

My Business Pack



POLICY WORDING

My Business Pack

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Introduction

About Chartis

This insurance is issued by:
Chartis Australia Insurance Limited
ABN 93 004 727 753 AFSL 381686

About Steadfast

Steadfast is an unlisted public company comprising over 270 shareholders. Each shareholder is an independent insurance brokerage. This policy and the terms of cover are available exclusively to You through shareholders of Steadfast Group Limited. Steadfast Group Limited does not issue, guarantee or underwrite this policy.

Important information about Steadfast's advice

Any advice Steadfast gives about this policy does not take into account any of Your particular objectives, financial situation or needs. For this reason, before You act on Steadfast's advice, You should consider the appropriateness of the advice taking into account Your own objectives, financial situation and needs. Before You make any decisions about whether to acquire this policy we recommend You should read this Insurance policy.

About your policy

Your Policy is made up of this document, the Schedule and any Endorsements and they should all be read as one document. If You think that any details contained in these documents are not correct or if you need to change anything, You should ask Your insurance intermediary to tell us.

Words that are emphasized by the use of capitalisation have the meaning given to them in the General definitions or the definitions applying to a particular cover section. The words "we", "us", and "our", have the meaning given to them in the General definitions or the applicable cover section even if they are not emphasized by the use of capitalisation.

Your Policy is a legal contract between You and us.

Based on the information provided by You when You applied for this insurance and subject to You having paid the required premium, we agree to insure You during the Period of Cover.

You are only insured for those cover sections that are shown as insured on the Schedule.

There are specific conditions, specific exclusions and specific definitions that only apply to a specific cover section. In addition, there are general conditions, general exclusions, general claims conditions and general definitions that are part of this Policy and apply to each cover section.

Your Duty of Disclosure

Before You enter into a contract of insurance with us, You have a duty, under the Insurance Contracts Act 1984, to disclose to us every matter that You know, or could reasonably be expected to know, is relevant to our decision whether to accept the risk of the insurance and, if so, on what terms.

You have the same duty to disclose those matters to us before You renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require You to disclose a matter:

- that diminishes the risk to be undertaken by us;
- that is of common knowledge;
- that we know or, in the ordinary course of our business, ought to know;
- as to which compliance with Your duty is waived by us.

Non-disclosure

If You fail to comply with Your duty of disclosure

- (a) we may be entitled to reduce our liability under the contract in respect of a claim; or
- (b) we may cancel the contract.

If Your non-disclosure or misrepresentation is fraudulent, we may also have the option of avoiding the contract from its beginning.

If You fail to provide information we request when You apply for this insurance, we may decline cover or reduce the level of cover we might otherwise have given You.

Cooling off period

Once cover has commenced You have 21 days to decide whether the Policy meets Your needs. This is called the "cooling off period".

If during this time, You decide you aren't completely satisfied with Your Policy, and provided You have not made a claim, You can cancel Your Policy by notifying us in writing. We will refund in full any premium You have paid.

Privacy

Chartis has adopted the National Privacy Principles. The National Privacy Principles apply to any personal information collected by us.

Purpose of collection

We collect personal information about You for the purposes of assessing Your application for insurance and administering Your Policy.

Failure to provide relevant personal information may result in us not being able to administer Your Policy, process any claim under Your Policy or You may breach Your Duty of Disclosure.

Introduction

Disclosure

In the course of administering Your Policy we may disclose Your information to:

- another entity to which Chartis is related either in the Commonwealth of Australia or overseas;
- contractors or third party providers providing services related to the administration of Your Policy;
- banks and financial institutions for the purpose of processing Your application for insurance and obtaining Policy payments;
- in the event of a claim, assessors, lawyers, third party administrators, emergency providers and medical providers; and
- third party service providers to enable us to advise You of our insurance products or services.

We will only disclose Your personal information to these parties for the primary purpose for which it was collected or to enable us to advise You of our insurance products or services. In some circumstances we are entitled to disclose Your personal information to third parties without Your authorisation such as law enforcement agencies or government authorities.

Access to your information

You may gain access to Your information by submitting a written request to us. In some circumstances we may not permit access to Your personal information. Circumstances where access may be denied include where it would compromise the privacy of other individuals, or where it would be unlawful.

We have also established an internal dispute resolution process for handling customer complaints and an access and correction procedure. Both procedures are generally free of charge however we reserve the right to charge for access requests in limited circumstances.

If You feel You have a complaint about our information privacy principles, require assistance in lodging a privacy complaint or You wish to gain access to Your information, You may write to:

The Privacy Manager
Chartis
Level 12, 717 Bourke Street
Docklands VIC 3008

Email: Australia.privacy.manager@chartisinsurance.com

Your complaint will be reviewed and You will be provided with a written response. If it cannot be resolved, Your complaint will be referred to our Internal Disputes Resolution Committee who will respond within 15 business days. In either case the matter will be reviewed by a person or persons with appropriate authority to deal with the complaint.

Should Your complaint not be resolved by Our internal dispute resolution process, You may take Your complaint to the Privacy Commissioner for review of the determination.

Dispute resolution process

We are committed to handling any complaints about our products or services efficiently and fairly.

If You have a complaint:

- contact Your insurance intermediary and they may raise it with us;
- if Your complaint is not satisfactorily resolved You may request that Your matter be reviewed by management by writing to: The Compliance Manager, Chartis, Level 12, 717 Bourke Street, Docklands VIC 3008
- if You are still unhappy, you may request that the matter be reviewed by our Internal Dispute Resolution Committee. We will respond to You with the Committee's findings within 15 business days.
- if You are not satisfied with the finding of the Committee, You may be able to take your matter to the insurance industry's independent dispute resolution body. This external dispute resolution body can make decisions with which we are obliged to comply.

General Insurance Code of Practice

We are a signatory to the General Insurance Code of Practice. This aims to raise the standards of practice and service in the insurance industry, improve the way that claims and complaints are handled and help people better understand how general insurance works. Information brochures on the Code are available upon request.

Goods and Services Tax (GST)

The amount of premium payable for this Policy also includes an amount on account of GST.

The sums insured under this Policy exclude GST.

When we make a payment under this Policy for the acquisition of goods, services or other supplies We will reduce the payment by the amount of any input tax credit that You are or would have been entitled to if You made a relevant acquisition.

Where this Policy insures Business Interruption, we will take into account the GST exclusive amount of any supply made by Your Business which is relevant to Your claim.

Where Your sum insured is not sufficient to cover Your loss, we will only pay an amount for GST that relates to our proportion of the loss.

Where You are registered for GST you must tell Us Your correct input tax credit entitlement. Any fines or penalties arising from Your incorrect advice are payable by You.

Headings

Headings are included for ease of reference but are not part of the Policy.

Words with special meaning

Some words have special meaning wherever they appear in the Policy:

Aircraft means

any craft or object designed to travel through air or space, other than model aircraft.

Business Hours means

when You or any of Your employees are at the Business Premises for the purpose of conducting Your Business.

Business Premises means

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

Business Property means

buildings, contents, Stock and items listed on the current Policy Schedule and used in Your Business.

Computer Virus means

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

Electronic Data means

Facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic or electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for such equipment.

Excess means

the amount, or the loss applicable to a specified period of time, expressed as an Excess on the current Policy Schedule or elsewhere in the Policy. This is the first amount of any loss that You must pay before we pay Your claim.

Family means

any member of Your family who lives permanently with You, including Your partner.

Flood means

the inundation of normally dry land by water escaping or released from the normal confines of any natural watercourse or lake (whether or not they have been altered or modified) or from any dam, reservoir or canal.

Hazardous Substance means

- (a) any Pollutant, contaminant or other substance declared by a governmental authority to be hazardous to health or the environment; or
- (b) any mould, yeast, fungus or mildew including any spores or toxins created or produced by or emanating from such mould, yeast, fungus or mildew, whether or not allergenic, pathogenic or toxigenic.

Hovercraft means

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

Money means

current coins, bank notes, currency notes, cheques, credit card sales vouchers, securities, postal orders, money orders, negotiable and non-negotiable securities and other like documents of value, phone cards and/or stored value cards, unused postage and revenue stamps, public transport tickets, private transport tickets (excluding airline tickets), bridge or highway tokens, car wash tokens, lottery tickets, authorised gift vouchers from external parties, discount vouchers, contents of franking machines and includes cash boxes, alarm bags, or any other portable container used to convey money all belonging to You or for which You are legally responsible or have assumed a responsibility to insure but does not mean any of these in the possession of or carried by professional money carriers, professional carriers or common carriers.

North America means

- (a) the United States of America and the Dominion of Canada;
- (b) any state, territory or protectorate incorporated in, or administered by, the United States of America or the Dominion of Canada; and
- (c) any country or territory subject to the laws of the United States of America or the Dominion of Canada.

Period of Cover means

the time cover commenced to the time cover expires. The dates are shown on the current Policy Schedule. Unless stated otherwise, cover shall expire at 4.00pm local time at the place where You arranged the cover.

Policy means

this document, the Policy Schedule and any attachment or memoranda affixed and any future documents issued to You which amends the policy wording or Policy Schedule.

Words with special meaning

Policy Schedule means

the most current schedule of insurance or any future renewal schedule, including any endorsements issued by us in connection with this Policy.

Pollutant means

Any solid, liquid, gaseous, biological, radiological or thermal irritant, toxic or hazardous substance, or contaminant, whether occurring naturally or otherwise including, but not limited to, asbestos, lead, smoke, vapour, dust, fibres, mould, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and waste. Such waste includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.

Rewriting of Records means

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

Situation means

the situation stated in the current Policy Schedule.

Stock means

1. products and material You intend to sell
2. raw or consumable materials used by You to make or alter Your products
3. Your products while being made, repaired or altered
4. any consumable products or materials used in Your Business
5. goods for which You are responsible.

Under the Theft cover section, Stock does not include tobacco, products containing tobacco, cigars or cigarettes unless they are specified on the current Policy Schedule.

Subsidiary Company means

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

Vehicle means

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

Watercraft means

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

We/us/our means

Chartis Australia Insurance Limited
ABN 93 004 727 753 AFSL 381686

You means

the person(s), companies or firms named on the current Policy Schedule as the 'Insured'.

Your Business means

the business as described in the Policy Schedule (and, where applicable, as further described in any more specific underwriting information provided to us at the time when this insurance was negotiated).

General Policy exclusions applicable to all sections

The following General exclusions apply to all sections of this Policy.

This Policy does not cover any loss, damage, injury, destruction or liability, cost or expense directly or indirectly caused by, or in connection with, or contributed to or arising from:

1. Confiscation

confiscation, nationalisation, requisition, embargo or destruction of or damage to property by order of any government or local authority unless the order is given for the purpose of controlling fire or another event which is covered by this Policy.

2. War

war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power.

3. Nuclear

- (a) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- (b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- (c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- (d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other similar peaceful purposes; or
- (e) any chemical, biological, bio-chemical or electromagnetic weapon.

4. Intentional acts

- (a) any intentional, reckless or wilful act or omission; or
 - (b) fraudulent or dishonest acts;
- committed by You or any person acting with Your knowledge, consent or connivance.

5. Pollution

- (a) Pollutants directly or indirectly caused by or contributed to by or arising from the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or Pollutants into or upon land, the atmosphere or any watercourse or body of water;
- (b) the cost of removing, monitoring, testing, containing, treating, detoxifying, neutralising, nullifying or cleaning up smoke vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or Pollutants discharged, dispersed, released or escaped into or upon land, the atmosphere or any watercourse or body of water;
- (c) fines, penalties, punitive, exemplary or multiple damages relating to the circumstances detailed in (a) above; and
- (d) the cost of preventing the escape of Pollutants.

Exclusions 5(a) and 5(b) above shall not apply where the claim or legal proceeding arises from a sudden identifiable, unintended and unexpected event that takes place in its entirety at a specific time and place and occurs outside of North America.

6. Terrorism

- (a) any Act of Terrorism; or
- (b) any action in controlling, preventing, suppressing, retaliating against or responding to or in any way relating to Terrorism.

regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

However, this exclusion does not apply to the Theft, Money, Glass and General Property cover sections.

For the purpose of this exclusion, Terrorism or an Act of Terrorism means an act, or preparation in respect of action or threat of action designed to influence any government of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purpose to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or governments(s) and which:

- (a) involves violence against one or more persons;
- (b) endangers life other than that of the person committing the action;
- (c) creates a risk to health or safety of the public or a section of the public;
- (d) involves damage to property; or
- (e) is designed to interfere with or disrupt an electronic system.

An Act of Terrorism also includes any act which is verified or recognised by the government of any country in which the insured operates or exports products into.

General Policy exclusions applicable to all sections

7. Electronic data

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

from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

Where an event listed below (being an event insured under the Business Property, Business Interruption, Theft, Money, Glass, General Property and Marine Transit cover sections but for this exclusion) is caused by any of the matters described in paragraphs (a), (b) or (c) above, then these cover sections will insure:

- (i) physical loss of or damage to property insured directly caused by the event, and/or
- (ii) consequential loss insured by this Policy.

This Policy subject to all its terms, conditions and exclusions will provide cover for loss of electronic data caused by the following events:

- (a) fire, explosion, earthquake, subterranean fire, volcanic eruption, tsunami, lightning, storm including rain, hail, snow and wind, leakage of water or liquid, malicious damage by persons taking part in industrial disputes or riots, civil commotions or labour disturbances, impact by Vehicles, Aircraft or anything dropped from them, satellites, space debris or sonic boom, communication masts or towers, aerials, antennae, satellite dishes, falling trees or branches;
- (b) Breakage of Glass;
- (c) theft of Electronic Data solely where the theft is accompanied by theft of the computer hardware, firmware, microchip, or integrated circuit or similar device containing such Electronic Data.

This exclusion does not apply to the Equipment Breakdown cover section, additional benefit 6 - Electronic data and media restoration.

8. Unoccupancy

the Business Premises or Situation being unoccupied for more than 90 consecutive days.

This exclusion will not apply if You notify us that the Business Premises or Situation will be unoccupied for more than 90 consecutive days, we agree in writing to continue Your cover and You pay us any additional premium that we may require.

9. Consequential loss

This Policy does not cover loss of use, loss resulting from delay or lack of performance, depreciation in the value of land or Stock and any other kind of consequential or indirect loss including but not limited to loss of profit.

This exclusion does not apply to the Business Interruption cover section.

10. Business in liquidation or ceases to trade

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

11. Geographical limitations

Unless we agree in writing to the contrary, we will not pay for any loss or damage to Your Business Property that is outside the Commonwealth of Australia at the time of its loss or damage, except as specifically stated otherwise in the appropriate section.

12. Known defects

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

General Policy conditions

The following General conditions apply to all sections of this Policy.

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

Accountancy records

You must provide to us all books of account, business books and other documents as may be required to investigate or verify claims. If You do not, we may refuse to pay or may reduce the amount of a claim.

Cancelling Your Policy

How You may cancel this Policy

- You may cancel this Policy at any time by telling us in writing that You want to cancel it. You can do this by giving the notice to Your Steadfast broker.
- Where 'You' involves more than one person, we will only cancel the Policy when a written agreement to cancel the Policy is received from all persons named as the insured.

How we may cancel this Policy

- We may cancel this Policy in any of the circumstances permitted by law by informing You in writing.
- We will give You this notice in person or send it to Your address last known to us.

The premium

We will refund to You the pro rata portion of the premium for the remaining Period of Cover.

Premium funders

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

Excess

If more than one Excess can be applied to one occurrence, then You will only need to pay the highest Excess. Sums insured, limits and sub-limits of liability shall apply in addition to, and shall not be reduced by, the amount of any applicable Excess.

Our maximum liability

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

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

Inspections

We (or agents appointed by us) have the right to inspect and examine, by mutual appointment, any Business Property insured.

Jurisdiction

All disputes arising out of or under this Policy shall be subject to determination by any court of competent jurisdiction within Australia according to the law which applies to that jurisdiction.

Designation of property

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

Provided always that this General Policy condition shall not apply to the Theft cover section with respect to tobacco, products containing tobacco, cigars, and cigarettes.

Furthermore, under the Theft cover section, Stock does not include tobacco, products containing tobacco, cigars, cigarettes or alcohol unless they are specified on the current Policy Schedule.

Other persons or organisations

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

Where the separate interests of more than one party in the Business Property are insured under this Policy, any act or neglect of one party will not prejudice the rights of the remaining party or parties provided that the remaining party/ies shall, within a reasonable time after becoming aware of any act or neglect whereby the risk of loss, damage or destruction has increased, give notice in writing to us and shall on demand pay such reasonable additional premium as we may require.

You cannot transfer the Policy into someone else's name without our written consent.

All persons entitled to claim under the Policy are bound by the terms and conditions of the Policy.

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

Progress payments

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

Sale of salvage

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

General Policy conditions

Reasonable care

You must take reasonable precautions to prevent personal injury or property damage as if You were not covered by this Policy such as:

1. if You discover Your products may be defective and the defect may cause a claim under the Public and Products Liability cover section, at Your expense You must take reasonable steps to restrict, trace, recall, modify, replace or repair the products;
2. maintain and look after other person's or organisation's property and buildings used or occupied by You, in accordance with Your agreement with them;
3. if Your occupation includes digging below ground at sites away from Your Business Premises You must obtain the location of underground services from the owners of the services;
4. use and store all hazardous materials as required by law.

If You do not take reasonable precautions we may refuse to pay part or all of Your claim.

Reinstatement of sum insured

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

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

We will not reinstate the sum insured on the Business Property cover or Business Interruption cover sections if we have paid a total loss under either of these sections.

Single occurrence

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

Waiver of subrogation rights

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

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

Claim preparation expenses

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

Provided that before You incur these claim preparation costs You obtain our written approval to incur these costs.

This benefit is in addition to any sum insured or limit of liability.

