



# Retailer's Pack

Product Disclosure Statement (PDS) and Policy Document.

**Allianz** 



# Contents

	page		page
<b>Introduction</b>		Specific exclusions applicable to this Section	21
About Allianz	3	Specific conditions applicable to this Section	23
Summary of the available covers	3	<b>Section Two – Business Interruption</b>	
About this insurance	4	Cover Options	24
Our contract with You	4	Defined Events applicable to Parts “A” and “B” of this Section	24
Cooling off period and cancellation rights	4	<b>Part “A” Business Income Protection</b>	25
What is covered	4	The cover	25
Some words have special meanings	5	Definitions applicable to Part “A” of this Section	25
Your obligation to comply with the Policy terms and conditions	5	Basis of Settlement applicable to Part “A” of this Section	26
How to make a claim	5	Additional benefits applicable to Part “A” of this Section	26
How We settle claims	5	Specific conditions applicable to Part “A” of this Section	26
How We calculate Your premium	5	<b>Part “B” Consequential Loss of Profits</b>	27
Instalment premiums	6	The cover	27
Renewal procedure	6	Definitions applicable to Part “B” of this Section	27
Your Duty of Disclosure	6	Basis of Settlement applicable to Part “B” of this Section	28
Privacy Act 1988 – Information	6	Optional Benefits applicable to Part “B” of this Section	28
General Insurance Code of Practice	7	Additional benefits applicable to Part “B” of this Section	29
Complaints – Internal and External Complaints Procedure	7	Specific conditions applicable to Part “B” of this Section	30
Agency arrangements and agent’s remuneration	7	<b>Section Three – Theft</b>	
Compensation arrangements	7	The cover	32
Terrorism Insurance Act	7	Definitions applicable to this Section	32
Updating this PDS	8	Defined Events applicable to this Section	32
Further information and confirmation of transactions	8	Basis of Settlement applicable to this Section	32
<b>General definitions</b>	8	Additional benefits applicable to this Section	33
<b>General exclusions applicable to all Sections of this Policy</b>	10	Specific exclusions applicable to this Section	35
<b>Claims procedure and conditions</b>	12	Specific conditions applicable to this Section	36
<b>General conditions applicable to all Sections of this Policy</b>	13	<b>Section Four – Money</b>	
<b>Section One – Material Damage</b>		The cover	36
The cover	16	Definitions applicable to this Section	36
Definitions applicable to this Section	16	Defined Events applicable to this Section	36
Basis of Settlement applicable to this Section	16		
Additional benefits applicable to this Section	18		
Optional Benefit applicable to this Section	21		

	page		page
Basis of Settlement applicable to this Section	37	Specific exclusions applicable to this Section	56
Additional benefits applicable to this Section	37	Specific conditions applicable to this Section	57
Specific exclusions applicable to this Section	38		
Specific conditions applicable to this Section	39	<b>Section Ten – Machinery Breakdown</b>	
<b>Section Five – General Property</b>		The cover	57
The cover	39	Definitions applicable to this Section	57
Basis of Settlement applicable to this Section	39	Defined Event applicable to this Section	58
Specific exclusions applicable to this Section	39	Basis of Settlement applicable to this Section	58
<b>Section Six – Glass</b>		Additional benefits applicable to this Section	58
The cover	41	Optional Benefit applicable to this Section	59
Definitions applicable to this Section	41	Specific exclusions applicable to this Section	60
Defined Event applicable to this Section	41	Specific conditions applicable to this Section	60
Basis of Settlement applicable to this Section	41	<b>Section Eleven – Computer/Electronic Equipment</b>	
Additional benefits applicable to this Section	41	The cover	61
Specific exclusions applicable to this Section	41	Definitions applicable to this Section	61
<b>Section Seven – Public and Products Liability</b>		Defined Event applicable to this Section	61
The cover	42	Basis of Settlement applicable to this Section	61
Definitions applicable to this Section	42	Additional benefit applicable to this Section	62
Limit of Indemnity and Excess applicable to this Section	43	Optional Benefits applicable to this Section	62
Supplementary payments	43	Specific exclusions applicable to this Section	63
Specific exclusions applicable to this Section	44	Specific conditions applicable to this Section	64
Specific conditions applicable to this Section	47	<b>Section Twelve – Transit</b>	
<b>Section Eight – Personal Accident and Sickness</b>		The cover	64
The cover	48	Definitions applicable to this Section	64
Definitions applicable to this Section	48	Defined Events applicable to this Section	64
Defined Events applicable to this Section	50	Basis of Settlement applicable to this Section	65
Basis of Settlement applicable to this Section	51	Specific exclusions applicable to this Section	65
Additional benefits applicable to this Section	51	Specific conditions applicable to this Section	66
Optional Benefits applicable to this Section	52	<b>Section Thirteen – Tax Audit</b>	
Specific exclusions applicable to this Section	53	The cover	67
Specific conditions applicable to this Section	54	Definitions applicable to this Section	67
<b>Section Nine – Employee Dishonesty</b>		Specific exclusions applicable to this Section	67
The cover	55	Specific conditions applicable to this Section	68
Definitions applicable to this Section	55		
Defined Event applicable to this Section	55		
Basis of Settlement applicable to this Section	55		
Additional benefits applicable to this Section	55		

