

Preparation  
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# Supplementary Product Disclosure Statement (SPDS) — Allianz Steadfast Business Pack

This document is a SPDS issued by the insurer Allianz Australia Insurance Limited ABN 15 000 122 850 AFS Licence No. 234708 of 2 Market Street Sydney NSW 2000. This SPDS updates and amends the Business Pack Product Disclosure Statement (PDS) and Policy Document (POL141BA/SF 11/13) issued by Allianz and must be read together with the PDS and any other SPDS that You are given which updates or amends the PDS.

Please contact Us if You require another copy of the PDS issued by Us to You.

This SPDS only applies in relation to the person or persons to whom it was provided and amends the PDS to make the following changes:

## Section Three – Theft

**Section Three – Theft** has been enhanced by adding the following Additional benefit:

### 12. Theft of Property Insured in the open air

We will cover You for theft without forcible and violent entry of Property Insured in the open air but within the boundaries of the Premises or contained in an unlocked Building, up to \$5,000 or any higher amount if shown in the Schedule in respect to this Additional Benefit.

We will not cover You for the theft of property in the open air unless the Premises after hours are fully enclosed by a locked cyclone fence with padlocks with a security rating under AS4145.4 (or any subsequent amendment).

## Section Seven – Electronic

**Section Seven – Electronic** is deleted and replaced with the following:

### About this Policy Section

This Policy Section only forms part of Your Policy when 'Electronic Equipment' is shown as insured or selected in the Schedule. There are two covers available in this Policy Section:

- Accidental Damage including Breakdown
- Breakdown only

## Definitions

Some words have special meaning wherever they appear in this Policy Section. These words and their meanings are listed below:

**"Breakdown"** means a sudden and unforeseen mechanical, electrical or electronic malfunction or failure which becomes occurs during the Period of Insurance and requires immediate repair or replacement to enable normal operation to continue.

**"Dollar Excess"** means the amount specified in the Schedule that You shall first contribute towards each claim, arising out of the one occurrence.

**"Electronic Data"** means the information stored on the Electronic Data Media.

**"Electronic Data Media"** means the discs or tapes used in the computer to store the information.

**"Electronic Plant"** means all computers, word processors including ancillary equipment attached thereto, Software, other electronic equipment and associated air conditioning equipment as specified in the Schedule as Insured Items.

**"Excess"** means for the purposes of this Policy Section, the Excess may be a Dollar Excess or a Time Excess. We will subtract the applicable Excess from the claim otherwise payable and We will then pay to You the amount of loss or damage up to the applicable Sum Insured.

**"Insured Damage"** means sudden and unforeseen physical loss or destruction of or damage to an Insured Item due to any cause not excluded under this Policy Section (and such extensions to this Policy Section) which You have selected to be insured under this Policy Section of Your Policy and which occurs at the Premises during the Period of Cover and which requires immediate repair or replacement to allow continuation of use.

**"Insured Item"** means any item specified in the current Schedule.

**"Indemnity Period"** means the period not exceeding three months from the date increased working costs are first incurred during which the results of Your Business shall be affected in consequence of the damage.

**"Sum Insured"** means the relevant sum stated opposite each Insured Item as specified in the Schedule.

**"Software"** means the collection of programs which cause a computer to perform a desired operation or series of operations.

**"Time Excess"** means the number of days specified in the Schedule during which You must bear the loss.

## Your insurance under this Policy Section

If any Insured Item of Electronic Plant or any part of an Insured Item of Electronic Plant specified in the Policy Schedule suffers damage as being indicated by the cover options You have selected as stated on the Schedule, We will indemnify You, as provided in the basis of settlement clause. Cover under this Policy Section applies while the Insured Item is:

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

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## Cover options

### Part A – Accidental Damage

Where Part A – Accidental Damage is shown as operative in the Schedule, the cover will be: Any Insured Damage to the Insured Item of Electronic Plant including Breakdown.

### Part B – Breakdown only

Where Part B – Breakdown only is shown as operative in the Schedule, the cover will be: Breakdown of the Insured Item of Electronic Plant.

## What We pay

1. In the event of damage to an Insured Item of Electronic Plant We will pay the cost of replacement or repairs necessary to return the Insured Item to its former state of operation including:
  - (a) cost of dismantling, re-erection, cleaning up and removal of debris
  - (b) charges for overtime and work on public holidays where necessarily and reasonably incurred
  - (c) freight within the Commonwealth of Australia by any recognised scheduled service
  - (d) overseas air freight by any recognised scheduled service or overseas labour
  - (e) the cost of temporary repairs and/or hire of a temporary replacement item during the time taken to repair damage to any Insured Item
  - (f) any customs duties and dues