Bankruptcy or insolvency

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

In case of execution against You of any final judgment covered by this Policy being returned 'unsatisfied' by reason of such bankruptcy or insolvency, then an action may be maintained by the injured party or their representative against us in the same manner, and to the same extent as You but not in excess of the limit of liability

General Policy conditions

Non-imputation

With the exception of the Management Liability Private Edge® Lite cover section, where this insurance is arranged in the joint names of more than one insured, as described in the definitions of You, it is hereby declared and agreed that:

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

Rewards

We will pay You up to \$5,000 or any higher amount shown in the current Policy Schedule for the reasonable cost of any reward paid by You to recover any property belonging to You or for which You are responsible that is lost, destroyed or damaged and which is insured under the Business Property, Theft, Money or Glass cover sections of this Policy.

However:

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

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

Claims

What You must do after loss, damage or accident:

Protect Yourself from any danger present.

Assist other people within Your capabilities if required.

Take reasonable steps to prevent further loss, damage, injury or liability.

Notify the police immediately if any of Your property is lost, stolen, or maliciously damaged and provide the police with all assistance to apprehend the offending party.

Advise us of the claim as soon as practicable and then supply us with full written details by completing our claim form. You or someone acting on Your behalf must complete a claim form within a reasonable time of an occurrence. If You do not, we may reduce the amount we pay if the delay causes increased costs or prevents us investigating the claim.

Any invoices, bills, demands letters or notices You receive from other people involved in the loss, damage or accident must be sent to us as soon as possible.

What You must not do after a loss or accident:

You must not admit fault or agree to pay for damage without our consent. Do not make an offer, settle, or attempt to settle any claim against You. If You do we may not pay all or part of the claim.

You must not incur any costs or expenses or authorise repairs (other than necessary temporary repairs) without our agreement.

Business Property cover section

Words with special meaning applicable to this section

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

Buildings means

Buildings and structural appurtenances at the Situation.

Buildings includes:

1. verandahs, carports, car parks, sealed driveways and paths, shelters, awnings, gangways, staircases and all outbuildings
2. fixtures and fittings owned by the owner of the building
3. underground and above ground services including aprons, supply mains and meters
4. walls, gates, fences, flagpoles, floodlights and signs
5. permanently fixed water and fuel tanks.

Buildings does not include:

1. Plant and machinery
2. Stock
3. Contents
4. Property undergoing erection, construction, alteration or addition (including the partial dismantlement of existing structures), where the total contract value of all work to be carried out at any one Business Premises exceeds \$500,000 or 20% of the total sum insured on Buildings and Contents, whichever is the lesser provided that this limit shall apply only to the portion of the Business Premises or Business Property which is the subject of any such work and not to any other portion of the Business Property
5. Land, unsealed driveways and paths, dams, bridges, canals, roadways, tunnels, railway tracks and roadways (not at the Situation), wharves, docks and piers

This definition of 'Buildings' is subject to the 'Designation of property' General Policy condition.

Contents means

all property at the Business Premises, belonging to You or for which You are responsible.

Contents includes:

1. fixtures, fittings and glass owned by Your landlord which You are legally responsible for and leasehold improvements
2. machinery
3. plant permanently fixed to Your Buildings
4. documents of title and any other documents of aesthetic, historic, scientific or social value for past, present or future generations
5. computer systems records, manuscripts, other documents, deeds, specifications, plans, drawings, designs, business books and other records of every description
6. paintings, works of art and curios
7. Stock
8. goods sold but not delivered and goods held by You on consignment or commission

9. property not owned by You but on Your Business Premises for service, repair, alteration or safe keeping
10. property of Your welfare, sports and social clubs.

Contents does not include:

1. Buildings
2. growing crops, trees or plants other than pot-plants
3. animals, livestock, fish, birds and any other living organism except laboratory cultures, Stocks of foodstuffs, of nursery plants, or Stocks of a pet shop
4. motor Vehicles or trailers, caravans or motorcycles all while registered or licensed to travel on a public road, provided that this limitation will not apply to:
 - (i) mobile plant and equipment (excluding cars, sedans, panel vans, and trucks) not otherwise insured;
 - (ii) motor Vehicles or trailers, caravans or motorcycles that are Stock in trade of Your Business
5. Money
6. jewellery, furs, bullion, articles containing gold and silver which are not Stock and which exceed \$10,000 any one item
7. contents undergoing erection, construction, alteration or addition (including the partial dismantlement of existing structures), where the total contract value of all work to be carried out at any one Business Premises exceeds \$500,000 or 20% of the total sum insured on Buildings and Contents, whichever is the lesser, provided that this limit shall apply only to the portion of the Business Premises or Business Property which is the subject of any such work and not to any other portion of the Business Property
8. land, dams, bridges, canals, roadways, tunnels, railway tracks (not at the Situation), wharves, docks and piers
9. Watercraft, Aircraft or any accessories, equipment or spare parts whilst contained in or on these items unless they are Stock and are on Your Business Premises at the time of any loss or damage.

This definition of 'Contents' is subject to the 'Designation of property' General Policy condition.

Market Value means

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

Types of cover

The scope of cover provided is explained in the clauses 'Defined events cover' and 'Accidental damage cover'.

We will cover You for loss or damage to Your Business Property caused by the events listed under 'Defined events cover' and 'Accidental damage cover' which occurs during the Period of Cover.

Business Property cover section

How we will pay Your claim

There are two methods of paying Your valid claims. They are 'reinstatement or replacement value' and 'indemnity value'.

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

Method of settlement – reinstatement or replacement value

We will pay the cost of rebuilding, replacing or repairing any damaged part of Your Business Property to the same condition when new or, where appropriate, in accordance with the 'Output replacement' clause set out below.

Business Property may be rebuilt or erected at another location and in a manner suitable to You provided You pay any additional costs to build or erect elsewhere.

If the Business Property is lost or damaged You must commence to rebuild, replace or repair within a reasonable time of the loss or damage, after our consent has been obtained. If You do not, we will pay no more than the cost that would have been incurred if the work of rebuilding, replacement or reinstatement had been commenced and carried out with reasonable dispatch.

Extra cost of reinstatement

This basis is applicable to Buildings, machinery and plant).

Where 'Reinstatement or replacement' basis of settlement is shown in the Policy Schedule, this section extends to include the extra cost of reinstatement (including demolition or dismantling) of damaged property insured which is necessarily incurred to comply with the requirements of any Act of Parliament or Regulation made under an Act or By-law or the Regulation of any Municipal or Statutory Authority, subject to the following proviso and subject also to the terms, conditions of the Policy and the sums insured of this section.

Provided that:

- (a) the work of reinstatement, must be commenced and carried out within a reasonable period, failing which we will not pay more than the amount which would have been payable under the Policy if the work of reinstatement had been commenced and carried out with reasonable dispatch;
- (b) the work of reinstatement may be carried out wholly or partly upon any other site, if the requirements of the Act, Regulation or By-law necessitate it, subject to our liability not being increased;
- (c) Our total liability under this clause 'Extra cost of reinstatement' will be limited to:
 - (i) the sub limit of liability shown in the current Policy Schedule for 'Extra cost of reinstatement' which shall be in addition to the sum insured; or
 - (ii) if no such sub-limit of liability is stated, and the damage is less than fifty percent (50%) of the Replacement Cost of the Buildings or Contents, our liability shall be limited to the extra cost necessarily incurred in reinstating the damaged Business Property only;
- (d) the amount recoverable shall not include the additional costs incurred in complying with any such Act, Regulation or By-law or requirement with which You have been required to comply prior to the happening of the damage.

The underinsurance condition of the Business Property cover section of the Policy will not apply to the amount payable under this clause.

Method of settlement – Indemnity

If the basis of settlement is shown in the Policy Schedule as Indemnity, we will pay the cost to repair or replace the insured property less an equitable amount for age, wear, tear, depreciation and will make an adjustment for the general condition and remaining useful life of the individual item or components that are damaged.

We will also pay, in accordance with the 'Extra Cost of Reinstatement' clause, the additional costs required to comply with the requirements of any statutory authority or by-laws, provided you were not required to comply with any of the by laws prior to the loss or damage occurring.

The Underinsurance/average condition in this section is amended to read:

In the event of covered loss or damage to property we shall be liable for no greater proportion of the loss or damage than the sum insured at the location bears to eighty percent (80%) of the current value of the property insured, provided that our liability shall not exceed the sum insured stated against each item in the Policy Schedule.

Output replacement

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

- (a) Where any Business Property is to be replaced with any item or items which have the same or a lesser total function, capability or output, then the basis of settlement is the new installed cost of such replacement item or items as would give the same total function, capability or output as the Business Property.
- (b) Where any Business Property is to be replaced with an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is no greater than the replacement value of that Business Property, then the basis of settlement is the new installed cost of the item or items so replaced.
- (c) Where any Business 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 value of the Business Property, then the basis of settlement is the lesser of the reinstatement value or that proportion of the new installed cost of the replacement item or items which the output of the Business Property damaged bears to the output of the replacement item or items. If the reinstatement value of the damaged Business Property is not ascertainable then the basis of settlement is the new installed cost of the replacement item or items.

Business Property cover section

Floor space ratio index (Plot ratio)

Where Buildings are damaged and the cost of reinstatement is more than 50% of the cost of reinstatement if the Buildings had been totally destroyed and reinstatement of such damage is limited or restricted by:

- (a) any Act of Parliament or regulation thereunder, or
- (b) any by-law or regulation of any municipal or other statutory authority

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

- (i) the actual costs incurred in reinstatement subject to the reduced floor space ratio index (plot ratio), and
- (ii) the estimated cost of reinstatement at the time of damage had the reduction in the floor space ratio index (plot ratio) been available.

Provided that our total liability for reinstatement or replacement value, additional costs of compliance and under this 'Floor Space Ratio Index (Plot Ratio)' clause shall not exceed the sum insured in respect of the Buildings which are the subject of the claim.

Branded goods

In the event of a claim, any salvage of branded goods or merchandise owned by You or held by You in trust or on commission and any goods sold but not delivered shall not be disposed of by sale without Your consent. If such salvage is not disposed of by sale, then the basis of settlement of the claim shall be the Market Value of the goods after brands, labels or names have been removed by You or on Your behalf.

What You are covered for

We will cover You for loss or damage caused by the events listed under 'Defined events cover' and 'Accidental damage cover' to Your Business Property which occur during the Period of Cover.

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

Defined events cover

We cover You for loss or damage occurring at the Business Premises caused by the following defined events:

1. Bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks, fixed appliances, fixed pipes or other systems used to hold or carry liquid (including the reasonable cost of identifying and locating the cause of damage) but we will not cover the repair or replacement of such apparatus, appliances, tanks, pipes or other systems which give rise to the damage.
2. Earthquake, volcanic eruption, subterranean fire or tsunami.

We will not pay for the first \$20,000 or 1% of the sum insured at the damaged Business Premises (whichever is the lower amount) of each claim caused by earthquake, volcanic eruption, subterranean fire or tsunami.

You only have to pay one Excess if further damage occurs within 72 hours of an occurrence.

3. Fire, lightning or explosion.
4. Impact by:
 - (a) a Vehicle designed primarily for use on land;
 - (b) an animal;
 - (c) trees or branches of trees. This cover includes the reasonable costs associated with the removal and disposal of the tree or branches, which caused the damage;
 - (d) communication masts, towers, antennae or satellite dishes;
 - (e) Aircraft or Watercraft
 - (f) meteorites or debris from an Aircraft, rocket or satellite;
 - (g) a falling building or other structure or part thereof.
5. Malicious damage, including damage by burglars or thieves, other than damage caused by You or anyone who permanently or temporarily lives with You.
6. Riots, civil commotions, strikes or locked out workers or persons taking part in labour disturbances including resultant acts of any lawfully constituted authority.
7. Storm, tempest, rainwater, snow, sleet, wind, hail but not:
 - (a) by water from or action of the sea, tidal wave, storm surge, high water or Flood.
 - (b) to gates, fences, retaining walls, shade cloth, exterior textile awnings or blinds which exceeds \$25,000 in respect of any one occurrence for loss or damage.
 - (c) to property in the open air unless such property is a permanent structure designed to function without the protection of walls or roof.
 - (d) erosion, subsidence, landslide, collapse or any other movement of earth.
 - (e) caused by water entering the Buildings through an opening in the wall or roof made for the purpose of alterations, additions, renovations, or repairs.
8. Escape of molten material from its intended confines on or about the Business Premises but excluding:
 - (a) the cost of repairing any fault which permitted such escape,
 - (b) the cost of retrieving or removing escaped material from any escape channel or catchment area designed for the purpose,
 - (c) loss of or damage to such escaped material,
 - (d) loss or destruction of or damage to furnace linings, crucibles, moulds, other containers or ladles from which molten material escapes.

Accidental damage cover

We will cover You for accidental loss or damage to Your Business Property at the Business Premises other than the events or items listed in 'What You are not covered for under Accidental damage cover'.

The maximum amount we will pay for Accidental damage cover for any occurrence is the lesser of \$500,000 or the total sum insured for Buildings and Contents.

Business Property cover section

What You are not covered for under Accidental damage cover

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

1. loss or damage caused by any 'Defined events cover' in this section
2. loss or damage excluded under general exclusions
3. loss or damage insurable under any other section of this Policy
4. Business Property to the extent insurable under the General Property cover section
5. for damage which occurs as a result of Your failure to repair or prevent bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks or fixed pipes used to hold or carry liquid within a reasonable amount of time of discovering an occurrence
6. unexplained disappearance or unexplained inventory shortage, whether resulting from clerical or accounting errors or shortages in supply or delivery of materials to or by You
7. loss or damage caused by demolition, other than demolition by or ordered by a public authority, if the value of the demolition work exceeds \$500,000 or 20% of the total sum insured on Buildings and Contents, whichever is the lesser
8. pollution or contamination of Business Property unless caused by a defined event
9. theft, except where the Business Premises 'Buildings' insured by the owner under this Policy section are tenanted under a lease agreement by another party, person or entity not named in the Policy, in which case, the insured owner will be entitled to be indemnified against loss by theft of their Business Property (as defined in this section for 'Buildings') at the Business Premises in accordance with the terms and conditions of the 'Theft cover section' of this Policy regardless of whether it is selected in this Policy or otherwise.

The maximum we will pay in respect to any loss under this additional protection provided under this Business Property cover section in relation to theft shall be limited to \$25,000 in total any one occurrence happening during the currency of the Policy.
10. loss or damage following breakage of external glass to signwriting or ornamentation affixed to the glass, except where you are a tenant of a building and not required by lease to insure Glass.

Additional benefits – Business Property cover

The following additional benefits are provided if You have selected the Business Property cover section:

Capital Additions

We cover additions to Your Buildings, Contents, and specified items obtained or built during the Period of Cover to 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 Situation. This additional benefit is in addition to Your sum insured.

Catastrophe Escalation Cost

If:

- (a) any of Your Buildings are destroyed or damaged by any event insured against by this cover section, and
- (b) we classify such destruction or damage as a total loss; and
- (c) the event giving rise to the destruction or damage has resulted in any competent authority declaring a state of emergency affecting the area in which Your Building is situated;

we will:

- (d) increase the sum insured applicable to such Buildings under this cover section by up to 20% provided that Your Building is rebuilt, and
- (e) increase the amounts payable under the 'Capital Additions' (relating to Buildings only) and 'Temporary protection and security guards' Additional benefits of this cover section by 20%;

to cover any Increase in building costs for labour and materials and any other additional costs which may apply after the event.

Provided that:

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

Increase in building costs means the difference between the cost of reinstatement actually incurred in accordance with the Basis of Settlement provisions of this cover section and the cost of reinstatement that would have applied had the event not occurred.

Directors and Employees personal property

Cover is extended to include personal property of directors and employees of Your Business whilst at the Business Premises if the person to whom the personal effects belong is not named as an insured.

Cover is limited to \$5,000 for any one employee. This additional benefit provides cover to You. It does not provide any insurance cover to any director or employee.

Business Property cover section

Discharge of mortgages

If Business Property has been damaged and the damage is covered by this Business Property cover section, and the sum insured is not otherwise exhausted, we will pay up to the balance of the sum insured, for the reasonable legal costs to discharge a mortgage or mortgages on Buildings or Contents following settlement of a claim on the basis of a total loss whether actual or constructive.

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

Fire Brigade attendance fees

We will pay up to \$50,000 for any statutory charges payable by You to a fire brigade or firefighting authority for attendance at a fire or chemical emergency involving insured property. This additional benefit is in addition to Your sum insured.

Government fees

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

The cost of government fees is included in the sum insured for Business Property.

Landscaping

Loss, damage or destruction by the defined events (other than storm, tempest or rainwater) to growing plants, shrubs, garden plots and lawns (including rock work, retaining walls, ornamentation and edging pertaining thereto) and resultant expenses necessarily incurred in cleaning, clearing and/or repairing drains, gutters, sewers and the like, all contained in or on or forming part of or implicitly pertaining to the Buildings insured, up to but not exceeding \$50,000 or 20% of the sum insured at the Business Premises specified in the Policy Schedule in respect of any one loss. This additional benefit is included in the sum insured of the Buildings covered by this section.

Limited transit

Business Property is covered, up to the lesser of \$50,000 or twenty percent 20% of the sum insured for Contents including Stock, if it is in transit in or on any Vehicle owned or operated by You anywhere in Australia away from Your Business Premises, including storage during the transit, but only for damage caused by fire or explosion, wind or earthquake, acts of malicious persons or by collision or overturning of the conveying Vehicle.

Loss of land value

Up to \$100,000 for the reduction in land value at the Building Premises, which shall be the value certified by the Valuer General or other competent person or authority selected by us, that results from the requirements of any statutory authority that does not allow rebuilding (or only partial rebuilding) at the Business Premises following loss or damage covered by this section.

