the ordinary course of **Your Business**;

56.4.3 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

56.4.4 discovered by **You**:

- (a) during the **Insurance Period**; or
- (b) if this **Cover Section** is not renewed or is cancelled, within twelve (12) months after the **Insurance Period** or the date of cancellation for this **Cover Section** of the **Policy**;

but in either case no later than twelve (12) months after the cessation of employment of the relevant **Employee**.

57. Cover

After **You** have:

57.1 provided to **Us** the **Claim Documents**; and

57.2 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.

58. Extensions of Cover

58.1 Claims Preparation Fees

If **We** are liable to indemnify **You** against a **Loss** and where the **Limit of Indemnity** are not

otherwise exhausted, the cover is extended to indemnify **You** against:

58.1.1 the fees payable by **You** to **Your** Auditors; and

58.1.2 all other costs, charges and expenses;

reasonably and necessarily incurred by **You** with **Our** consent in the preparation of a claim; but the most **We** will pay under this Extension is ten per cent (10%) of the **Limit of Indemnity** or \$20,000, whichever is the lesser.

58.2 Superannuation Funds

The definition of **You** and **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.

58.3 Welfare, Social or Sporting Club

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

59. Exclusions

We will not cover **You** for **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:

59.1.1 the money, negotiable instruments or goods that are the subject of the **Loss** were in the possession of the **Employee**; and

59.1.2 **You** immediately took all reasonable action to regain possession of the money, negotiable instruments or goods.

60. Settlement of Claims

60.1.1 **Our** total liability for all **Losses** and claims preparation fees during the **Insurance Period** shall not exceed the **Limit of Indemnity** shown on the **Schedule**.

60.1.2 **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.

60.1.3 **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 **Cover Section**.

61. Special Conditions

61.1 Notification of Loss

You must:

61.1.1 notify **Us** in writing within 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

61.1.2 deliver to **Us** as soon as practicable, but no later than 3 months after the notice in 44.1, the **Claim Documents** and full details in writing of the **Loss** and of **Your** claim under this **Cover Section**.

61.2 Observance of System of Audit, Supervision and Checks

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

61.3 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:

61.3.1 a change in the nature of **Your Business**;

61.3.2 **Your** non-observance of the system of audit, supervision and checks which, in connection with this **Cover Section**, **You** stated to **Us** that **You** observe;

so that **We** may either cancel the **Cover Section** or agree to the variation of its terms and conditions.

61.4 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.

61.5 Unidentifiable Employees

Where a **Loss** is caused by an unidentifiable **Employee**, cover is subject to **You** proving that the **Loss** was caused by fraud or dishonesty of an **Employee** and any cost incurred in proving this will be at **Your** expense and will not be payable under the Claims Preparation Fees Extension of Cover.

61.6 Our Rights of Conduct and Recovery

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**;

You must not in any way prejudice **Our** right or ability to recover a **Loss**;

You must co-operate with **Us** fully in the recovery of a **Loss**.