Provided that the costs in clauses 1(b), 1(c) 1(d) and 1(e) are limited to 50% of the normal cost of repair payable under this Policy Section and shall be payable in addition to the Sum Insured.
2. No deduction will be made for depreciation of parts replaced except for valves, tubes (including picture and x-ray tubes) and light sources. We will deduct a proportion of the replacement cost of these items being the proportion which the period of use up to the time of failure bears to the normal service life expected by the manufacturer or supplier.
3. All damage which can be repaired, must be repaired, however, should the item be uneconomical to repair due solely to the nature of the damage, settlement will be the lesser of the Sum Insured for the Insured Item as stated in the Schedule, and
  - (a) for Insured Items less than six years old the cost of replacement of the Insured Item by an item of similar function, type, capacity and quality and in a condition equivalent to but not better than, the condition of the Insured item when new; or
  - (b) for Insured Items six years or older, the installed value of the Insured Item will be depreciated by 10% per annum for each year of service to a maximum of 70%.
4. The value of any salvage will be subtracted from the amount payable.
5. If more than one Insured Item is lost or damaged in one occurrence, We will apply only the highest of the Excesses applicable to such Insured Items.
6. The amount of each claim otherwise payable shall be reduced by the amount of the Excess for this section shown in the Schedule.

## **Additional benefits applicable to this section**

### **Additional items**

If You hire or purchase and commission at Your Premises any items similar to items already insured under this section, We will consider these items to be added to the insurance by this Policy Section, giving the same cover as for similar items already insured. Provided that:

1. cover for additional items shall not exceed the total Sum Insured for the items already insured under this part;
2. You give Us written notice within 90 days of the hire or purchase and commissioning of the item(s) and pay the appropriate extra premium on a pro rata basis together with any applicable statutory charges;
3. the items are as far as You are aware, suitable for service, free from material defect and in sound working condition;
4. the items shall not be insured until successfully commissioned and all relevant statutory provisions for inspection and certification have been fulfilled;
5. the limits and Excess as shown on the Schedule shall be the same as for similar items already insured.

### **Repair costs**

The cost of consulting engineers' fees (excluding fees for preparing a claim) necessarily incurred with Our written consent, in the reinstatement of Electronic Plant.

Provided that where the Sum Insured is exhausted We will pay an additional amount of up to \$5,000 in respect of this Additional benefit.

### **Inflation Protection**

The Sum Insured on items of Electronic Plant shall at the time of loss be increased according to the consumer price index by the proportion which the number of days since the commencement of the Period of Cover shall bear to the whole of such period.

### **Optional benefits**

The following optional benefits do not apply unless stated in the current Schedule.

### **Electronic Data and Electronic Data Media**

#### **What You are covered for**

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

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

#### **What We pay**

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

- (a) the actual cost of replacement of lost or damaged Software and Electronic Data Media by new unused materials

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

and provided:

(c) We shall only be liable for costs and expenses incurred within a period of twelve (12) months following the damage within the Period of Cover

(d) This extension only applies whilst the insured Electronic Data Media is:

(i) at the Premises

(ii) at a media storage situation, or

(iii) temporarily at an alternative situation for processing purposes or in transit between any of these situations.

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

**We will not pay for under this optional benefit:**

(a) Loss or distortion of Electronic Data contained on the Electronic Data Media while mounted in or on any machine for use or processing unless such loss or distortion occurs:

(i) at the Premises due to damage to an Insured Item which is specified in the Schedule, or

(ii) at another situation temporarily for processing purposes due to damage to the Insured Item which would be indemnifiable if the Insured Item were insured under this Policy Section;

(b) Loss or distortion caused by Computer Virus;

(c) Wasting or wearing away or wearing out caused by or naturally resulting from ordinary use or working or gradual deterioration;

(d) Loss or damage caused by atmospheric conditions, moisture or changes in temperature unless directly resulting from damage to air-conditioning equipment which would be indemnifiable if the equipment were insured under this Policy Section;

(e) Consequential loss of any kind or description whatsoever; or

(f) Work undertaken without Our approval other than for minor temporary or provisional repairs. There is no cover under this extension with respect to any Insured Item which has been operated without being satisfactorily repaired following damage.

**Specific condition applying to this optional benefit**

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

**Additional increase in cost of working**

**What You are covered for**

(a) We will indemnify You as set out under "What We pay under this optional benefit" below up to the Sum Insured for any additional costs of operating Your Business directly resulting from interruption or interference to Your Business as defined in the Schedule but only if:

(i) the interruption or interference is as a result of damage to Electronic Plant covered under this Policy Section; and

(ii) the interruption or interference is caused solely as a result of damage.

We will deduct from the amount payable by Us any sum saved during the period of the interruption in respect of charges and expenses of Your Business which may cease or be reduced as a result of the damage, including any such savings occurring by reason of the interruption of the normal operation of the electronic operation of the data processing system.

To the extent that the Sum Insured for this optional benefit is not otherwise exhausted, We will also pay for reasonable professional fees of accountants or auditors and any necessary and reasonable expenses payable by You for preparation and proving a valid claim.