Provided that:

- (a) this shall be calculated by subtracting the land value after rebuilding or after we have agreed that rebuilding is not possible, from the land value before the damage, and
- (b) we will not pay more than 20% of the sum insured for Buildings at the Situation where the damage happened.

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

New premises – temporary cover

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

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

The maximum we will pay for this additional benefit is 50% of the highest sum insured shown on the Policy Schedule for each item of property.

Playing surfaces

We will pay, up to the greater of \$50,000 or the amount shown in the current Policy Schedule for playing surfaces, for the cost of repairing damage to outdoor playing surfaces at the Situation, caused by:

- (a) vandals or malicious persons, other than You or Your guests, director's partners, officers, employees or members, or their guests
- (b) fire occurring to insured property at the Situation for which we have admitted liability under this section, or
- (c) the action of the fire fighting services, police or other emergency services in attending to their duties at the Situation.

This additional benefit is in addition to the sum insured.

Business Property cover section

Prevention of imminent damage

We will pay up to \$50,000 for necessary costs You incur to extinguish a fire on or in the vicinity of Your Business Premises which causes or threatens property damage or for necessary costs to prevent or diminish imminent damage to Your property by any other insured peril.

We will not pay under this additional benefit for:

1. any fines, penalties or liability incurred by You
2. any loss or damage to Your property.

This additional benefit is in addition to Your sum insured.

Professional fees

If Business Property has been damaged and the damage is covered by the Business Property cover section, we will pay the reasonable professional fees incurred to rebuild or repair Your Buildings and Contents. The cost of professional fees and legal costs are included in the sum insured of the property lost or damaged.

Removal of debris

If Business Property has been damaged or destroyed and is covered by the Business Property cover section, we will pay the reasonable costs incurred for the demolition, dismantling, necessary temporary repairs, cleaning up and/or removal, storage and disposal of debris from the Business Premises. We will also pay for Your legal liability for the cost of removal of debris from adjoining premises, property, services, roadways and waterways as well as on the site. We will pay You up to \$50,000 or 20% of the total sum insured on Building and Contents shown on the Policy Schedule for the damaged premises whichever is the lesser (in addition to the sum insured) or the higher amount shown in the current Policy Schedule for removal of debris or if this is insufficient and You have not exhausted Your sum insured on the damaged items requiring demolition and/or removal of debris, we will pay up to the remaining balance of the sum insured.

Rewriting of Records

We will pay You, in addition to Your sum insured, up to \$25,000 or any higher amount shown in the current Policy Schedule for Rewriting of Records, for clerical and professional costs incurred by You to re-write Your necessary business records if they are lost, destroyed or damaged, whilst located at your Business Premises or offsite anywhere in the Commonwealth of Australia, by an occurrence. We will not pay You for any financial loss caused by the loss of Your records under this additional benefit.

Seasonal increase in stock

If you have insured Stock as a separate item to your contents, the sum insured on Stock is increased by 50% for:

1. (a) eight weeks prior to and including Christmas Day;
(b) three weeks after and including 26 December;
2. (a) six weeks prior to and including Easter Tuesday;
(b) one week after but not including Easter Tuesday;
3. (a) six weeks prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter)
(b) one week after the same festive, religious or ethnic event or celebration.

4. Any other period shown on the current Policy Schedule, in lieu of the covers in 1-3 above

provided you can demonstrate that the Stock levels during such 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 such period.

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

Temporary protection and security guards

If Business Property has been lost or damaged and is covered by the Business Property cover section, we will pay for the cost of temporary protection including employment of security guards, to safeguard the property insured as follows:

- (a) where the sum insured is not otherwise exhausted, we will pay the reasonable costs and expenses reasonably incurred; or
- (b) when the sum insured becomes exhausted, we will pay an additional amount of up to \$25,000, pending repair or replacement, consequent upon damage for which a claim is payable under this cover section.

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

Temporary removal

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

Provided that:

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

Undamaged foundations

If foundations are not destroyed following an occurrence and any Government or Statutory Authority requires reinstatement of the Business Property to be carried out on another site, the abandoned foundations will be considered as destroyed. If the resale value of the original building site is increased due to the presence of the abandoned foundations, the increase in resale value will be paid to us at the time of sale.

Business Property cover section

Optional benefit

(The following optional benefit does not apply unless stated in the current Policy Schedule.)

Flood

When 'Flood' is shown in the current Policy Schedule, we will cover loss of or damage to Business Property caused by Flood.

What You are not covered for under this section

1. We will not pay for loss or damage under the Business Property cover section caused by:
 - (a) tenants
intentional loss or damage caused by Your tenants other than damage caused by fire or explosion
 - (b) (i) birds, insects, mice, rats or other vermin
(ii) rust, corrosion, or oxidation
(iii) mildew, mould, rotting, disease, contamination, Pollutants, or industrial fallout
(iv) inherent vice, change of colour, loss of weight, loss of volume, change in flavour, change in texture
(v) variation in temperature, variation in humidity, variation in controlled atmosphere
(vi) wear, tear, fading or gradual deterioration
provided that this Exclusion 1(b) shall not apply to subsequent loss or damage to Your Business Property occasioned by a peril (not otherwise excluded) resulting from any event referred to in this Exclusion.
 - (c) movement of foundations
 - (i) vibration, heaving, creeping, shrinking, settling, or expansion of foundations or supports of Business Property
 - (ii) erosion, subsidence or earth movement unless caused suddenly by a defined event
 - (iii) collapse of Business Property unless caused suddenly by a defined event
 - (d) faulty work
 - (i) error in, omission of or wrong design
 - (ii) faulty materials or faulty workmanship
provided that this Exclusion 1(d) shall not apply to subsequent loss or damage to Your Business Property occasioned by a peril (not otherwise excluded) resulting from any event referred to in this Exclusion.
 - (e) cessation of work
partial or complete cessation of work, process, operation or activity caused by strikes, labour disputes or locked out workers except as a result of physical loss or damage to the Business Property committed by persons taking part in strikes or labour disputes, or by locked out workers
 - (f) incorrect siting of Business Property

(g) heat

spontaneous combustion, fermentation, heating or any process involving the direct application of heat provided that this Exclusion 1(g) shall be limited to the item or items of Your Business Property immediately affected and shall not extend to other Business Property damaged as a result of such spontaneous combustion, fermentation or heating or process involving the direct application of heat.

(h) Flood

(i) the sea

the action of water from the sea, tidal wave or high water

(j) self-explosion of boilers or other pressure vessels.

We do not cover damage to the boiler or pressure vessel where the boiler or pressure vessel:

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

However we do cover resultant damage to other Business Property.

2. We will not pay under the Business Property cover section for:

(a) legal liability

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

(b) breakdown

cost to repair or replace Business Property due to:

- (i) mechanical, hydraulic, electrical or electronic breakdown, malfunction, breakage or failure unless caused by an insured occurrence

(ii) Computer Virus

(iii) access to Your computer systems and records by any person not on Your Business Premises

3. We will not pay for loss or damage under the Business Property cover section arising from demolition ordered by government or public or local authorities due to failure by You or Your agents to obtain the necessary permits.

Specific conditions applicable to this section

Tenants' Actions

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

1. You have taken all reasonable actions, as soon as You become aware of conditions causing the breach, to have the tenant comply with the terms
2. You notify us within a reasonable amount of time of becoming aware of the breach
3. You agree to pay a reasonable increase in premium for the additional risk.

Business Property cover section

Underinsurance/average

For each occurrence under the 'Business Property cover section', we will not be liable for more than that proportion of damage which; in respect of Buildings, Contents, Stock and specified items, the total sums insured for Buildings, Contents, Stock and specified items at the Situation, at the time of the commencement of each Period of Cover bears to eighty percent (80%) of the full insurable value of such Buildings, Contents, Stock and specified items;

Conditions:

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

Example;

Total value \$200,000

80% of value = \$160,000

Sum insured \$144,000

Therefore if a \$100,000 loss occurs, we would pay $(\$144,000 / \$160,000) \times \$100,000 = \$90,000$

We would pay \$90,000.

Any additional costs incurred to comply with the requirements of any statutory authority, by-laws or regulations shall be omitted from the calculation of our proportion.

Release

Without prejudicing Your position under this cover section, You may release any railways, other transportation companies, statutory governmental, semi-governmental or municipal authority from any liability if required by any contract to do so.

Leased building clause

Without prejudicing Your position under this cover section, You may agree to enter into a lease for occupancy of any building or a lease for hiring of property where the terms of the lease include a disclaimer clause in favour of the lessor to the owner.

Storage premises

Without prejudicing Your position under this cover section, You may enter into a contract which includes a disclaimer clause in relation to the storage of goods or merchandise.

Indexation

We automatically adjust the sum(s) insured each year according to the most appropriate price indices (as determined by us). The premium You pay will be based on the adjusted sum(s) insured.

Business Interruption cover section

Words with special meaning applicable to this section

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

Annual Rent Receivable means the Rent Receivable during the twelve months immediately before the date of the Damage.*

Annual Turnover means the Turnover during the twelve months immediately before the date of the Damage.*

Damage means physical loss, destruction or damage (occurring during the Period of Cover) from the operation of a peril or event insured against under the 'Business Property cover section', the 'Theft cover section', the 'Money cover section', the 'Glass cover section' or the 'General Property cover section' of Your Policy.

Gross Profit means the amount by which the sum of the Turnover and the amount of the closing Stock and work in progress exceeds the sum of the opening Stock and work in progress and the amount of any uninsured working expenses.

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

Indemnity Period means the period beginning with the occurrence of the Damage during which the results of Your Business are affected by the Damage and ending at the expiration of the maximum period specified in the current Policy Schedule.

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

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

Shortage in Turnover means the amount by which the Turnover during a period will, in consequence of the Damage, fall short of the part of the Standard Turnover which related to that period.

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

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

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

What You are covered for

In the event of interruption of or interference with Your Business in consequence of Damage to any building or any other property or any part thereof used by You at the Situation for the purpose of Your Business, we will pay You the amount of the loss resulting from such interruption or interference in respect of each item selected by You and shown in the current Policy Schedule,

provided that:

- (a) the payment is in accordance with the basis of settlement provision for the item
- (b) we have paid for or admitted liability in respect of such Damage under the relevant section of Your Policy, or another insurer has paid for or admitted liability in respect of such Damage, unless no such payment shall have been made or liability shall not have been admitted for such Damage (by us or another insurer) solely due to the application of an Excess, and
- (c) our liability in no case will exceed in respect of each item the sum insured shown in the current Policy Schedule for that item.

The insurance under this cover section provides protection with regard to loss under:

- Item 1.** Gross Profit
- Item 2.** Additional increase in cost of working
- Item 3.** Accounts receivable
- Item 4.** Claim preparation expenses
- Item 5.** Rent Receivable

Basis of settlement

- Item 1.** Gross Profit

This item is limited to the loss of Gross Profit due to a reduction in Turnover and the increase in Your cost of working.

The amount payable as indemnity under this item will be:

- (a) in respect of reduction in Turnover:
 - the sum produced by applying the Rate of Gross Profit to the Shortage in Turnover during the Indemnity Period, and
- (b) in respect of the increase in cost of working:
 - the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for the additional expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of reduction thereby avoided,

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

* to which such adjustments will be made as may be necessary to provide for the trend of Your Business and for variations in or other circumstances affecting Your Business either before or after the Damage or which would have affected Your Business had the Damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage.

Business Interruption cover section

Item 2. Additional increase in cost of working

The insurance under this item is limited to increase in cost of working (not otherwise recoverable hereunder) necessarily and reasonably incurred during the Indemnity Period in consequence of the Damage for the purpose of avoiding or diminishing reduction in Turnover and/or resuming and/or maintaining normal business operations and/or services.

Item 3. Accounts receivable

Under this item we will pay You up to the amount shown in the current Policy Schedule for all sums due to You from debtors that You are unable to collect because of Damage to records of accounts receivable. We will also pay collection expenses in excess of normal collection costs made necessary because of the Damage as well as interest charges at the ruling rate of Your bank on any loan to offset impaired collections pending repayment of such sums made uncollectible by such Damage. If You cannot accurately establish the total amount of accounts receivable outstanding as at the date of the Damage, the amount will be computed as follows:

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

Item 4. Claim preparation expenses

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

Item 5. Loss of Rent Receivable

This item is limited to loss of Rent Receivable and additional expenditure.

The amount payable will be:

- (a) in respect of loss of Rent Receivable:

the amount by which the Rent Receivable during the Indemnity Period falls short of the Standard Rent Receivable, in consequence of the Damage, and
 - (b) in respect of additional expenditure:

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Rent Receivable which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the amount of the reduction in Rent Receivable thereby avoided,
- less any sum saved during the Indemnity Period in respect of such of the expenses and charges payable out of the Rent Receivable as may cease or be reduced in consequence of the Damage.

Clauses applicable to this section

Departmental

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

Sum insured or limit of liability

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

Accumulated Stocks

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

Alternative trading

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

New business

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

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

Business Interruption cover section

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

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

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

Additional Benefits

This section is extended to include the following Additional Benefits. Additional Benefits 1 to 11 inclusive are payable provided that the sum insured or limit of liability expressed against the relevant item(s) in the Policy Schedule is not otherwise exhausted.

We will pay You for loss of Gross Profit (ie Basis of settlement Item 1) resulting from interruption of or interference with Your Business as a result of Damage occurring during the Period of Cover to, or as a direct result of:

1. Customers and suppliers – unspecified

Unspecified property at the premises of Your suppliers or customers of goods or materials or services (other than those services provided by any Public utilities) or at storage premises neither owned nor operated by You where You store goods or materials, all within the Commonwealth of Australia, provided that our liability will not exceed 20% or the percentage shown in the Policy Schedule of the sum insured applicable to this section.

2. Prevention of access

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

3. Public utilities

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

4. Computer facilities

computer installations, including ancillary equipment and data processing media, utilised by You in the Commonwealth of Australia other than at the Business Premises.

5. Roads, bridges and railway lines

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

6. Storage sites/temporary removal

Your property stored or being processed at any premises in the Commonwealth of Australia not occupied by You. Our total liability under this additional benefit will not exceed 20% of the sum insured.

7. Transit

Your property while in transit by road, rail, sea or air within the Commonwealth of Australia and outside of the Business Premises occupied by You, up to an amount not exceeding 20% of the sum insured in respect of any one occurrence.

8. Explosion of pressure vessels

Damage to pressure vessels including boilers, compressors or economisers by self-explosion or collapse.

9. Documents

Damage to documents and electronic data files belonging to or held in trust by You, while in transit or while at the premises not occupied by You but limited to 20% of the sum insured or the amount shown in the Policy Schedule, whichever is the greater.

10. Motor Vehicles owned or operated by You

Damage during the Period of Cover to any registered Vehicles or trailers owned or operated by You, while such Vehicles are at the Business Premises or at other premises in Australia but not on a public thoroughfare.

11. Infectious disease, etc.

we will also pay You for interruption or interference with Your Business due to closure or evacuation of the whole or part of the Business Premises during the Period of Cover by order of a competent government, public or statutory authority as a result of:

- (a) vermin or pests or defects in the drains or other sanitary arrangements, occurring at the Business Premises
- (b) an outbreak of an infectious or contagious human disease occurring within a 20-kilometre radius of the Business 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
- (c) injury, illness or disease caused by the consumption of food or drink supplied at or from Your Business Premises during the Period of Cover
- (d) murder or suicide occurring at the Business Premises, or
- (e) shark or crocodile attack occurring within a 20-kilometre radius of the Business Premises during the Period of Cover.

Business Interruption cover section

12. Salvage sale

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

- (a) clause (a) of Item 1 'Gross Profit' of this section shall, for the purpose of such claim, read as follows:

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

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

13. Turnover output

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

14. Government incentives

Gross Profit is extended to include the loss of any Government approved incentives, subsidies or market development allowances You are entitled to in relation to Your Business.

15. Contractual fines and penalties

Following a claim under Item 1 Gross Profit, we will also pay:

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

The amount payable shall not exceed 20% of the total sum insured for Gross Profit.

Special condition applicable to this section

Books of account

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

Theft cover section

What You are covered for

We cover You for loss of or damage to the property shown under the Theft item on the current Policy Schedule caused by:

1. any person who forcibly and violently enters or attempts to enter the Business Premises
2. any person unlawfully concealed on the Business Premises
3. any person who threatens or commits physical violence to You, Your employees or other persons
4. armed hold-up at the Situation
5. any person who breaks into any locked cabinet and/or counter and/or showcase which is located on the Business Premises.

The loss or damage must occur during the Period of Cover.

How we will pay Your claim

We will not pay more than the sum insured shown on the current Policy Schedule for the Theft cover section, except to the extent stated under the heading 'Additional benefits in addition to Your sum insured'.

Where You have a covered claim under the Theft cover section, we will settle Your claim using one of the following methods of settlement.

Method of settlement – reinstatement or replacement value

We will pay Your cost to:

- (a) replace the property if the covered property is not found within a reasonable time after the loss, or
- (b) replace the property if the covered property cannot be economically repaired, or
- (c) repair the property if the covered property can be economically repaired

Method of settlement – Indemnity

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

- (a) if you do not replace the covered property which is lost or destroyed, or
- (b) if the covered property can be repaired for less than the cost to replace but you choose not to replace the property.

Additional benefits

Additional benefits included in Your sum insured

Where a sum insured is shown on the Policy Schedule for contents or total contents and where that sum insured has not been otherwise exhausted, cover is extended to include:

Theft (limited) without forcible and violent entry

- (a) loss or damage, limited to \$10,000 for any one occurrence, by theft or attempted theft of Business Property other than electronic equipment, Stock or customers' goods,
- (b) loss or damage, limited to \$20,000 (unless a higher amount applicable to this paragraph (b) is shown in the current Policy Schedule against the above heading) for any one occurrence, by theft or attempted theft of Your electronic equipment which is not Stock.
- (c) loss of the buildings at the Business Premises if caused by theft, limited to \$10,000 for any one occurrence, occurring during the Period of Cover from the Business Premises without forcible and violent entry but excluding theft or attempted theft from any open-sided structure such as, but not limited to verandas or yards or other open spaces even if they are partially or fully enclosed. This additional benefit does not cover loss as a result of unexplained disappearance, unexplained or inventory shortage, clerical or accounting errors or shortage in supply or delivery to or from the Business Premises.