# Introduction

Welcome and thank you for choosing Allianz Retailer's Pack Policy.

## About Allianz

The insurer of this product is Allianz Australia Insurance Limited ABN 15 000 122 850 (Allianz) AFS Licence No. 234708.

Allianz is one of Australia's largest general insurers. We utilise years of local expertise, combined with global experience to offer a wide range of products and services to Our customers. As a member of the worldwide Allianz Group, We are committed to continuous improvement of Our products and services and strive to achieve this through knowledge transfer within the Group, dedicated technical research units, sharing globally new product developments and a wide range of risk management services.

## Summary of the available covers

Cover Type	Summary of covers (See relevant Section for details, relevant limits, and specific conditions and exclusions that apply)
Section One – Material Damage	This covers Damage to Property Insured at the Situation caused by any sudden or unexpected or unforeseen occurrence which is not otherwise excluded and provides a number of automatic additional benefits and an optional Flood benefit.
Section Two – Business Interruption	This covers consequential loss of income and/or profits from the interruption of or interference with Your insured Business caused by Defined Events and provides a number of automatic additional benefits and Optional Benefits.
Section Three – Theft	This covers loss of or Damage to Property Insured at the Situation by Defined Events relating to theft and provides a number of automatic additional benefits.
Section Four – Money	This covers Property Insured against certain loss of or Damage to Money in transit, Money contained in the Premises, Money in Your personal custody and Safes or Strongrooms. It also includes a number of automatic additional benefits.
Section Five – General Property	This covers Damage to Property Insured caused by any sudden or unexpected or unforeseen occurrence which is not otherwise excluded.
Section Six – Glass	This covers You for accidental Breakage of Glass at the Situation and provides a number of additional benefits.
Section Seven – Public and Products Liability	This covers You for amounts You are legally liable to pay as compensation for Personal Injury and/or Property Damage occurring within the Territorial Limits as a result of an Occurrence in connection with Your Business. It also provides a number of automatic supplementary payments.
Section Eight – Personal Accident and Sickness	This provides for payment of: <ul style="list-style-type: none"> <li>• a set percentage of the Capital Sum Insured if the Insured Person suffers an Injury resulting in a Defined Event; or</li> <li>• a weekly benefit for temporary total disablement as a result of an insured injury or sickness or a temporary partial disablement as a result of an insured injury.</li> </ul> It also provides a number of automatic additional benefits and Optional Benefits.
Section Nine – Employee Dishonesty	This covers You against loss of Property Insured (including Money) due to the fraudulent or dishonest conduct of an Employee for their own gain or the financial benefit of any other person or organisation. It also provides a number of automatic additional benefits.
Section Ten – Machinery Breakdown	This covers Damage to Your insured electrical, electronic and mechanical machinery including their interconnecting cabling and piping and to boilers and pressure vessels caused by a Breakdown. It also provides a number of automatic additional benefits and an Optional Benefit for deterioration of stock.