**What We pay under this optional benefit**

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

**What You are not covered for under this optional benefit**

We will not pay for:

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

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### **Specific condition applying to this optional benefit**

For the purpose of this optional benefit only, Exclusion 5 of this Policy Section does not apply.

### **What You are not covered for under this Policy Section**

We will not pay for:

1. Damage to Electronic Data and Electronic Data Media, but subject to any optional benefit selected by You.
2. Damage caused by atmospheric conditions, moisture or change in temperature unless directly resulting from damage to or malfunction of air conditioning equipment.
3. The cost of:
  - (a) replacement of expendable items such as batteries, valves, x-ray and picture tubes, belts, chains, tapes, cards, ribbons, filters, tubes, electric heating elements or electrical contacts, or
  - (b) replacement of component parts worn through normal use or operation unless necessary as part of the rectification of damage not otherwise excluded under this Policy Section.
4. The cost of:
  - (a) maintenance work
  - (b) alterations, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or as a separate operation
  - (c) replacement or repair following gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation)
  - (d) repairs of scratches to painted or polished surfaces unless resulting from damage, or
5. Anything to the extent You are entitled to recover the costs of labour or parts under a maintenance agreement or warranty, guarantee or indemnity in Your favour by the manufacturer of the relevant Insured Item or any other person.
6. Loss or damage caused by Computer Viruses or other disruptive programming techniques.
7. Consequential loss of any kind or description whatsoever.
8. Loss or damage caused by or arising from:
  - (a) spontaneous combustion, fermentation, heating or any process involving the direct application of heat to the Insured Item;  
provided that when Your Schedule shows You have chosen to insure Part A – Accidental Damage, then these excluded events shall be limited to the item or items immediately affected and shall not extend to other items damaged as a result of spontaneous combustion, fermentation, heating or any process involving the direct application of heat;
  - (b) Flood
  - (c) the action of the sea, tidal wave or high water
  - (d) deterioration and putrefaction of refrigerated goods;

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- (e) theft other than theft resulting from forcible and violent entry evidenced by visible Damage to the securely locked portion of any building or the securely locked Vehicle containing the Insured Item; Where You have chosen to insure Part B – Breakdown only, under this Policy Section, We will not pay for Damage caused by theft
- (f) the carrying out of tests involving abnormal stresses, including the intentional overloading of any Insured Item.
- (g) birds, insects, mice, rats or other vermin
- (h) mildew, mould, rotting, disease, contamination, pollutants, or industrial fallout
- (i) inherent vice
- (j) wear, tear, fading or gradual deterioration
- (k) faulty packing or storage
- (l) intentional or malicious damage, or
- (m) the carrying out of tests involving abnormal stresses, including the intentional overloading of any Insured Item.

9. Damage caused to:

- (a) Insured items during the course of and as the result of processing;
- (b) Insured Items in the course of construction, erection, renovation or demolition;
- (c) Insured Items in the open air caused by wind, rainwater or hail;
- (d) Insured Items should they be lost or Damaged during use underground, underwater or in a location from which it cannot be recovered economically.

10. loss or Damage due to faults or defects known to You.

11. Breakdown occurring to Insured Items during any period when they are out of Your possession on hire, rental or lease.

12. Breakdown due to access by persons not authorized by You to Your computer systems and records.

## **Specific conditions applicable to this Policy Section**

### 1. Newly installed items

At the end of each Period of Cover You shall furnish Us with details of any items newly installed or which have been deleted during the Period of Cover. Additional or return premiums shall be calculated corresponding to the type and value of the items and the Period of Cover from the time of completion of the successful commissioning of the items. Provided that Our liability for all additional items will not exceed fifty percent (50%) of the total Sum Insured as stated in the Schedule.

### 2. Inspection

You shall permit Us or Our representative at all reasonable times the right to inspect and examine any items insured by this insurance.

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### 3. Claims and repair procedure

(See also the General Policy condition headed 'Claims')

In the event of any damage which might give rise to a claim under this insurance You must preserve the parts affected and make them available for inspection by Us or Our representative.

4. Upon notification of any loss or damage being given to Us, You may carry out repairs or make good any minor damage, but in all other cases You must give Us or Our representative an opportunity to inspect the loss or damage before any repairs or alterations are effected. If no inspection is carried out by Us or on Our behalf within a period of time which is reasonable having regard to the location of the risk, weather conditions and/or other relevant factors, You may proceed with such repairs or replacement.
5. Nothing contained in this Policy Section or in any other condition of this insurance will relieve You of any obligation to take such steps as are necessary to ensure that the operation of the Insured Items is at all times carried out so as to minimise the risk of any claim being made under this insurance.
6. Insurance cover will cease for any Insured Item which has sustained damage and is operated unless it has been repaired properly and without delay.
7. You shall notify Us in writing of any intended alterations of or departure from normal working conditions which You know (or a reasonable person in the circumstances could be expected to know) would materially increase the risk.
8. This insurance only applies after completion of successful initial commissioning.