Damage to Business Premises

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

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

Permanently fixed (non-portable) apparatus

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 a responsibility to insure, attached to the building other than by means of a flexible or tensile cord to a power point but limited to an amount not exceeding:

- (a) \$10,000; or
- (b) the balance of the sum insured on either contents or total contents whichever is the lesser.

Theft cover section

Additional benefits in addition to Your sum insured

Seasonal increase of cover

All theft cover sums insured are increased by 50% for:

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

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

Temporary protection and security guards

The cost of necessary temporary protection and repairs and the employment of guards/watchmen to protect insured property following an occurrence covered by this cover section. The maximum amount we will pay for each occurrence is \$10,000. If an occurrence results in a claim being paid under this cover section and another cover section of the Policy, only the highest single limit of liability under the relevant cover section applies. The benefit of Temporary Protection and Security Guards shall not be cumulative under this Policy.

Locks, keys and combinations

Following an occurrence covered by this section we will pay the cost of:

- (a) replacing locks, keys or combinations used in Your Business and the cost of opening safes and strongrooms. This additional benefit shall also apply if there are reasonable grounds to suspect that keys or combinations have been stolen or copied without Your authority.
- (b) replacing and developing security film exposed because of theft or attempted theft.

A sub-limit of \$10,000 any one occurrence applies to this additional benefit.

If you are also insured under the Money cover section, the benefit payable for Locks, keys and combinations shall not be cumulative and shall be limited to \$10,000 in the aggregate.

Rewriting of Records

The cost of additional clerical and professional costs, limited to \$25,000 any one occurrence, incurred by You to rewrite Your necessary business records if they are lost, destroyed or damaged, whilst located at Your Business Premises or offsite anywhere in the Commonwealth of Australia, by an occurrence which You are covered for in the Theft cover section.

Property of directors, and employees

Cover is extended to include personal property of directors and employees of Your Business if the person to whom the personal effects belong is not named as an insured.

Cover is limited to \$5,000 any one person and \$10,000 overall in respect of any one loss. This additional benefit provides cover to You. It does not provide any insurance cover to any director or employee.

Temporary removal

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

Provided that:

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

Death following assault

If any person is injured while protecting or attempting to protect the property from theft in respect of an occurrence covered under 'What You are covered for' in this Theft cover section and death results from that injury within twelve (12) months of the occurrence, we will pay \$10,000 to the estate of that person. If You are also insured under the Money cover section, the benefits payable for death following assault shall not be cumulative and shall be limited to \$10,000 in the aggregate.

Employee dishonesty

We will pay You for loss of Business Property by theft or dishonesty by any of Your employees occurring during the Period of Cover, which is discovered within forty five days of its occurrence. Exclusion 3, of 'What You are not covered for under this section', so far as it relates to loss or damage due to theft or attempted theft committed by an employee, does not apply to this additional benefit. Our liability under this additional benefit is limited to \$5,000 for any one occurrence. If You are also insured under the Money cover section, the benefits payable for employee dishonesty shall not be cumulative and shall be limited to \$5,000 in the aggregate per occurrence. Furthermore, if You are also insured under the Management Liability PrivateEdge® Lite cover section then we will not pay any benefit for employee dishonesty under this Theft cover section.

Theft cover section

Tenanted premises

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

Additional premises – Provisional cover

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

- (a) the business described in the Policy Schedule, and
- (b) property insured described in the Policy Schedule.

Our maximum liability under this additional benefit is limited to twenty percent (20%) of the highest sum insured shown in the Policy Schedule in relation to each item of property 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. We may require an additional premium before we will insure such property.

What You are not covered for under this section

1. We will not pay under the Theft cover section for loss of or damage to:
 - (a) Money and negotiable instruments in excess of \$250
 - (b) jewellery, furs, bullion, property made of gold or silver or precious stones exceeding \$10,000 any one loss and \$2,000 any one item unless they are Stock
 - (c) motor Vehicles unless they are Stock
 - (d) glass unless it is Stock
 - (e) property not contained in a locked building, unless insured under Additional benefits 'Theft (limited) without forcible and violent entry' and 'Permanently fixed (non-portable) apparatus'.
2. We will not pay under the Theft cover section for loss of or damage to property caused by:
 - (a) any loss or damage including theft which is caused by a person who is otherwise lawfully on Your Business Premises
 - (b) any person who does not steal or intend to steal property.
3. We will not pay under the Theft cover section for loss of or damage to property caused by or in any way contributed to by dishonest acts by You, Your directors, partners, employees or any members of Your Family, other than by an employee following forcible and violent entry.
4. We will not pay for loss from a safe, strongroom or security enclosure opened by a key or by the use of details of a combination, either of which has been left on Your Business Premises while closed for business, is not covered for more than the sum insured on Business Property anywhere on the premises outside Business Hours.
5. We will not pay under the Theft cover section for unexplained disappearances or unexplained shortages, whether resulting from clerical or accounting errors or shortages in supply or delivery of materials to or by You.

Money cover section

Words with special meaning

Some words have special meaning wherever they appear in this section. These words and the meanings are listed below:

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

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

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

What You are covered for

We cover You for loss of or damage to Money which occurs during the Period of Cover as a result of the Defined events shown on the current Policy Schedule.

Defined events

Money in transit

Loss of or damage to Money in Your personal custody or in the custody of persons authorised by You whilst in transit within Australia but not Money in a private residence or any Vehicle left unattended.

Money in transit includes loss of or damage to Money whilst contained in the night Safe, night depository chute, or automatic teller machine of any Financial Services Provider. Our liability ceases at the time Your Financial Services Provider ceases trading on the next business day following deposit therein.

Money on Business Premises

Loss of or damage to Money located at Your Business Premises:

- (a) during Business Hours
- (b) outside Business Hours
- (c) at any time while contained in a locked Safe or Strongroom.

Money in private residence

Loss of or damage to Money contained in:

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

How we will pay Your claim

We will pay You up to the sum insured shown on the current Policy Schedule for each of the Defined events.

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

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

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

Money cover section

Additional benefits

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

Additional benefits included in Your sum insured

Counterfeit currency

We will pay for losses sustained by You due to the acceptance in good faith in exchange for merchandise, Money or services, of counterfeit Australian currency notes up to an amount not exceeding \$500 is any one Period of Cover.

Additional benefits in addition to Your sum insured

Locks, keys and combinations

Following an occurrence covered by this section we will pay the cost of:

- (a) replacing locks, keys or combinations used in Your Business and the cost of opening safes and strongrooms. This additional benefit shall also apply if there are reasonable grounds to suspect that keys or combinations have been stolen or copied without Your authority;
- (b) replacing and developing security film exposed because of theft or attempted theft.

A sub-limit of \$10,000 any one occurrence applies to this additional benefit.

If you are also insured under the Theft cover section, the benefit payable for Locks, keys and combinations shall not be cumulative and shall be limited to \$10,000 in the aggregate.

Loss of or damage to Safes, Strongrooms and cash carrying bags

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

- (a) the cost of opening the Safe or Strongroom and to repair or replace any loss or damage to the Safe or Strongroom that was caused by the theft or attempt
- (b) we will pay for loss of or damage to Your cash carrying bag that was caused by the theft or attempt.

A sub-limit of \$10,000 any one occurrence applies to this additional benefit.

Temporary protection and security guards

We will pay You the costs necessarily and reasonably incurred by You in effecting temporary protection and the employment of guards/watchmen to safeguard the insured property as a result of theft or attempted theft of Money occurring during the Period of Cover and that is insured under this cover section. The maximum amount we will pay for each occurrence is \$10,000. If an occurrence results in a claim being paid under this cover section and another cover section of the Policy, only the highest single limit of liability under the relevant cover section applies. The benefit of Temporary Protection and Security Guards shall not be cumulative under this Policy.

Seasonal increase of cover

All Money Cover sums insured are increased by 50% for:

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

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

Bank and public holidays extension

The sums insured for Money cover are automatically increased by 100% or \$75,000 whichever is the lesser on days that are gazetted bank or public holidays. This increase shall apply up until bank closing time on the next business day after such holiday. This additional benefit does not apply to loss or damage to Safes and Strongrooms or to seasonal increases.

Death following assault

If any person is injured while protecting or attempting to protect Money from theft or attempted theft and death results from that injury within twelve months, we will pay \$10,000 to the estate of that person. This amount is in addition to any amount we pay for loss of Money. If You are also insured under the Theft cover section, the benefits payable for death following assault shall not be cumulative and shall be limited to \$10,000 in the aggregate.

Employee dishonesty

We will pay You for loss of Money by theft or dishonesty by any of Your employees occurring during the Period of Cover, which is discovered within forty-five days of its occurrence. Exclusion 1(c), of 'What You are not covered for under this section', so far as it relates to loss or damage due to theft or attempted theft committed by an employee, does not apply to this additional benefit. Our liability under this additional benefit is limited to \$5,000 for any one occurrence. If You are also insured under the Theft cover section, the benefits payable for employee dishonesty shall not be cumulative and shall be limited to \$5,000 in the aggregate per occurrence. Furthermore, if You are also insured under the Management Liability PrivateEdge® Lite cover section then we will not pay any benefit for employee dishonesty under this Money cover section.

Traveller's Money

Cover under this part is extended to include loss of Money belonging to You, occurring while such Money is in Your personal custody, or in the custody of Your employee, up to the lesser of \$10,000 or the amount specified on the Policy Schedule for Defined event 'Money in transit', while travelling outside of Australia in connection with Your Business.

Money cover section

Additional premises – Provisional cover

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

- (a) the business described in the Policy Schedule, and
- (b) the Money insured as described in the Policy Schedule.

Our maximum liability under this additional benefit is limited to 20% of the sum insured shown in the Policy Schedule in relation to each item of Money covered under this section.

Full details of such additional property are to be supplied to us within 30 days of Your commencement to use the property. If we agree to cover Money at the additional location, we may require payment of an additional premium.

Property of directors, and employees

If clothing or personal effects are lost or damaged during a theft of Money, we will pay in addition to the sum insured the cost of repairing or replacing these items.

Cover is limited to \$5,000 any one person and \$10,000 overall in respect of any one loss. This additional benefit provides cover to you. It does not provide any insurance cover to any director or employee. There is no cover for you or any person named as the insured on your Policy Schedule.

What You are not covered for under this section

1. We will not pay for loss or damage caused by:
 - (a) clerical or accounting errors
 - (b) errors in receiving or paying out Money
 - (c) dishonest acts of Your directors, partners, employees or any member of Your Family other than theft by an employee following visible forcible and violent entry.
2. We will not pay for loss of or damage to:
 - (a) Money which was not discovered missing within ten working days of the loss or damage occurring
 - (b) Money whilst contained in an unlocked and unattended Vehicle
 - (c) Money from a Safe or Strongroom opened by a key or by use of a combination which has been left on the Business Premises outside Business Hours
 - (d) Money whilst it is outside the Commonwealth of Australia, except as provided under additional benefit - 'Traveller's Money'.
3. We will not pay more than \$1,000 for Money at Your Business Premises outside Business Hours not contained in a locked Safe or Strongroom.

Equipment Breakdown cover section

Words with special meaning

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

Breakdown means

A sudden and accidental breakdown of Insured Equipment resulting in property damage to the Insured Equipment or a part of the Insured Equipment that necessitates its repair or replacement.

Breakdown does not mean:

- (a) depletion, deterioration, corrosion or erosion of material;
- (b) wear and tear;
- (c) leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (d) vibration or misalignment;
- (e) the Breakdown of any structure or foundation supporting the equipment or any part of the equipment;
- (f) the functioning of any safety device or protective device;
- (g) the cracking of any part of a gas turbine exposed to the products of combustion; or
- (h) failure to function not connected to any identifiable and manifest physical cause.

Actual Cash Value means

The cost of replacing the damaged Insured Equipment with property of similar kind, capacity, size, quality and function, less depreciation. In determining depreciation, we will consider the age, condition, and normal life expectancy of the Insured Equipment.

Insured Equipment means

Any of the following equipment owned, leased, operated or controlled by You in Your Business:

- (a) any boiler, fired or unfired Pressure Vessel normally subject to vacuum or internal pressure other than static pressure of contents, any refrigerating or air conditioning vessels, and piping or any other piping and its accessory equipment, but not including:
 - (i) any boiler setting, any refractory or insulating material;
 - (ii) any part of a boiler or fired vessel that does not contain steam or water;
 - (iii) any hose, buried piping, sewer piping, drainage piping, sprinkler system or its accessory equipment; or
 - (iv) any oven, stove, furnace or kiln but not excluding heat recovery piping or vessels used with such apparatus.
- (b) any mechanical or electrical Machine or electrical apparatus used for the generation, transmission or utilisation of mechanical or electrical power, but not including:
 - (i) any elevator, escalator, crane or hoist; or
 - (ii) any oven, stove, furnace or kiln

but not excluding:

- (a) any pump, compressor, fan, blower, engine or turbine;
- (b) any separate enclosed gear set connected to such machine or apparatus by a coupling, clutch or belt;
- (c) any electrical equipment; or
- (d) any electronic equipment used solely to start, stop, control or monitor such Machine or apparatus;
- (iii) any Vehicle, mechanically or electrically propelled equipment, towable equipment, power shovel, excavator, dragline or other mobile equipment, including equipment permanently mounted thereon;
- (iv) any conveyor belt.
- (c) any electronic equipment used:
 - (i) for the generation, control, transmission, reception, recording, reproduction, playback or other use of television, radio or telephone signals;
 - (ii) for research, diagnostic, treatment, experimental or other medical or scientific purposes;
 - (iii) for computing, data processing, duplicating, inventory control, monitoring, scanning or office services; or
 - (iv) to start, stop, control or monitor one or more Insured Equipment, but not including any anode, x-ray or video amplifier tube.

Limit Any One Loss means

The amount shown in the Policy Schedule as the Limit Any One Loss.

Machine means

Any contrivance for the conversion and direction of motion or energy, or for the performance of a process, and includes any protective device in connection with that contrivance.

Media means

Material, on which data is recorded, such as magnetic tapes, hard disks, floppy disks, cartridges, CDs or DVDs.

Pressure Vessel means

A vessel which, in normal use, is subject to generated or applied fluid pressure.

What You are covered for

We will cover You for loss caused by or resulting from a Breakdown of Insured Equipment which occurs during the Period of Cover and which is in use, or connected and ready for use, at the Situation.

Equipment Breakdown cover section

Basis of settlement

When we agree to pay a claim in respect of a covered insured event under this section, the basis upon which the amount payable is to be calculated shall be:

1. Media and electronic data

For Media and Electronic Data, we will pay You for the cost of blank material plus the cost of transcription from duplicates or from originals.

2. Exposed film, records, manuscripts, drawings and other valuable papers and records

For exposed film, records, manuscripts, drawings and other valuable papers and records, we will pay You for the cost of blank material plus the cost of transcription from duplicates or from originals.

3. All other insured equipment and other property insured

For all other Insured Equipment and other property insured, we will pay You the lesser of the cost at the time of the Breakdown to:

- (a) repair the damaged property; or
- (b) replace the damaged property with similar property of like kind, capacity, size, quality and function.

However, we will not pay:

- (a) more than the amount You actually spend;
- (b) the cost of repairing or replacing any part or parts of a piece of equipment which is greater than the cost of repairing or replacing the entire piece of equipment;
- (c) any expense in excess of the cost at the time of the Breakdown to replace Insured Equipment on the same site or a site adjacent; or
- (d) loss or damage to Insured Equipment or insured property which is useless or obsolete.

If the damaged property is not repaired or replaced within 12 months after the date of the Breakdown, then we will only pay you the Actual Cash Value of the damaged Insured Equipment or insured property.

The most we will pay under this section is the Limit Any One Loss shown in the Policy Schedule.

Additional benefits

We also pay for the following additional benefits when we agree to pay a claim in respect of a covered insured event under this section.

1. Business interruption

If You are insured under the Business Interruption cover section, then we will cover You under that cover section for loss or damage resulting solely from a Breakdown which is covered under this cover section – Equipment Breakdown, or would have been but for the application of an Excess.

For the purpose of this additional benefit, the definition of the Indemnity Period under the Business Interruption cover section is amended to mean the period beginning with the occurrence of the Breakdown and ending no later than the number of months shown in the Policy Schedule during which the results of Your Business are affected as a result of the Breakdown.

However, we will not pay more than \$250,000 for any one claim and we will not pay for loss or damage:

- (a) which we do not cover under the Business Interruption cover section; or
- (b) where You do not immediately notify us of the Breakdown.

2. Service interruption

If there is a Breakdown of equipment not owned, leased, operated or controlled by you, we will also pay under:

- (a) additional benefit 1 – Business Interruption: for any reduction in business Turnover or additional increased cost of working caused by the Breakdown; or
- (b) optional benefit – Spoilage of Stock: if shown in the Policy Schedule as applying, for spoilage of Stock,

provided that the Breakdown is to equipment that is:

- (i) of a type described in the definition of Insured Equipment in the section;
- (ii) used to supply telephone, electricity, air conditioning, heating, gas, water or steam services to Your Business at the Situation;
- (iii) is owned by the owner of the building at the Situation or by a utility company, or by a company contracted by You to provide those services; and
- (iv) is located on or within 300 metres of the Situation.

3. Hazardous substances

If a Hazardous Substance is involved or released by a Breakdown we will pay for the increase in cost to repair, replace, clean up or dispose of affected insured property.