Section Eleven – Computer/ Electronic Equipment	This covers Breakdown of the computers and/or electronic equipment specified in the Schedule. It also provides a number of automatic additional benefits and Optional Benefits.
Section Twelve – Transit	This covers Damage to Property Insured whilst in transit anywhere within the Territorial Limits caused by a Defined Event.
Section Thirteen – Tax Audit	This covers the Professional Fees reasonably incurred in connection with an Audit of Your Business' financial or tax affairs by the Australian Taxation Office, or by a Commonwealth, State or Territory Department, body or agency.

## About this insurance

This is an important document. You should read it carefully before making a decision to purchase this insurance. It will help You to:

- decide whether this insurance will meet Your needs; and
- compare it with other products You may be considering.

Please note that any recommendation or opinion in this document is of a general nature only and does not take into account Your objectives, financial situation or needs.

You need to decide if this insurance is right for You and You should read all of the documents that make up the Policy to ensure You have the cover You need.

Preparation date: 01/09/2011.

## Our contract with You

Where We agree to enter into a Policy with You it is a contract of insurance between Us and You (see the definition of “You” for details of who is covered by this term). The Policy consists of:

- this document which sets out the standard terms of Your cover and its limitations;
- Your current Schedule issued by Us. The Schedule is a separate document, which shows the insurance details relevant to You. It may include additional terms, conditions and exclusions relevant to You that amend the standard terms of this document. Only those Sections shown as covered in Your Schedule are insured; and
- any other change to the terms of the Policy otherwise advised by Us in writing (such as an endorsement or Supplementary PDS). These written changes may vary or modify the above documents.

These are all important documents and should be carefully read together and kept in a safe place for future reference.

We reserve the right to change the terms of the Policy where permitted to do so by law.

Any new or replacement Schedule We may send You, detailing changes to Your insurance or the Period of Insurance, will become the current Schedule, which You should carefully read and retain.

## Cooling off period and cancellation rights

You can exercise Your cooling off rights and cancel the Policy within fourteen (14) days of the date You purchased the Policy and receive a refund of the premium paid, provided You have not exercised any right or power under the Policy (e.g. made any claim) and these rights and powers have not ended.

We may deduct any reasonable administrative and transaction costs incurred by Us that are reasonably related to the acquisition and termination of the Policy and any government taxes or duties We cannot recover, from Your refund amount.

After the cooling off period has ended, You still have cancellation rights, however We may deduct a pro rata proportion of the premium for time on risk, plus any reasonable administrative costs and any government taxes or duties We cannot recover (refer to “General conditions applicable to all Sections of this Policy” “Cancellation rights” on page 13, for full details).

## What is covered

Where We have entered into a Policy with You, We will insure You for:

- loss or Damage caused by one or more of the covered insured events; and
- the other covered benefits, as set out in the Policy occurring during the Period of Insurance.

Other persons may be entitled to cover, but only if specified as so entitled and limited only to the extent and interest specified.

Cover is provided on the basis:

- that You have paid or agreed to pay Us the premium for the cover provided;
- of the verbal and/or written information provided by You which You gave after having been advised of Your Duty of Disclosure either verbally or in writing.

If You failed to comply with Your Duty of Disclosure or have made a misrepresentation to Us, We may be entitled to reduce Our liability under the Policy in respect of a claim and/or We may cancel Your Policy.

If You have told Us something which is fraudulent, We also have the option of avoiding Your Policy (i.e. treating it as if it never existed).

Your Duty of Disclosure and the consequences of nondisclosure, are set out under the heading 'Your Duty of Disclosure', on page 6.

## Some words have special meanings

Certain words used in the Policy have special meanings. The General definitions section of this document on pages 8 to 9 contains such terms. In some cases, certain words may be given a special meaning in a particular Section of the Policy when used or in the other documents making up the Policy.