The increase in cost shall mean that cost or damage which would not have been incurred had no Hazardous Substance been present.

However, we will not pay more than \$25,000 for any one claim.

4. Expediting costs

If we are liable for the cost of reinstating any Insured Equipment, we will also pay for the cost, reasonably incurred, for express freight and overtime labour for the purpose of expediting that reinstatement.

However, we will not pay more than \$10,000 for any one claim.

Equipment Breakdown cover section

5. Temporary hire costs

We will pay the cost, reasonably incurred, of hiring temporary replacement equipment of similar specification during the time taken to repair Insured Equipment as result of a Breakdown.

However, we will not pay more than \$25,000 for any one claim.

6. Electronic data and media restoration

If, as a result of a Breakdown to Insured Equipment, Electronic Data or Media is lost or damaged, we will pay for the additional costs of repairing or replacing such Electronic Data or Media, including the cost of gathering or assembling information.

However, we will not pay more than \$10,000 for any one claim and we will not pay for loss or damage:

- (a) to Electronic Data or Media created more than 5 days prior to the Breakdown occurring; or
- (b) caused by or resulting from programming errors.

7. Demolition and increased cost of construction

If prior to the time of the Breakdown there is in force any law, by-law, ordinance, regulation, rule or ruling regulating or restricting repair, replacement, construction or installation, we will pay for:

- (a) the increased cost of repair or replacement of damaged and/or undamaged Insured Equipment (including any necessary demolition and site clearing costs) arising from such law, by-law, ordinance, regulation, rule or ruling; and
- (b) if we pay you an amount under Additional benefit 1, the increase in loss of Gross Profit or additional increased cost of working caused as a result of the enforcement of the law, by-law, ordinance, regulation, rule or ruling.

Optional benefit

The following optional benefit does not apply unless stated in the current Policy Schedule.

Spoilage of stock

Where damage or expense is due to spoilage resulting solely from a Breakdown to Insured Equipment, we will pay:

- (a) the cost to replace damaged food and beverage products;
- (b) the cost to replace damaged food and beverage products that are in your care, custody or control and for which you are legally liable; and
- (c) the reasonable cost incurred by you to reduce or avert such damage, but only to the extent that the total amount that otherwise would have been paid under this optional benefit or Additional benefit 2, is reduced.

For the purpose of this Optional benefit, the definition of Breakdown is amended to include the operation or failure to operate of any switch, thermostat, control, fuse, circuit breaker or overload device which is included in the definition of Insured Equipment, but not including the manual operation or setting of such switch, thermostat, control, fuse, circuit breaker or overload device.

If the damaged food and beverage products are not replaced, then we will only pay the Actual Cash Value of the damaged food and beverage products.

Seasonal increase of cover

An increase of fifty percent (50%) in the limit of indemnity under this optional benefit shall apply during the following periods:

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

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

What You are not covered for under this section

1. We will not pay for loss or damage caused by:

- (a) fire, extinguishing a fire, demolition following a fire, smoke, soot, or chemical explosion;
- (b) lightning, storm, rain, hail, snow, wind, Flood, action of the sea, tidal wave, storm surge or high water;
- (c) earthquake, subterranean fire, volcanic eruption, tsunami, landslide, mudslide, subsidence or any other earth movement;
- (d) leakage of water or liquids;
- (e) malicious damage including damage by burglars, caused during industrial disputes, riots, civil commotions or labour disturbances;
- (f) impact by Vehicles, Aircraft or anything dropped from them, satellites, space debris, sonic boom, Watercraft, communication masts, or towers, aerials, antennae, satellite dishes, buildings, parts of buildings or falling tress or branches;
- (g) theft or any attempt at theft;
- (h) the equipment being subjected to tests involving abnormal stresses or arising out of equipment being intentionally overloaded;
- (i) the equipment undergoing maintenance, inspection, repair, alteration, modification or overhaul;
- (j) any deliberate act or negligence by you; or
- (k) Computer Virus, malfunctioning or derangement.

2. We will not pay for loss or damage to Insured Equipment which is useless or obsolete.

3. We will not pay for any costs:

- (a) of carrying out normal maintenance such as the tightening of loose parts, recalibration or adjustments; or
- (b) that you are entitled to recover under any maintenance agreement or warranty.

Public and Products Liability cover section

Words with special meaning

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

Advertising Injury means injury arising out of:

- (a) libel, slander or defamation; or
 - (b) any infringement of copyright or passing off of title or slogan; or
 - (c) unfair competition, piracy, idea misappropriation contrary to an implied contract; or
 - (d) invasion of privacy;
- committed or alleged to have been committed during the Period of Cover in any advertisement, publicity article, broadcast or telecast and caused by or arising out of Your advertising activities.

Compensation means monies paid or agreed to be paid by judgment, award or settlement for Personal Injury and/or Property Damage and/or Advertising Injury. Provided that such Compensation is only payable in respect of an Occurrence to which this insurance applies.

Employee means any person who is employed by You and/or in respect of whom You are required to have cover for workers Compensation or similar cover by any workers Compensation legislation.

Employment Practices means any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, harassment or discrimination in respect of Your Employees.

Excess means the first amount of each claim or series of claims, arising out of any one Occurrence, for which You are responsible. The Excess applicable to this insurance appears in the Policy Schedule. The Excess applies to all amounts for which we will be liable, including the indemnity provided by Defence Costs and Supplementary Payments.

General Liability means Your legal liability for Personal Injury, Property Damage or Advertising Injury caused by or arising out of an Occurrence happening in connection with Your Business other than Products Liability.

Geographical Limit means

- (a) anywhere within the Commonwealth of Australia and its external territories;
- (b) elsewhere in the world but only with respect to:
 - (i) overseas business visits by any of Your directors, partners, officers, executives or Employees, who are normally resident in Australia but not where they perform manual work or supervise manual work in North America;

- (ii) Products supplied from the Commonwealth of Australia, but the indemnity granted in relation to such Products shall not apply to claims in respect of Personal Injury and/or Property Damage happening in North America where such Products have been exported to North America with Your knowledge.

Incidental Contracts means

- (a) any written rental agreement or lease of real or personal property not requiring an obligation to insure such property or be strictly liable regardless of fault;
- (b) any written contract with any authority or entity responsible for the supply of electricity, fuel, gas, natural gas, air, steam, water, sewerage reticulation control systems, waste disposal facilities, telephone and communication services or other essential services, except those contracts in connection with work done for such authorities or entities;
- (c) any written contract with any railway authority for the loading, unloading and/or transport of Products, including contracts relating to the operation of railway sidings;
- (d) those contracts designated in the Policy Schedule.

Internet Operations means

- (a) transfer of computer data or programmes by use of electronic mail systems by You or Your Employees, including for the purpose of this definition only, part-time and temporary staff, contractors and others within Your organisation whether or not such data or programmes contain any malicious or damaging code, including but not limited to Computer Virus, worm, logic bomb, or trojan horse;
- (b) access through Your network to the world wide web or a public internet site by You or Your Employees, including for the purposes of this definition only, part-time and temporary staff, contractors and others within Your organisation;
- (c) access to Your intranet (meaning internal company information and computing resources) which is made available through the world wide web for Your customers or others outside Your organisation; and
- (d) the operation and maintenance of Your web site.

Medical Persons means

includes but is not limited to medical practitioners, medical nurses, dentists and first aid attendants.

Named Insured means

- (a) the person(s), corporations and/or other organisations specified in the Policy Schedule;
- (b) all existing subsidiary and/or controlled corporations (including subsidiaries thereof) of the Named Insured incorporated in the Commonwealth of Australia and/or any other organisations under the control of the Named Insured;
- (c) all subsidiary and/or controlled corporations (including subsidiaries thereof) of the Named Insured and/or any other organisations under the control of the Named Insured incorporated in the Commonwealth of Australia and which are constituted or acquired by the Insured after the commencement of the Period of Cover;

Public and Products Liability cover section

- (d) every subsidiary and/or controlled corporation and/or other organisation of the Named Insured which is divested during the Period of Cover, but only in respect of claims made against such divested subsidiary, related or controlled corporation or organisation caused by or arising out of Occurrences insured against by this Policy, which occurred prior to the divestment.

Occurrence means

an event, including continuous or repeated exposure to substantially the same general conditions, which results in Personal Injury and/or Property Damage and/or Advertising Injury that is neither expected nor intended (except for the matters set out in item (e) of the definition of 'Personal Injury') from Your standpoint.

With respect to Personal Injury or Property Damage, all events of a series consequent upon or attributable to one source or original cause shall be deemed to be one Occurrence.

All Advertising Injury arising out of the same injurious material or act (regardless of the frequency or repetition thereof, the number and kind of media used, or the number of claimants) shall be deemed to be one Occurrence.

Personal Injury means

- (a) bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and mental injury, including loss of consortium or services resulting therefrom;
- (b) false arrest, false imprisonment, wrongful detention, malicious prosecution or humiliation;
- (c) wrongful entry or wrongful eviction or other invasion of privacy;
- (d) libel, slander or defamation of character, unless arising out of Advertising Injury;
- (e) assault and battery not committed by You or at Your direction, unless committed for the purpose of preventing or eliminating danger to persons or property.

Products means

anything manufactured, constructed, erected, assembled, installed, grown, extracted, produced or processed, treated, altered, modified, repaired, serviced, bottled, labelled, handled, sold, supplied, re-supplied or distributed, imported or exported, by You or on Your behalf (including Your predecessors in Your Business), including any packaging or containers thereof, including the design, formula or specification, directions, markings, instructions, advice or warnings given or omitted to be given in connection with such Products and anything which, by law or otherwise, You are deemed to have manufactured in the course of Your Business including discontinued Products.

Provided always that for the purpose of this insurance the term 'Products' shall not be deemed to include:

- (a) food and beverages supplied by You or on Your behalf primarily to Your Employees as a staff benefit;
 - (b) any vending machine or any other property rented to or located for use of others but not sold by You;
- and any claims made against You in respect of Personal Injury and/or Property Damage arising out of any Occurrence in connection therewith shall be regarded as General Liability claims hereunder.

Products Liability means

Your legal liability for Personal Injury and/or Property Damage caused by or arising out of any Products or the reliance upon a representation or warranty made at any time with respect to such Products; but only where such Personal Injury and/or Property Damage occurs away from premises owned or leased by or rented to You and after physical possession of such Products has been relinquished to others.

Property Damage means

- (a) physical loss, destruction of or damage to tangible property, including the loss of use thereof at any time resulting therefrom; and/or
 - (b) loss of use of tangible property which has not been physically lost, destroyed or damaged;
- provided that such loss of use is caused by or arises out of an Occurrence.

Tools of Trade means

a Vehicle that has tools, implements, machinery or plant attached to or towed by the Vehicle and is being used by You at Your premises or on any Work Site. Tools of Trade does not include any Vehicle whilst travelling to or from a Work Site or Vehicles that are used to carry goods to or from any premises.

Work Site means

any premises or site where any work is performed for and/or in connection with Your Business together with all areas surrounding such premises or site and/or all areas in between such premises or site that You shall use in connection with such work.

You, Your, Insured (where used in this section) means the person(s), companies or firms named on the current Policy Schedule as the 'Insured'. Each of the following is an Insured to the extent specified below:

- (a) the Named Insured,
- (b) every past, present or future director, stockholder or shareholder, partner, proprietor, officer, executive or Employee of the Named Insured (including the spouse of any such person while accompanying such person on any commercial trip or function in connection with Your Business), or work experience persons or volunteers while such persons are acting for or on behalf of the Named Insured and/or within the scope of their duties in such capacities.
- (c) any Employee superannuation fund or pension scheme managed by or on behalf of the Named Insured, and the trustees and the directors of the trustee of any such Employee superannuation fund or pension scheme which is not administered by corporate fund managers.
- (d) every principal in respect of the principal's liability arising out of:
 - (i) the performance by or on behalf of the Named Insured of any contract or agreement for the performance of work for such principal, but only to the extent required by such contract or agreement and in any event only for such coverage and limits of liability as are provided by this Policy.

Public and Products Liability cover section

- (ii) any Products sold or supplied by the Named Insured, but only in respect of the Named Insured's own acts or omissions in connection with such Products and in any event only for such coverage and limits of liability as are provided by this Policy.
- (e) every person, corporation, organisation, trustee or estate to whom or to which the Named Insured is obligated by reason of law, (whether written or implied) to provide insurance such as is afforded by this Policy, but only to the extent required by such law, and in any event only for such coverage and limits of liability as are provided by this Policy;
- (f) every officer, member, Employee or voluntary helper of the Named Insured's canteen, social and/or sporting clubs, first aid, medical, ambulance or fire fighting services, charities, welfare and/or child care facilities, while acting in their respective capacities as such;
- (g) any director, partner, proprietor, officer or executive of the Named Insured in respect of private work undertaken by the Named Insured's Employees for such person and any Employee whilst actually undertaking such work;
- (h) the estates, legal representatives, heirs or assigns of:
 - (i) any deceased or insolvent persons, or
 - (ii) persons who are unable to manage their own affairs by reason of mental disorder or incapacity, who would otherwise be indemnified by this Policy, but only in respect of liability incurred by such persons as described in clauses h(i) and h(ii) above;
- (i) every party including joint venture companies and partnerships to whom the Named Insured is obligated by virtue of any contract or agreement to provide insurance such as is afforded by this Policy; but only to the extent required by such contract or agreement and in any event only for such coverage and limits of liability as are provided by this Policy.

Your Business means

the business as described in the Policy Schedule (and, where applicable, as further described in any more specific underwriting information provided to us at the time when this insurance was negotiated) and shall include:

- (a) the ownership of premises and/or the tenancy thereof by You.
- (b) the provision of any sponsorships, charities, galas, first aid, medical, ambulance or fire fighting service by You or on Your behalf.
- (c) private work undertaken by Your Employees for any of Your directors, partners, proprietors, officers or executives.
- (d) the provision of any canteen, social and/or sporting clubs or welfare and/or child care facilities by You or on Your behalf, which are primarily for the benefit of Your Employees.

What You are covered for

We agree (subject to the terms, Claims conditions, General Policy conditions, Exclusions, definitions and Limits of liability incorporated herein) to pay to You or on Your behalf all amounts which You shall become legally liable to pay as Compensation in respect of:

1. Personal Injury, and/or
2. Property Damage; and/or
3. Advertising Injury;

happening during the Period of Cover within the Geographical Limits and caused by or arising out of an Occurrence in connection with Your Business.

Defence costs and supplementary payments

With respect to the indemnity provided by this Policy, we will:

1. defend, in Your name and on Your behalf, any claim or suit against You alleging such Personal Injury, Property Damage or Advertising Injury and seeking damages on account thereof even if any of the allegations of such claim or suit are groundless, false or fraudulent.
2. pay all charges, expenses and legal costs incurred by us and/or by You with our written consent:
 - (a) in the investigation, defence or settlement of such claim or suit, including loss of salaries or wages because of Your attendance at hearings or trials at our request, or
 - (b) in bringing or defending appeals in connection with such claim or suit.
3. pay all charges, expenses and legal costs recoverable from or awarded against You in any such claim or suit and all interest accruing on our portion of any judgment until we have paid, tendered or deposited in court that part of such judgment which does not exceed the limit of our liability thereon.
4. pay expenses incurred by You for:
 - (a) rendering first aid and/or surgical or medical relief to others at the time of any Personal Injury (other than any medical expenses, which we are prevented from paying by any law).
 - (b) temporary protection of damaged or undamaged property of any person or party, including temporary repairs, shoring up and/or unpinning thereof.
 - (c) purchasing and/or hiring and/or erection and dismantling of hoarding, barriers, fences and any other form of temporary protection, including such protection which You must provide in compliance with the requirements of any Government, Local Government or other Statutory Authority.
5. pay all legal costs incurred by You with our consent for representation of You at:
 - (a) any Coronial inquest or Inquiry
 - (b) any proceedings in any court or tribunal in connection with liability insured against by this Policy.

Public and Products Liability cover section

The amounts of such defence costs and supplementary payments incurred, except payments in settlement of claims and suits, are payable by us in addition to the applicable Limit of Liability of this Policy.

However, in respect of any claims or suits originating in any court in North America, the applicable Limit of Liability shown in the Policy Schedule shall be inclusive of all defence costs and supplementary payments.

Where we are prevented by law or otherwise from making payments on Your behalf, we will indemnify You for legal liability incurred to the extent that such liability is covered by this Policy.

In jurisdictions where we may not legally be permitted to, or cannot for any other reason, defend any claim or suit against You, we will reimburse You for the expense of such defence incurred with our written consent.

Limits of liability and Excess

Subject to:

- (i) the 'Claim preparation expenses' provision under 'General Policy conditions',
- (ii) the 'Defence costs and supplementary payments' clause above,
- (iii) item 4 of Additional benefit 'Property in your physical and legal control' below,

for General Liability the limit of liability specified in the Policy Schedule represents the maximum amount which we shall be liable to pay in respect of any one claim or series of claims arising out of any one Occurrence.

For Products Liability the limit of liability specified in the Policy Schedule represents the maximum amount which we shall be liable to pay in respect of any one claim or series of claims, and in the aggregate during any one Period of cover.

The applicable limit of liability will not be reduced by the amount of any Excess payable by you.

What You are not covered for under this section

We do not cover any liability:

1. Property owned by You

for Property Damage to property owned by You.

2. Vehicles

for Personal Injury or Property Damage arising out of the ownership, possession or use by You of any Vehicle:

- (a) which is registered or which is required under any legislation to be registered, or
- (b) in respect of which compulsory liability insurance or statutory indemnity is required by virtue of legislation (whether or not that insurance is effected)

but exclusions (a) and (b) shall not apply to:

- (c) Personal Injury where:

- (i) that compulsory liability insurance or statutory indemnity does not provide indemnity, and

- (ii) the reason or reasons why that compulsory liability or statutory indemnity does not provide indemnity do not involve a breach by You of legislation relating to Vehicles.

- (d) any Vehicle (including any tool or plant forming part of or attached to or used in connection with such Vehicle) whilst being operated or used by You or on Your behalf as a Tool of Trade at Your premises or on any Work Site
- (e) the delivery or collection of goods to or from any Vehicle
- (f) the loading or unloading of any Vehicle
- (g) any Vehicle temporarily in Your custody or control for the purpose of parking.

3. Aircraft, Hovercraft

for Personal Injury and/or Property Damage arising from:

- (a) the ownership, maintenance, operation, or use by You of any Aircraft or Hovercraft,
- (b) any property used for the purpose of an airport or any Aircraft landing strip.

4. Aircraft Products

arising out of any Products which You knew or have reasonable cause to believe would be or is intended for incorporation into any critical part, the structure, machinery or controls of any Aircraft.

5. Damage to Products

for Property Damage to any Products where such damage is directly caused by a fault or defect in such Products; but this exclusion shall be interpreted to apply with respect to damage to the specific part and only that part of such product to which the damage is directly attributable.

6. Faulty workmanship

for the cost of performing, completing, correcting or improving any work undertaken by You.

7. Loss of use

for loss of use of tangible property, which has not been physically lost, destroyed or damaged, directly arising out of:

- (a) a delay in or lack of performance by You or on Your behalf of any contract or agreement; or
- (b) failure of any Products or work performed by You or on Your behalf to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by You; but this Exclusion 7(b) shall not apply to Your liability for loss of use of other tangible property resulting from sudden and accidental physical loss, destruction of or damage to any Products or work performed by You or on Your behalf after such Products or work have been put to use by any person or organisation other than You.

8. Product guarantee

for any Products warranty or guarantee given by You or on Your behalf, but this exclusion shall not apply to the requirements of any Federal or State legislation as to product safety and information.

Public and Products Liability cover section

9. Product recall

for damages, costs or expenses arising out of the withdrawal, recall, inspection, repair, reconditioning, modification, reinstallation, replacement or loss of use of any Products where such Products are withdrawn or recalled from the market or from use by any person or organisation because of any known, alleged or suspected defect or deficiency in such Products.

10. Pollutants

- (a) for Personal Injury and/or Property Damage directly or indirectly arising out of the discharge, dispersal, release or escape of Pollutants into or upon land, the atmosphere or any watercourse or body of water;
- (b) for the cost of testing and monitoring for, removing, nullifying, or cleaning up of Pollutants

provided that, with respect to any such liability which may be incurred anywhere other than North America, Exclusions 10(a) and 10(b) shall not apply where such discharge, dispersal, release or escape is caused by a sudden, identifiable, unintended and unexpected event from Your standpoint which takes place in its entirety at a specific time and place.

11. Advertising Injury

for Advertising Injury:

- (a) resulting from statements made at Your direction with knowledge that such statements are false.
- (b) resulting from failure of performance of contract but this exclusion shall not apply to claims for unauthorised appropriation of advertising ideas contrary to an implied contract.
- (c) resulting from any incorrect description of Products or services.
- (d) resulting from any mistake in advertised price of Products or services.
- (e) resulting from failure of Your Products or services to conform with advertised performance, quality, fitness or durability.
- (f) incurred by any Insured whose principal occupation or business is advertising, broadcasting, publishing or telecasting.

12. Breach of professional duty

arising out of any breach of duty owed in a professional capacity by You and/or any person(s) for whose breaches You may be held legally liable, but this exclusion shall not apply to claims for Personal Injury and/or Property Damage arising out of:

- (a) the rendering of or failure to render professional medical advice by Medical Persons employed by You to provide first aid and other medical services on Your premises;
- (b) advice which is given by You for no fee;
- (c) advice given in respect of the use or storage of Your Products.

13. Property in Your physical or legal control

for damage to property:

- (a) owned by, leased or rented to You;
- (b) not belonging to You but in Your physical and legal control other than the property described in 'Additional benefit – Property in physical and legal control'.

14. Contractual liability

which has been assumed by You under any contract or agreement that requires You to:

- (a) effect insurance over property, either real or personal.
- (b) assume liability for Personal Injury and/or Property Damage and/or Advertising Injury regardless of fault; provided that this exclusion shall not apply with regard to:
 - (i) liabilities which would have been implied by law in the absence of such contract or agreement; or
 - (ii) liabilities assumed under Incidental Contracts; or
 - (iii) terms regarding merchantability, quality, fitness or care of Your product which are implied by law or statute; or
 - (iv) liabilities assumed under the contracts specifically designated in the Policy Schedule or in any endorsement(s) to this Policy.

15. Watercraft

for Personal Injury and/or Property Damage arising from the ownership, maintenance, operation or use by You of any Watercraft exceeding eight (8) metres in length.

Provided that Exclusion 15 shall not apply with regard to claims arising out of:

- (a) Watercraft used in operations carried out by any independent contractors for whose conduct You may be held liable.
- (b) Watercraft owned by others and used by You for business entertainment.

16. Employers liability

- (a) for bodily injury to any worker in respect of which You are or would be entitled to indemnity under any Policy of insurance, fund, scheme or self insurance pursuant to or required by any legislation relating to Workers Compensation or Accident Compensation whether or not such Policy, fund, scheme or self insurance has been effected.

Provided that this Policy will respond to the extent that Your liability would not be covered under any such Policy, fund, scheme or self insurance arrangement had You complied with its obligations pursuant to such law.

- (b) imposed by:
 - (i) the provisions of any industrial award or agreement or determination or any contract of employment or workplace agreement where such liability would not have been imposed in the absence of such industrial award or agreement or determination or contract of employment or workplace agreement.
 - (ii) any law relating to Employment Practices.

Public and Products Liability cover section

For the purpose of Exclusions 16(a) and 16(b):

- the term 'worker' means any person deemed to be employed by You pursuant to any Workers Compensation Law. Voluntary workers, secondees and work experience students (if any) shall not be deemed to be Your Employees.
- the term 'bodily injury' means bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and/or mental injury, including loss of consortium or services resulting therefrom.

17. Fines, penalties, punitive, exemplary or aggravated damages

- (a) for any fines, penalties, punitive, exemplary, aggravated damages; and
- (b) any additional damages resulting from the multiplication of compensatory damages.

18. Information technology hazards, computer data, program and storage media exclusion

- (a) for Personal Injury and/or Property Damage and/or Advertising Injury arising directly or indirectly out of, or in any way involving Your Internet Operations, or
- (b) for Property Damage to computer data or programs and their storage media arising directly or indirectly out of or caused by, through or in connection with:
 - (i) the use of any computer hardware or software
 - (ii) the provision of computer or telecommunication services by You or on Your behalf
 - (iii) the use of computer hardware or software belonging to any third party, whether authorised or unauthorised including damage caused by any Computer Virus.

But this exclusion does not apply to:

- (a) Personal Injury and/or Property Damage and/or Advertising Injury arising out of any material which is already in print by the manufacturer in support of its product, including but not limited to product use and safety instructions or warnings, and which is also reproduced on its site, or
- (b) liability which arises irrespective of the involvement of Your Internet Operations.

Nothing in this exclusion will be construed to extend coverage under this Policy for any liability which would not have been covered in the absence of this exclusion.

19. Libel and slander

for libel and slander:

- (a) resulting from statements made prior to the commencement of the Period of Cover;
- (b) resulting from statements made at Your direction with knowledge that such statements are false;
- (c) incurred by You if Your Business is advertising, broadcasting, publishing or telecasting.

20. Liquidated damages

arising out of liquidated damages clauses, penalty clauses or performance warranties except to the extent that such liability would have attached in the absence of such clauses or warranties.

21. Asbestos

for Personal Injury, Property Damage (including loss of use of property) or Advertising Injury directly or indirectly caused by or arising from exposure to asbestos or materials containing asbestos.

Additional benefit applicable to this section

Property in Your physical and legal control

Exclusion 13 will not apply to the following property:

1. premises or part(s) of premises (including their contents) leased or rented to, or temporarily occupied by, You for the purpose of Your Business, but no cover is provided by this Policy if You have assumed the responsibility to insure such premises.
2. (a) premises (and/or their contents) temporarily occupied by You for the purpose of carrying out work in connection with Your Business, or
(b) any other property temporarily in Your possession for the purpose of being worked upon;
but no indemnity is granted for damage to that part of any property upon which You are or have been working if the damage arises solely out of such work.
3. any Vehicle (including its contents, spare parts and accessories while they are in or on such Vehicle) not belonging to or used by You, whilst any such Vehicle is in a car park owned or operated by You provided that You do not operate the car park for reward, as a principal part of Your Business.
4. any property (except property that You own) not mentioned in clauses 1, 2, 3 and 5 of this additional benefit whilst in Your physical or legal care, custody or control where You have accepted or assumed legal liability for such property. Provided that our liability under this clause 4 shall not exceed \$100,000 or the amount stated in the Policy Schedule, whichever is the greater, in respect of any one claim or series of claims arising out of any one Occurrence.
5. the personal property, tools and effects of any of Your directors, partners, proprietors, officers, executives or Employees, or the clothing and personal effects of any of Your visitors.

Public and Products Liability cover section

Special conditions applicable to this section

Claims

1. Notification of Occurrence, claim or suit

You shall give:

- (a) written notice (including facsimile transmission) via Your Steadfast broker, to us, as soon as reasonably practicable, of any claim made against You or any Occurrence that may give rise to a claim being made against You and which is covered by this cover section.
- (b) all such additional information that we may reasonably require and every demand, writ, summons, proceedings, impending prosecution or inquest and all documents relating to the claim or Occurrence shall be forwarded to us as soon as practicable after they are received by You.

2. Your duties in the event of an Occurrence, claim or suit

- (a) You shall not, without our written consent, make any admission, offer, promise or payment in connection with any Occurrence or claim.
- (b) You shall use the best endeavours to preserve all property, Products, appliances, plant, and all other things which may assist in the investigation or defence of a claim or suit or in the exercise of rights of subrogation and, so far as may be reasonably practicable, no alteration or repair shall be effected without our consent until we have had an opportunity of inspection.
- (c) You shall, when so requested, provide us with details of any other insurances current at the time of any Occurrence, and/or Personal Injury and/or Property Damage and/or Advertising Injury and covering any of the liability insured by this Policy.

3. Our rights regarding claims

- (a) we may take over and conduct the defence or settlement of any claim or issue legal proceedings for damages. If we do this we will do it in your name. We have full discretion in the conduct of any legal proceedings and in the settlement of any claim. You must co-operate by giving us any statements, documents or assistance we require. This may include giving evidence in any legal proceedings.
- (b) we may at any time pay to You, in respect of all claims against You arising directly or indirectly from one source or original cause:
 - (i) the amount of the limit of liability or such other amount specified in respect thereof (after deduction of any sum(s) already paid by us, which sum(s) would reduce the amount of our unfulfilled liability in respect thereof); or
 - (ii) any lesser sum for which the claim(s) can be settled.

(c) upon making such payment, we shall relinquish conduct and control of, and be under no further liability under this Policy in connection with, such claim(s) except for defence costs and supplementary payments:

- (i) recoverable from You but only where incurred during the period prior to the date of such payment (whether or not pursuant to an order made subsequently); or
- (ii) incurred by us, or by You with our written consent, prior to the date of such payment.

Cross liabilities

This cover section extends to indemnify:

1. each of the parties comprising the Named Insured, and
2. each of the Insureds hereunder,

separately in the same manner and to a like extent as though policies had been issued in their separate names.

In particular, but without limiting the foregoing, this cover section shall indemnify each of the parties described in clauses 1 and 2 of 'Cross liabilities' in respect of claims made by any other of such parties.

Provided always that:

3. each of such parties shall be separately subject to the terms, claims conditions, General Policy conditions, exclusions and definitions of this Policy in the same manner and to a like extent as though separate policies had been issued, and
4. in no case shall the amount payable by us exceed the applicable limit of liability as specified in the Policy Schedule (except for defence costs and supplementary payments which operate in addition to the applicable limit of liability).

Inspection and audit

We shall be permitted, but not obligated, to inspect Your premises and operations at any reasonable time. Neither our right to make inspections, nor our failure to make inspections, nor the making of any inspections, nor any report of an inspection shall constitute an undertaking, on behalf of or for the benefit of You or others, to determine or warrant that such premises or operations are safe or healthful or are in compliance with any law, rule or regulation.

We may examine and audit Your books and records at any time during the currency of this Policy and within three (3) years after the final termination of this Policy but only with regard to matters which in our opinion are relevant to this Policy.

Release

Where You are required by contractual agreement to release any Government or Public or Local Authority or other Statutory Authority from liability for loss, destruction or damage or legal liability insured against under this Policy, such release is allowed without prejudice to this insurance.

Notwithstanding General condition 'Subrogation rights' of this Policy, we agree to waive all our rights of subrogation against any such Authority in the event of any Occurrence for which a claim for indemnity may be made under this Policy.

Glass cover section

Words with special meaning

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

Breakage means

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

External Glass means

glass, or plastic material used as glass fixed in external windows, doors, showcases or skylights forming part of the Premises.

Glass means

'Internal Glass', 'External Glass' and 'Specified Glass'

Internal Glass means

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

Premises means

the buildings at the Situation.

Sign means

Glass or plastic that forms part of a Sign.

What You are covered for

We cover You under the Glass cover section for Breakage at the Situation of the Glass shown on the current Policy Schedule which occurs during the Period of Cover.

What You are not covered for under this section

Under the Glass cover section we will not pay the cost to repair or replace broken Glass:

1. which is Stock
2. which is chipped or in poor condition when the Period of Cover commences
3. which is part of any glasshouse, conservatory, radio, television screen, computer screen, vase, picture, crystal, crockery, china, or Glass item normally carried by hand.

How we will pay Your claim

We will at our option either pay the cost to repair or replace broken Glass with Glass of similar or higher quality to comply with the requirements of The Standards Association of Australia, any statute or regulation.

Additional benefits

If a claim is payable by us under the Glass cover section we will also pay up to the greater of the limit defined below or the sum insured shown on the current Policy Schedule for the reasonable cost to replace or repair the following additional items:

(a) External Glass

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

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

Our liability under this additional benefit during any one period of insurance is limited to \$7,500.

(b) Destruction of Stock or contents

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

Our liability under this additional benefit during any one period of insurance is limited to:

- (i) the value at cost, of the Stock or contents destroyed or damaged, less any amount realised from the sale or salvage or;
- (ii) the sum of \$7,500, whichever is the lesser.

(c) Signs

Glass or plastic which forms part of an illuminated Sign and which is damaged during the Period of Cover. This additional benefit is subject to a sub-limit of liability of \$7,500 or any higher sub-limit stated in the current Policy Schedule for 'Signs'. Acceptance of claims for damage to Signs shall not be contingent upon other damage to Glass.

(d) Overtime

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

(e) Malicious damage

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

General Property cover section

Words with special meaning

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

General Property means

the Unspecified and/or Specified items listed on the current Policy Schedule under the General Property cover section.

Specified Item means

An item that is specifically described and shown in the Policy Schedule.

Unspecified Item means

Items which are part of a group or category that is shown in the Policy Schedule. Unspecified items do not include:

- (a) laptop computers, mobile phones, electronic diaries, GPS units, video cameras or digital cameras; and
- (b) any item worth more than \$2,000.

What You are covered for

We cover You for physical loss of or damage to the General Property items listed on the current Policy Schedule, up to the sum insured, which occurs during the Period of Cover subject to the exclusions in 'What you are not covered for under this section'.

What You are not covered for under this section

1. We will not cover loss of or damage to General Property under the General Property cover section which is:
 - (a) covered under any other section of this Policy
 - (b) being constructed, erected, altered, manufactured, cleaned or repaired.
2. We will not cover loss or damage caused by:
 - (a) wear and tear, fading, scratching or marring, rust, corrosion, mildew, mould, contamination or pollution, wet or dry rot, change of colour, flavour, texture or finish, dampness of atmosphere, variations in temperature, evaporation, disease, inherent vice, latent defect, loss of weight, depreciation, gradual deterioration or developing flaws, normal upkeep or making good, smut or smoke from industrial operations (other than sudden or unforeseen damage resulting therefrom)

- (b) insects or vermin such as rats, mice, rabbits, possums and birds

- (c) faulty materials

- (d) faulty workmanship

- (e) mechanical, electrical or electronic breakdown.

Exclusion 2 applies to the part first and immediately affected and do not extend to subsequent damage to other parts of the property occasioned by a peril which is not otherwise excluded.

3. We will not cover:

- (a) General Property not being used by You in accordance with the manufacturer's instructions

- (b) any legal liability of whatsoever nature

- (c) consequential loss of any kind.

How we will pay Your claim

We will at our option either:

1. pay You the replacement cost of the General Property at the time of loss or damage, or
2. repair the General Property to a condition equal to but not better or more extensive than its condition when new, or
3. replace the General Property with a new item that has the same features that are nearly the same as (but not less than) the item being replaced.

Optional benefit

The following optional benefit does not apply unless stated in the current Policy Schedule.

Worldwide cover

When 'Worldwide cover' is shown in the Policy Schedule we will cover items shown in the Policy Schedule anywhere in the world.

Marine Transit cover section

Words with special meaning

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

Conveyance means

The ship, vessel, Aircraft, postal service, train, Vehicle or truck used to transport the Goods.

Goods means

Contents and Stock used in connection with Your Business.