Headings are provided for reference only and do not form part of the Policy for interpretation purposes.

## Your obligation to comply with the Policy terms and conditions

You are required to comply with the terms and conditions of the Policy. Please remember that if You do not comply with any term or condition, We may (to the extent permitted by law) decline or reduce any claim payment and/or cancel Your Policy.

If more than one person is insured under the Policy, a failure or wrongful action by one of those persons may adversely affect the rights of any other person insured under the Policy.

## How to make a claim

If You need to make a claim under the Policy, please refer to 'Claims procedure and conditions' from page 12.

## How We settle claims

Where We agree to reinstate or replace Damaged property, We will replace Your property with new goods or repair it using new materials. If You ask for a cash settlement instead, We will deduct an amount for wear, tear and depreciation. This amount depends on the age of the Damaged item and the expected useful life.

If You replace an item without Our authority, We will only pay You what We could have replaced it for using trade discounts that are available to Us. More details around how We settle claims are provided in this document under the Basis of Settlement sections within each Section.

## How We calculate Your premium

The amount of Your premium is determined by taking a number of different matters into account. You can seek a quote at any time.

It is important for You to know in particular that the premium varies depending on the information We receive from You about the risk to be covered by Us. The higher the risk is (e.g. high claims experience), the higher the premium will be. Based on Our experience and expertise as an insurer, We decide what factors increase Our risk and how they should impact on the premium.

We calculate Your premium on the basis of information that We receive from You when You apply for insurance. Some factors impacting premiums include:

- Your nominated Sum Insured;
- where Your Business is situated;
- the materials used in the construction of Your Building(s);
- the nature of Your Business;
- security measures used for Your Property Insured (e.g. alarms, deadlocks); and
- any additional Excess You nominate to pay above Our basic Excess. This means that when You purchase a Policy You may elect to take a higher Excess in the event of a claim, which will reduce the cost of Your premium. If You are interested in this, You should ask Your intermediary or Us to supply You with quotes based on differing amounts of Excesses.

Your premium also includes amounts that take into account Our obligation to pay any relevant compulsory government charges, taxes or levies (e.g. Stamp Duty, GST, Emergency and Fire Services Levy) in relation to Your Policy. These amounts will be set out separately on Your Schedule of insurance as part of the total premium payable.

In cases where We are required to pay an estimated amount (e.g. for Fire Services Levies) based on criteria set by the Government, We allocate to the Policy Our estimate of the amount We will be required to pay. We may over or under recover in any particular year but We will not adjust Your premium because of this. You can ask Us for more details if You wish.

Minimum premiums may apply. In some cases, discounts may apply if You meet certain criteria We set. Any discounts/entitlements only apply to the extent any minimum premium is not reached. If You are eligible for more than one, We also apply each of them in a predetermined order to the premium (excluding taxes and government charges) as reduced by any prior applied discounts/entitlements. Any discounts will be applied to the base premium calculated prior to any taxes being added.

When You apply for this insurance, You will be advised of the total premium amount payable, when it needs to be paid and how it can be paid. This amount will be set out in the Schedule, which will be sent to You after the entry into the Policy. If You fail to pay We may reduce any claim payment by the amount of premium owing and/or cancel the Policy. Special rights and obligations apply to instalment premium payments as set out below.

## Instalment premiums

If You pay Your premium by instalments refer to the “General conditions applicable to all Sections of this Policy” section for important details on Your and Our rights and obligations. Note that an instalment premium outstanding for 14 days allows Us to refuse to pay a claim.

In some cases a service fee will apply where You select to pay Your premium by instalments. We tell You the total amount payable when You apply and when and how it can be paid. This is confirmed in the Schedule We issue to You.

## Renewal procedure

Before Your Policy expires We will advise You whether We intend to offer renewal and if so on what terms.

This document also applies for any offer of renewal We may make, unless We tell You otherwise.

It is important that You check the terms of any renewal offer before renewing to satisfy Yourself that the details are correct. In particular, check the Sum Insured amounts and Excess(es) applicable and to ensure the levels of cover are appropriate for You.