Goods does not include:

- (a) household goods and/or personal effects;
- (b) any Goods transported in a temperature controlled cargo space (such as a refrigerated container or truck);
- (c) any Goods imported into or exported from Australia by sea unless transported inside a fully structurally enclosed general purposes shipping container;
- (d) Aircraft, Hovercraft, motor Vehicles, motor cycles, locomotives, rolling stock, Watercraft, pleasurecraft, caravans, horse boxes and all other trailers;
- (e) alcoholic beverages (with the exception of beer and wine) and/or cigarettes;
- (f) antiques and/or fine art unless the insured value of each individual item is less than \$2,500;
- (g) computer chips, micro-processors, chip sets, CPU's, lap top computers, mobile/cellular phones or MP3 players. Notwithstanding the foregoing, items that contain computer chips and/or CPU's are covered under this section unless such items are specifically excluded under this section;
- (h) deeds, securities, treasury notes, or any other cash equivalents, tickets, vouchers, stamps or duty stamps and the like;
- (i) jewellery or watches;
- (j) livestock, bloodstock, or other living creatures;
- (k) Money;
- (l) precious metals and items that are made or which may contain precious metals;
- (m) precious or semi-precious stones or items that are made from or which may contain precious or semi-precious stones;
- (n) skins, hides or furs. Notwithstanding the foregoing, tanned hides or items that are made from or which contain skins, hides or furs are covered under this section.

In Transit means

The period of time starting from the time the Goods are uplifted for the sole purpose of being loaded into or onto the Conveyance at the origin warehouse or premises for transportation, and shall continue during the ordinary course of transit, and shall end from the time the Goods are unloaded from the Conveyance:

- (a) at the receiver's or other final warehouse or premises at the intended destination; or
- (b) at any other warehouse or place of storage which You have elected to use:
 - (i) for storage other than in the ordinary course of transit; or
 - (ii) for allocation or distribution

whichever occurs first.

What You are covered for

We will cover You for loss of or damage to Goods In Transit caused by the events listed under 'Insured events' which occurs during the Period of Cover.

The current Policy Schedule will show whether You are insured for inland transit and/or imports/exports.

Insured events

We cover You for loss or damage caused by the following insured events:

1. War

If, at the time of loss, Goods are In Transit on board an overseas vessel or Aircraft, then we will cover loss of or damage to the Goods if caused by:

- (a) war, civil war, revolution, rebellion, insurrection or civil strife arising from therefrom, or any hostile act by or against a belligerent power;
- (b) capture, seizure, arrest, restraint or detainment arising from risks covered under (a) above, and the consequences thereof or any attempt thereat; or
- (c) derelict mines, torpedoes, bombs or other derelict weapons of war.

2. Strikes

If, at the time of loss, Goods are In Transit and are in or on the Conveyance, then we will cover loss of or damage to the Goods if caused by:

- (a) strikers, locked-out workmen or persons taking part in labour disturbances, riots or civil commotions;
- (b) any terrorist or any person acting from a political or ideological or religious motive.

3. General average

We will cover general average and salvage charges adjusted or determined according to the contract of affreightment and/or the governing law and practice (or if there is no contract of affreightment, according to foreign statement or to the York-Antwerp Rules) incurred to avoid or in connection with the avoidance of loss from any cause except those specifically excluded under this cover section.

4. Fumigation

We will cover loss or damage to the Goods arising from Goods being fumigated by order of a properly constituted authority.

5. Deliberate damage pollution hazard

We will cover loss caused by governmental authorities acting for the public welfare to prevent or mitigate a pollution hazard or threat thereof.

6. All other causes

We will cover loss of or damage to Goods In Transit from any other cause that is not otherwise excluded.

Marine Transit cover section

Additional benefits

We also pay for the following additional benefits when we agree to pay a claim in respect of a covered insured event under this section.

1. Airfreight replacement

If in consultation with us, You consider it necessary to forward replacements by air or to airfreight damaged items to manufacturers for repair and return, we will pay the reasonable costs incurred even though original transit was not by air.

However we will not pay more than the lesser of the original insured value of the Goods or \$10,000

2. Delayed unpacking

If there is a delay in opening containers or packages at Your Situation, loss of or damage to the Goods first discovered on opening will be deemed to have occurred during transit unless we can provide conclusive proof that the loss did not occur In Transit.

However, we will not pay if:

- (a) You or Your employee did not immediately open and inspect a container or package showing signs of damage; or
- (b) the delay in opening containers or packages was more than 14 days after arrival of the Goods at Your Situation.

3. Removal of debris

Costs and expenses that are reasonably and properly incurred by You in the removal and disposal of debris of the Goods.

However, we will not pay more than the lesser of the original insured value of the Goods or \$10,000.

And we will not pay for any costs and expenses incurred as a result of or to prevent or to mitigate pollution or contamination or any threat thereof.

4. Contingency cover

If a loss occurs during the import or export of Goods and, at the time of loss, the insurable interest in the Goods vested with the other party to the contract of sale, then we will cover Your contingent insurable interest in the Goods.

However, we will not pay:

- (a) unless You advise us within 48 hours of any event likely to give rise to a claim;
- (b) unless You take all reasonable steps which we require to prevent or minimise loss and to enforce the contract of sale;
- (c) unless all rights and benefits against the other party to the contract or the carrier or any other persons are subrogated and/or assigned to us;
- (d) if You disclose the existence of this contingency cover or cover section to the other party to the contract without our prior written approval; and
- (e) if any money payable under this contingency cover is assigned to another party without our prior written approval.

5. Institute clauses - difference in conditions

If a loss occurs during an import or export transit and we do not have to pay You under the scope of this cover section, but we would have to pay you under the scope of the institute clauses stated below, then we will still pay you.

INSTITUTE CARGO CLAUSES (A) CL. 252, 1/1/82

INSTITUTE WAR CLAUSES (CARGO) CL. 255, 1/1/82

INSTITUTE STRIKES CLAUSES (CARGO) CL. 256, 1/1/82

INSTITUTE CARGO CLAUSES (AIR) CL. 259, 1/1/82

INSTITUTE STRIKES CLAUSES (AIR CARGO) CL. 260, 1/1/82

INSTITUTE WAR CLAUSES (AIR CARGO) (excluding sendings by Post) CL. 258, 1/1/82

INSTITUTE WAR CLAUSES (sendings by Post) CL. 257, 1/1/82

INSTITUTE CLASSIFICATION CLAUSE, CL. 354, 1/1/01

INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE, CL. 370, 10/11/03

INSTITUTE CYBER ATTACK EXCLUSION CLAUSE, CL. 380, 10/11/03

How we will pay Your claim

When we agree to pay a claim in respect of a covered insured event under this cover section, the basis upon which the amount payable is to be calculated shall be:

1. Goods sold

We will pay Your invoice value. However, for CIF or CIP export sales, we will pay the CIF invoice value plus 10%.

2. Goods purchased

We will pay the purchase price shown on Your supplier's invoice.

3. All other Goods

We will pay the cost of repairing or replacing the Goods to a condition equal to but no better or more extensive than its condition at the time of the loss or damage.

4. Duty and freight

We will pay the costs of duty and freight when incurred by You.

How much we will pay

The most we will pay for Goods In Transit in any one Conveyance is the Limit any one Conveyance sum insured shown in the Policy Schedule.

Marine Transit cover section

What You are not covered for under this section

1. We will not cover any transit to, from or within any of the following countries: Afghanistan, Angola, Bosnia and Herzegovina, Burma (Myanmar), Burundi, Congo (Republic of, and the Democratic Republic of), Cuba, El Salvador, Eritrea, Ethiopia, Ivory Coast, Iran, Iraq, Liberia, Nigeria, North Korea, Nicaragua, Rwanda, Sierra Leone, Somalia, Sudan, Syria, Uganda and Yemen or countries with restrictive regulations that prohibit insurance being effected, other than within that country.
2. We will not cover loss or damage or expense:
 - (a) attributable to Your neglect or that of Your employees;
 - (b) attributable to Your failure or that of Your employees to take reasonable steps to prevent or minimise a loss or threat of loss;
 - (c) attributable to changes in atmospheric or climactic conditions or extremes of temperature;
 - (d) attributable to ordinary loss of weight or volume;
 - (e) attributable to rust, oxidation or discolouration unless caused by the entry of water into a structurally enclosed cargo space;
 - (f) caused by the inherent vice, latent defect or nature of the Goods;
 - (g) caused by insects, rats or other vermin;
 - (h) attributable to ordinary wear, tear or gradual deterioration;
 - (i) for loss of Electronic Data or computer software that is held on computers or other hardware;
 - (j) attributable to mechanical or electrical or electronic derangement or breakdown or impairment of goods unless there is evidence of damage to the Goods that occurred during transit;
 - (k) caused by delay;
 - (l) for any indirect or consequential or financial or economic loss or damages suffered by any party;
 - (m) attributable to the unseaworthiness of the vessel or the unfitness or unsuitability of the Conveyance or shipping container - but only if You or Your employees were aware, or could reasonably be expected to have been aware thereof;
 - (n) caused by insufficient or unsuitable preparation or packing or stowing of Goods performed by You or Your employees; or
 - (o) arising from the insolvency or financial default of the owners, managers, charterers or operators of the Conveyance if You were aware, or could reasonably be expected to have been aware of the financial reliability of the party at fault;

- (p) arising in, or where you or any beneficiary under this policy is a citizen or instrumentality of the government or, any country(ies) against which any laws and/or regulations governing this policy and/or us, our parent company or its ultimate controlling entity have established any embargo or other form of economic sanction which have the effect of prohibiting us providing insurance coverage, transacting business with or otherwise offering economic benefits to you or any other beneficiary under this Policy. It is further understood and agreed that no benefits or payments will be made to any beneficiary(ies) who is/are declared unable to receive economic benefits under the laws and/or regulations governing this Policy and/or us, our parent company or its ultimate controlling entity.

Specific condition applicable to this section

1. Insurable interest

In order to recover from this cover section, You must have an insurable interest in the Goods at the time the loss happens.

Management Liability PrivateEdge® Lite cover section

Important notice: 'Claims-made and notified' insurance

This cover section provides cover on a 'claims made and notified' basis. This means that this cover section only covers claims first made against You and notified to us in writing during the Period of Cover.

Words with special meaning

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

Claim means

Any:

- (a) written complaint, proceeding or arbitration seeking damages or non-monetary relief;
- (b) criminal charge; and
- (c) official, written notice or other demand in connection with an investigation.

Company means

The Policyholder and any Subsidiary.

Defence Costs means

Reasonable and necessary fees, costs and expenses incurred by or with our prior written consent in the defence, investigation (by or on behalf of any insured), adjustment, settlement or appeal of any Claim against an insured for any Management Liability.

Direct Financial Loss means

Direct financial loss caused by the loss of Money, Securities or other property owned by the Company.

Direct Financial Loss does not include:

- (a) wages, salaries or other remuneration or benefits paid by the Company to its Employees and Executives;
- (b) complete or partial non-payment or default under any credit arrangement; or
- (c) any costs, fees or other expenses incurred by the Insured in prosecuting or defending any demand, Claim or legal proceeding resulting from a Direct Financial Loss which is covered under this cover section.

Disclosure Document means

Any prospectus, information, memorandum, registration statement or similar document regardless of whether or not it has been, or is required to be, filed or registered with the Australian Securities and Investments Commission or any other similar authority in any other jurisdiction.

Discovered, Discovers, or Discovery means

When any Executive (who is not in collusion with an Employee who has or is attempting to commit a dishonest act) first becomes aware of any facts which would cause a reasonable person to assume that a Direct Financial Loss which may be covered under this cover section has been or is likely to be incurred, even though the exact amount or details of the Direct Financial Loss are not known at the time the Executive first became aware of such facts.

Discovery Period means

Means a period immediately following expiry of the Period of Cover during which time written notice may be given to us of any:

- (a) Claim:
 - (i) in connection with an investigation (other than a Claim for Management Liability); or
 - (ii) for any Management Liability arising prior to the expiry of the Period of Cover; or
- (b) Direct Financial Loss discovered either prior to or within 30 days of the expiry of the Period of Cover.

Dishonest Acts means

Any fraudulent or dishonest acts committed by an Employee (acting alone or in collusion with others) with the principal intent to cause the Company to sustain a Direct Financial Loss and results in the Employee making an improper financial gain for themselves or for any other individual or organisation intended by the Employee to receive such gain.

Employee means

Either:

- (a) any natural person who is past, present or future full-time, part-time, seasonal or temporary employee, or Executive officer or senior manager; or
- (b) in the case of the "Fidelity" cover only, a natural person who, at the time of the committing of any Dishonest Act, is a full time, part-time, seasonal or temporary employee, or Executive officer or senior manager;

who are not directors, auditors, consultants, independent contractors, secondees or agents.

Employment Liability means

Any liability from a Claim against any Company, or any Executive or Employee of any Company by an Employee or prospective Employee of that Company based upon any Wrongful Act in connection with the recruitment, employment of or the termination of such Employee or, decision not to employ the prospective Employee, including but not limited to, any employment-related retaliation or harassment.

Executive means

Any natural person who is a past, present or future:

- (a) duly elected or appointed director or trustee (other than a trustee of an insolvent entity);
- (b) executive officer or senior manager; or
- (c) any other person with duties equivalent to those of the positions listed in (a) or (b) above.

Executive Liability means

Liability:

- (a) for any Wrongful Act of any Executive or any Employee of any Company; or
- (b) arising solely from an Insured Person's status as an Executive or Employee of a Company.

Fraud Investigator means

An appropriate fraud investigator who has no conflict of interest, nominated by the Insured and approved in writing by us, to establish proof of Direct Financial Loss.

Insured means

A Company or Insured Person.

Insured Person means

Any Executive or any Employee of any Company.

Investigation means

Any investigation, examination or inquiry by any regulator, government authority or official trade body into the affairs of a Company or conduct of an Insured Person as an Executive or Employee of a Company.

Investigation Costs means

The reasonable and necessary fees, costs and expenses incurred by or with our prior written consent by or on behalf of an Insured Person in preparing for and attending any Investigation.

Loss means

- (a) compensatory damages (including, but not limited to, any order by an Australian or New Zealand court to pay compensation for damage resulting from a contravention of Australian or New Zealand legislation); and
 - (b) legal costs and expenses of a plaintiff;
- that any Insured is legally obligated to pay under the terms of:
- (i) a judgement entered against any Insured; or
 - (ii) a settlement negotiated by or pre-approved in writing by us.

Loss includes Defence Costs, but does not include:

- (i) fines or penalties, other than those covered by the Pecuniary penalties Additional benefit or any compensation order under (a) above;
- (ii) taxes;
- (iii) employment-related compensation or benefits;
- (iv) internal or overhead expenses of any Insured Person or any Company;
- (v) the cost of complying with non-monetary damages or relief; or
- (vi) matters which may be deemed uninsurable under applicable law.

Management liability means

- (a) in the case of any Insured Person, any;
 - (i) Executive Liability;
 - (ii) Employment Liability; and
- (b) in the case of any Company, any Employment Liability.

Money means

Local or foreign currency, coins, bank notes, cheques, travellers cheques, registered cheques, postal orders, money orders and bullion.

Policyholder means

Policyholder shall have the same meaning as provided to You in the Words with special meaning wherever they appear in the Policy but only in respect of the persons referred to as the "companies or firms named on the current Policy Schedule as the 'Insured'".

Securities means

Any negotiable or non-negotiable instruments or contracts representing Money or other property including but not limited to shares, preference shares, stocks, debentures, warrants, options, bonds, promissory notes or other equity or debt security.

Submission means

The declarations and statements which are contained in or constitute the application for insurance together with any other information submitted to us.

Subsidiary means

Any privately held entity, other than a partnership or joint venture over which, either prior to or at the inception of the Period of Cover, the Policyholder has the capacity to determine the outcome of decisions about that entity's financial and operating policies.

Transaction means

The event of:

- (a) the Policyholder consolidating with, merging with or into or selling all or substantially all of its assets to any other person or entity or group of persons and/or entities acting in concert;
- (b) any person or entity or group of persons or entities acting in concert acquiring the capacity to determine the outcome of decisions about the Policyholder's financial and operating policies; or
- (c) the receivership, bankruptcy, liquidation, administration or legally recognised insolvency of the Policyholder.

Wrongful act means

Any actual or alleged wrongful act, error or omission by any:

- (a) Executive of a Company;
- (b) Employee of a Company; or
- (c) Company.

What You are covered for

We will cover any Claim first made against an Insured during the Period of Cover or Direct Financial Loss Discovered during the Period of Cover that is reported to us during the Period of Cover.

Insured events

We cover You for loss or damage caused by the following insured events:

1. Insured persons

We shall pay the unindemnified Loss of any Insured Person due to a Claim for any Management Liability.

2. Reimbursement

We shall pay a Company to the extent it has indemnified Loss of any Insured Person due to a Claim for Management Liability.

3. Company liability

We shall pay the Loss of any Company due to a Claim made against the Company for any Employment Liability.

4. Fidelity

We shall pay a Company its Direct Financial Loss due to Dishonest Acts committed after the Continuity Date, or the date from which the Company has maintained uninterrupted fidelity insurance (or equivalent cover).

Additional benefits

We also pay for the following additional benefits when we agree to pay a claim in respect of a covered insured event under this section.

1. Bilateral discovery period

If this cover section is neither renewed or replaced with similar cover at the expiry of the Period of Cover, the Policyholder shall be entitled to a Discovery Period of:

- (a) 30 days, granted automatically with no additional premium payable; or
- (b): (i) 12 months in the case of any Claims; and
(ii) 30 days in the case of any Direct Financial Loss, upon payment of an additional premium of 100% of the annual premium in effect immediately prior to the expiry of the Period of Cover.

2. Controlling shareholder

Where a Wrongful Act is alleged to have been committed by an Insured Person both as an Executive of a Company and as a controlling shareholder, such Wrongful Act shall, for this cover section, be committed solely in that Executive capacity.

3. Defence cost advancement

We will advance covered Defence Costs within a reasonable time after our receipt of invoices detailing such costs.

4. Discovery period for retired insured persons

If this cover section is neither renewed or replaced with similar cover at the expiry of the Period of Cover, any Executive who retires after the Continuity Date and prior to the expiry of the Period of Cover or any Transaction shall be entitled to a 36 month Discovery Period at no additional premium.

5. Fraud investigator's costs

We will pay on behalf of the Insured the reasonable and necessary fees and expenses of a Fraud Investigator retained by the Insured to investigate, prove and report a Direct Financial Loss covered under this cover section.

However, we will not pay more than the Limit of Liability inclusive of Fraud Investigator's costs for any Claim covered under this cover section.

6. Heirs, estates and legal representatives

Any Claim made against any estate, heir or legal representative of an Insured Person for Management Liability of that Insured Person, shall be covered as if made against that Insured Person.

7. Investigation costs

Cover is extended to, and the definition of Loss includes Investigation Costs. Investigation Costs are payable regardless of any Management Liability.

8. New companies

Upon the Policyholder obtaining the capacity to determine the outcome of decisions about the financial and operating policies of a privately held corporation after the inception of the Period of Cover, then the definition of Subsidiary will be extended to include that corporation while privately held.

However, there is no cover where the privately held corporation has revenues that are greater than the Policyholder's.

9. OH&S defence/investigation costs

Exclusion 2.(c) under what 'What You are not covered for under this section' shall not apply to Defence Costs or Investigation Costs payable for any Claim brought against an Insured Person in the jurisdictions of Australia or New Zealand in connection with an occupational health and safety law or regulation

10. Pecuniary penalties

The definition of Loss includes pecuniary penalties awarded against an Executive of any Company in and under the laws of the jurisdictions of Australia or New Zealand, provided that we are not legally prohibited from paying the pecuniary penalties.

11. Pollution defence/investigation costs

General exclusion 5. Pollution shall not apply to Defence Costs or Investigation Costs which are payable for any Claim brought against an Insured Person in connection with any actual or alleged discharge, dispersal, release or escape of Pollutants.

12. BusinessGuard Advisory Panel

During the Period of Cover the Insured is entitled to free advice, not involving a significant time commitment on the part of the member firm, from the BusinessGuard Advisory Panel which relates to matters which are relevant to cover provided under this cover section.

We consent to the appointment of any member firm to act on behalf of the Insured in respect of any Claim notified to us, provided we accept the notification under the cover section and subject always to the Claims conditions and to our agreeing that the member firm's rates and other terms of engagement are reasonable.

The Insured may access the services of the BusinessGuard Advisory Panel by contacting the firms listed as such at www.chartisinsurance.com.au.

13. Spouses

Any Claim made against an Insured Person's spouse for Management Liability of that Insured Person, shall be covered as if made against that Insured Person.

14. Superannuation trustees

The definition of Executive is extended to include any fiduciary capacity of such Executive owed to any Employee benefits plan, pension plan or superannuation fund of any Company.

How we will pay Your claim

When we agree to pay a claim in respect of a covered insured event under this cover section, the basis upon which the amount payable is to be calculated shall be:

1. Securities and Money

- (a) the actual market value of Securities, Money or precious metals at the close of business on the day the loss was Discovered (determined by the value published in the Australian Financial Review);
 - (b) or the actual cost of replacing the Securities, Money or precious metals;
- whichever is the lesser.

2. Other property

- (a) the actual cash value of other property (not referred to in 1. above) at the close of business on the day the Loss was Discovered; or
 - (b) the actual cost of replacing the property with property of like quality or value;
- whichever is the lesser.

3. Reproduction of books of account

- (a) the cost of blank books, blank pages or other materials plus the cost of labour and computer time for the actual transcription or copying of data furnished by the Insured in order to reproduce books of account and other records; or
- (b) the cost of labour for the actual transcription or copying of electronic data furnished by the Insured in order to reproduce such electronic data.

How much we will pay

The most we will pay under this cover section shall not, in the aggregate, exceed the Limit of Liability (aggregate) shown in the Policy Schedule.

The most we will pay:

- (a) for the Fidelity insured event is the sublimit of liability for Fidelity shown in the Policy Schedule; and
- (b) for the Employment Liability insured event is the sublimit of liability for Employment Liability shown in the Policy Schedule.

Sublimits of liability and additional benefits are not in addition to the Limit of Liability (aggregate).

What You are not covered for under this section

1. We will not cover Loss or make any payment in connection with any Claim arising out of, based upon or attributable to any:
 - (a): (i) improper use of position or information to gain any profit or advantage or cause detriment to any Company;
 - (ii) remuneration illegally paid to or received by an Insured; or
 - (iii) criminal, dishonest, fraudulent, wilful or malicious act, error or omission, or any intentional or knowing violation of law

but only if:

- (i) the foregoing have been established by any judgement, award or other finding by a court, tribunal or arbitrator; or
- (ii) such Insured admits in writing to (i), (ii) or (iii) above.

This exclusion does not apply to insured event 4 Fidelity.

- (b) actual or alleged liability of any Company to anyone other than an Employee of a Company assumed under any contract;
 - (c) actual or alleged insolvency of the Company or any actual or alleged inability of the Company to pay any or all of its debts as and when they fall due;
 - (d) actual or alleged liability of any Insured in connection with intellectual property or privacy rights, or trade secrets;
 - (e) actual or alleged fact or circumstance that, prior to the continuity date, may reasonably have been expected by an Insured to give rise to a Claim;
 - (f) acts or omissions committed or allegedly committed within North America, or any legal action or litigation brought within North America or under any laws thereof;
 - (g) actual or alleged violation of any responsibilities, obligations or duties protecting or regulating any Employee pension plans, Employee welfare plans, Employee retirement savings plans, Employee profit sharing or Employee benefits programme.
- This exclusion does not apply to Additional benefit 14.

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- (h) as of the cover section inception, prior or pending Claim or circumstance reported under any policy of which this cover section is a renewal or replacement, or the same, continuous, repeated or related facts as those alleged in such prior or pending Claim or such circumstance;
 - (i) actual or alleged professional services of any Company;
 - (j); (i) Disclosure Document which contains an offer for the issue, sale, purchase or transfer of Securities; or
 - (ii) the making of any written or verbal representations in connection with a Disclosure Document referred to in (i);for the purpose of raising or restructuring capital for the Company.
2. We will not cover Loss or make any payment in connection with any Claim:
- (a) for any violation by any Company of any law applicable to: business competition, unfair trade practices or tortious interference with any business or contractual relationships;
 - (b) for any workers' compensation, disability benefits, redundancy or unemployment benefits or compensation, unemployment insurance benefit, retirement benefits, social security benefits or any similar obligation.
- This exclusion does not apply to Additional benefit 14.
- (c) for bodily injury, sickness, disease or death of any person, damage to, destruction of or Loss of use of any property, or infliction of emotional distress.
- This exclusion does not apply to Claims alleging emotional distress caused by a Wrongful Act in connection with Employment Liability or defamation.
- (d) brought by or on behalf of any Company.
- This exclusion does not apply to:
- (i) Defence Costs;
 - (ii) any shareholder derivative action brought or maintained on behalf of any Company without the solicitation or participation of any Insured; or
 - (iii) any Claim brought or maintained by a liquidator, receiver or administrative receiver derivatively on behalf of any Company without the solicitation or participation of any Insured.
- (e) brought against any Insured by, at the instigation of, or on behalf of, any past present shareholder who had or has direct or indirect ownership of, or control over 15% or more of the voting share capital of any Company.
3. In addition, insured event 4. Fidelity does not cover:
- (a) Direct Financial Loss arising out of, based upon, attributable to or in any way connected with:
 - (i) the accessing and dissemination of, any confidential information including, but not limited to, trade secrets, computer programs, customer information, patents, trademarks, copyrights or processing methods;
 - (ii) any fraudulent or dishonest activities involving collusion or complicity of an Executive (part a of the definition only);
 - (iii) any extortion or kidnap and ransom;
 - (iv) any dishonest act outside of Australia or New Zealand;
 - (v) any Employee from the time any Executive (who is not in collusion with such Employee for the purpose of committing a dishonest act) had actual knowledge that the Employee had committed or was suspected of having committed a dishonest act; or
 - (vi) any fraudulent or Dishonest Acts committed by any shareholder who at the time of committing such acts had direct or indirect ownership of or control over more than 5% of the voting share capital of any Company.
 - (b) Direct Financial Loss in connection with any dishonest act arising out of, based upon or attributable to:
 - (i) the Insured failing to ensure that at least 2 Executives sign any cheques, Securities or funds transfer instructions or authorise any refund of Money or return of goods; or
 - (ii) the Company's bank accounts being reconciled by any person who has authority to operate those bank accounts.
 - (c) Direct Financial Loss which is Discovered:
 - (i) prior to the commencement of the Period of Cover; or
 - (ii) after 30 days following the expiry of the Period of Cover.
 - (d) Direct Financial Loss the proof of which is dependent solely upon:
 - (i) a profit and loss computation; or
 - (ii) a comparison of inventory records with an actual physical count.

If, however, an Employee is identified as having caused or is suspected of having caused a Direct Financial Loss, then inventory records and actual physical count of inventory can be submitted as partial evidence in support of proof of the Direct Financial Loss as required by the 'Notification' Claims condition.

Claims conditions

Unless the context indicates otherwise, the following claims conditions as well as the General Policy conditions and Claims apply to this cover section.

1. Notification

Cover under this cover section is afforded solely with respect to any Claim or Direct Financial Loss that is reported to us during the Period of Cover or any Discovery Period.

All notifications must be made to us in writing as soon as practicable.

If the Insured notifies a Direct Financial Loss to us, the Insured must also, as soon as practicable, provide us with:

- (a) affirmative proof of the Direct Financial Loss; and
- (b) all requested information and documents and co-operation in all matters relating to the Direct Financial Loss.

2. Defence costs advancement

We will not refuse to advance Defence Costs by reason only that we consider that conduct referred to in 1.(a)(i), (ii) and (iii) under 'What You are not covered for under this section' has occurred, until such time as there is an admission, or a judgement, award or other finding by a court, tribunal or arbitrator which establishes the foregoing. Any payments advanced in respect of Defence Costs for which it is ultimately established that we are not liable must be repaid by the Insured.

3. Circumstances

Any Insured must, during the Period of Cover, notify us in writing of any circumstance reasonably expected to give rise to a Claim. The notice must include the reasons for anticipating that Claim, and full particulars as to dates, acts and persons involved.

4. Related claims

If notice of a Claim or circumstance is given as required by this cover section, then any subsequent Claim alleging, arising out of, based upon or attributable to the facts alleged in that Claim or described in that circumstance notice shall be deemed first made against an Insured and reported to us at the time the required notices were first provided. Any Claim arising out of, based upon or attributable to continuous, repeated or related Wrongful Acts shall be considered a single Claim.

5. Related dishonest acts

Any Direct Financial Loss resulting from a series of continuous, repeated or related Dishonest Acts shall be considered a single Direct Financial Loss.

6. Bilateral discovery period

The Policyholder must make any request for a 12 month Discovery Period in writing within 15 days, and pay any additional premium within 30 days after expiry of the Period of Cover. A Discovery Period is not cancellable by the Policyholder and any premium payable for a Discovery Period is non-refundable.

In the event of a Transaction during the Period of Cover, no Discovery Period is available under additional benefit 1.

7. Loss mitigation

As soon as the Insured discovers a Direct Financial Loss involving an identified Employee, the Insured must immediately take all necessary steps to prevent any additional Direct Financial Loss being caused by the same identified Employee. Any further Direct Financial Loss caused by the same Employee after the date of discovery will not be covered by this cover section.

8. Consent - insured

We may settle any Claim with respect to any Insured subject to such Insured's or Policyholder's written consent. If the Insured or the Policyholder withholds consent to any settlement recommended by a senior lawyer then our liability for all Loss in respect of that Claim will not exceed the amount for which we could have settled the Claim plus the costs and expenses incurred to the date such settlement was recommended in writing to the Insured.

9. Consent - insurer

No Insured shall admit or assume any liability, enter into any settlement agreement, or consent to any judgement without our prior written consent. Our consent will not be unreasonably withheld provided that we are permitted to effectively associate with the Insured in the defence and settlement of any Claim. Only judgments resulting from Claims defended in accordance with this cover section, shall be recoverable as a Loss under this cover section.

10. Defence/settlement

The Insured must, at its own cost, render all reasonable assistance to us and take all reasonable measures to mitigate Loss. The Insured shall defend and contest any Claim made against them. We shall advance Defence Costs in excess of the Excess, if applicable and we shall be entitled, but not required, to participate fully in such defence and the negotiation of any settlement that involves or appears to involve us.

11. Determination of whether insurer's settlement recommendation is reasonable

Should any Insured Persons or the Policyholder wish to contest any legal proceedings which we want to settle, then we will agree to the appointment, at the Insured Person's or the Policyholder's request, of a senior lawyer (to be mutually agreed upon by us and the Insured or in the absence of mutual agreement to be appointed by the President of the Law Society, or equivalent organisation, in the jurisdiction in which legal proceedings were first served) to determine whether our settlement recommendation is reasonable.

The senior lawyer shall take into consideration the economics of the matter, the damages and costs which are likely to be recovered by the plaintiff, the likely costs of defence and the prospects of the Insured successfully defending the action.

The costs of the senior lawyer's opinion will be paid by us. Any amount paid by us under this claims condition will be paid in addition to the Limit of Liability.

12. Use of fraud investigator

The Fraud Investigator shall:

- (a) investigate the facts behind a Direct Financial Loss;
- (b) determine the quantum of a Direct Financial Loss;
- (c) advise when and how the Insured's controls were or may have been breached;
- (d) summarise recommendations which may prevent future similar Direct Financial Loss; and
- (e) issue a report limited to the foregoing, in a format approved by us, in duplicate to us and the Insured.

We have the right to attend the initial meeting between the Insured and the Fraud Investigator. The Insured is not obliged to use the services of a Fraud Investigator.

If the Insured does not elect to retain a Fraud Investigator, then any costs or expenses incurred by, or on behalf of or in the right of an Insured in connection with investigating and proving a Direct Financial Loss shall be incurred solely at the expense of the Insured and this cover section shall not cover any such costs or expenses.

13. Loss allocation

Where, as between any Insured Person and any other person (including the Company), any Loss has been jointly or jointly and severally incurred, our liability under this cover section is limited to the proportion of the Loss which represents a fair and equitable allocation between the Insured Persons and those other persons, taking into account the relative legal and financial exposures of, and the relative benefits obtained by, the Insured Persons and those other persons (including the Company).

Where any Loss is incurred in respect of any Claim which arises from both covered matters and matters not covered by this cover section, our liability under this cover section is limited to the proportion of the Loss which represents a fair and equitable allocation between us, the Company and the Insured Persons, taking into account the relative legal and financial exposures attributable to covered matters and matters not covered under this cover section.

Where our liability under this cover section is limited under this clause, we, the Company and the Insured Persons must use their best endeavours to agree upon the allocation to be adopted by them as the fair and equitable allocation.

14. Loss allocation disputes

If the parties are unable to agree, then the fair and equitable allocation is to be determined by a senior lawyer (to be mutually agreed upon by us and the Policyholder or in the absence of agreement, to be appointed by the President of the Law Society or equivalent organisation, in the jurisdiction in which the Loss was incurred).

The senior lawyer is to determine the fair and equitable allocation as an expert, not as an arbitrator. We and the Policyholder (or its designee) may make submissions to the senior lawyer. The senior lawyer is to take account of the parties' submissions, but the senior lawyer is not to be fettered by such submissions and is to determine the fair and equitable allocation in accordance with his or her own judgement and opinion. The senior lawyer's determination shall be final and binding. The costs of the senior lawyer's determination shall be borne by us.

For so long as the proportion of Defence Costs to be advanced under the cover section remains unagreed and undetermined, we shall advance the proportion of the Defence Costs which it considers represents a fair and equitable allocation. The fair and equitable allocation finally agreed or determined shall be applied retrospectively to any Defence Costs incurred prior to agreement or determination.

Specific conditions applicable to this section

1. Application for insurance

- (a) no statements made or knowledge possessed by any Insured Person shall be imputed to any other Insured Person to determine whether cover is available for any Claim made against such other Insured Person; and
- (b) only the statements and knowledge of any Chairman of the Board of Directors, chief executive officer, chief operating officer, chief financial officer or chief legal officer (or equivalent positions) of a Company shall be imputed to that Company, and the knowledge of the same officers of the Policyholder will be imputed to all Companies.

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2. Conduct

For the purpose of determining the applicability of 1.(a) (i), (ii) and (iii) under 'What You are not covered for under this section' of this cover section:

- (a) the information or knowledge possessed by any past, present or future Chairman of the Board of Directors, chief executive officer, chief operating officer, chief financial officer or chief legal officer (or equivalent positions) of a Company shall be imputed to that Company.

3. Preservation of right of recovery

In the event and to the extent that the Company is legally permitted or required to indemnify any Insured Person in respect of a Claim, but for whatever reason fails to do so, then we shall pay on behalf of the Insured Person any Loss arising from such Claim. In such event, the Company shall pay the Excess that applies to Insured event 2 to us.

4. Bankruptcy or insolvency

We will not be relieved of any obligations under this cover section as a result of bankruptcy or insolvency of any Insured.

5. Cover in respect of subsidiaries

Cover for any Claim against an Insured Person in their capacity as an Insured Person of any Subsidiary shall apply only to Management Liability arising, or Dishonest Acts committed, while such Company is or was a Subsidiary of the Policyholder and the Insured Person served in that capacity. An entity ceases to be a Subsidiary when the Policyholder does not have the capacity to determine the outcome of decisions about that entity's financial and operating policies.

6. Transactions

In the event of a Transaction, then the cover under this cover section is amended to apply only to:

- (a) the Management Liability incurred; and
- (b) Direct Financial Loss Discovered

prior to the effective time of such event. This cover section may not be cancelled after the effective time of such event, and the entire premium for this cover section shall be deemed earned at such time.



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