Please note that You need to comply with Your Duty of Disclosure before each renewal (see below).

## Your Duty of Disclosure

Before You enter into the Policy with Us, the Insurance Contracts Act 1984 requires You to disclose to Us every matter that you know or could reasonably be expected to know is relevant to Our decision whether and on what terms Your application for insurance is acceptable and to calculate how much premium is required for Your insurance.

You have the same duty to disclose those matters to Us before You renew, extend, vary or reinstate the Policy.

The duty applies until the Policy is entered into, or where relevant, renewed, extended, varied or reinstated (Relevant Time). If anything changes between the time You provide answers or make disclosure and the Relevant Time, You need to tell Us.

## What You do not need to tell Us

You do not need to tell Us about any matter that:

- diminishes Our risk;
- is of common knowledge;
- We know or should know as an insurer; or
- We tell You We do not need to know.

## Who does the duty apply to?

The duty of disclosure applies to You and everyone that is an insured under the Policy. If You provide information for another insured, it is as if they provided it to Us.

## What happens if the duty of disclosure is not complied with?

If the duty of disclosure is not complied with We may cancel the Policy and/or reduce the amount We pay if You make a claim. If fraud is involved, We may treat the Policy as if it never existed, and pay nothing.

## Privacy Act 1988 – Information

We collect Your personal information directly from You where reasonably practicable or if not, from other sources. We collect it to provide Our various services and products (e.g. to market, arrange and administer insurance and to handle and settle claims) and to conduct market or customer research. We also use it to develop and identify services of Our related companies and alliance partners that may interest You (but You can opt out of this by calling the Allianz Direct Marketing Privacy Service Line on 13 2664 EST 8am-6pm, Monday to Friday or indicate Your decision in the appropriate area of the Privacy section of Our website at [www.allianz.com.au](http://www.allianz.com.au)). If You do not provide the information We require We may not be able to provide You with this service.

We disclose information to third parties who assist Us in the above (e.g. insurers, insurance intermediaries, insurance reference bureaus, related companies, Our advisers, persons involved in claims, external claims data collectors and verifiers, Your agents and other persons where required by law). We prohibit them from using it for purposes other than those We supplied it for.

Where You provide Us with information about another person for the above purposes, You must tell Us if You haven't got their consent to this. If You wish to gain access to Your personal information (including to



correct or update it), have a complaint about a breach of Your privacy or You have any query on how Your personal information is collected or used, or any other query relating to privacy, contact Us on 13 2664 EST 8am-6pm, Monday to Friday.

## General Insurance Code of Practice

The General Insurance Code of Practice was developed by the Insurance Council of Australia to further raise standards of practice and service across the insurance industry through promoting better communication between insurers and customers and outlining a standard of practice and service to be met by insurers.

We keenly support the standards set out in the Code.

You can obtain more information on the Code of Practice and how it assists You by contacting Us. Contact details are provided on the back cover of this document.

## Complaints – Internal and External Complaints Procedure

If You are dissatisfied with Our service in any way contact Us and We will attempt to resolve the matter in accordance with Our Internal Dispute Resolution procedures. To obtain a copy of Our procedures contact Us on 13 2664. A dispute can be referred to the Financial Ombudsman Service (FOS) subject to its terms of reference. It provides a free and independent dispute resolution service for consumers who have general insurance disputes falling within its terms and its contact details are:

The Financial Ombudsman Service

Free call: 1300 78 08 08

Post: GPO Box 3, Melbourne, Victoria 3001

Website: [www.fos.org.au](http://www.fos.org.au)

## Agency arrangements and agent's remuneration

If Your Policy has been issued through Our agent, or a broker who is acting under a binder agreement with Us, then they are acting as Our agent and not as Your agent.

If Your Policy has been issued by a broker, other than a broker acting under an agency/binder arrangement with Us, then the broker is acting as Your agent.

When the Policy has been arranged through an intermediary, remuneration (such as commission) is payable by Us to them for arranging the insurance. You can ask them or Us for more information.

## Compensation arrangements

We are an insurance company authorised under the *Insurance Act 1973 (Cth)* (Insurance Act) to carry on general insurance business in Australia by the Australian Prudential Regulation Authority (APRA) and are subject to the prudential requirements of the Insurance Act. The Insurance Act contains prudential standards and practices designed to ensure that, under all reasonable circumstances, financial promises made by Us are met within a stable, efficient and competitive financial system.

Because of this:

- the protection provided under the Financial Claims Scheme legislation applies in relation to Us and the Policy. If We were to fail and were unable to meet Our obligations under the Policy, a person entitled to claim under insurance cover under the Policy may be entitled to payment under the Financial Claims Scheme (access to the Scheme is subject to eligibility criteria). Information about the Financial Claims Scheme can be obtained from the APRA website at <http://www.apra.gov.au> and the APRA hotline on 1300 13 10 60; and
- We are exempted by the *Corporations Act 2001 (Cth)* from the requirement to meet the compensation arrangements Australian financial services licensees must have in place to compensate retail clients for loss or damage suffered because of breaches by the licensee or its representatives of Chapter 7 of that Act. We have compensation arrangements in place that are in accordance with the Insurance Act.

## Terrorism Insurance Act

We have determined that this Policy (or part of it) is a Policy to which the Terrorism Insurance Act 2003 applies. We may elect to reinsure part or all of Our liability under the Act with the Commonwealth Government reinsurer, the Australian Reinsurance Pool Corporation (ARPC).

As a consequence, We may be required to pay a premium to ARPC and that amount (together with the cost of that part of the cover provided by Us and administrative costs associated with the legislation) is reflected in the premium charged to You. As with any other part of Our premium, it is subject to government taxes and charges such as GST, Stamp Duty and where applicable, Fire Service Levy.

For further information contact Allianz or Your intermediary.

## Updating this PDS

We may need to update this PDS from time to time if certain changes occur where required and permitted by law. We will issue You with a new PDS or a Supplementary PDS or other compliant document to update the relevant information except in limited cases. Where the information is not something that would be materially adverse from the point of view of a reasonable person considering whether to buy this insurance, We may issue You with notice of this information in other forms or keep an internal record of such changes (You can get a paper copy free of charge by contacting Us using Our details on the back cover of this PDS).

Other documents may form part of Our PDS and the Policy. If they do We will tell You in the relevant document.

## Further information and confirmation of transactions

If You require further information about this insurance or wish to confirm a transaction, please contact Us.

## General definitions

These definitions apply to and should be read in relation to each of the Policy Sections unless they are defined differently in the relevant Section.

**“Aircraft”** means any vessel, craft or device made or intended to fly or move in or through the atmosphere or space.

**“Basis of Settlement”** means the method by which a claim is met. This will be either Reinstatement or Replacement or Indemnity according to the method You have selected and as specified in the Schedule in those Sections where a choice is available, or otherwise as stated in the appropriate Section.

**“Building(s)”** mean the building(s) at the Situation, including outbuildings, underground services, walls, gates and fences, signs, landlord’s fixtures and fittings, of every kind and description and permanent additions forming part of the building complex.

**“Business”** means the business described in the Schedule, carried on by You or on Your behalf at or from the Situation and any trade or occupation incidental to that business.

**“Contents”** means contents of every description not otherwise excluded but does not mean Stock in Trade or Directors’, Partners’ and Employees’ Personal Property.

**“Damage(d)”** means any physical destruction of or damage to the Property Insured so as to lessen its value or any physical loss when such damage is neither caused by nor arises out of an Excluded Event.

**“Debris”** means the residue of Damaged Property Insured but does not mean material that is itself a pollutant or contaminant and is deposited beyond the boundaries of the Situation.

**“Defined Event”** means an event shown in the individual Section under the heading “Defined Events applicable to this Section”, and for which cover is available under that Section only.

**“Directors’, Partners’ and Employees’ Personal Property”** means tools, clothing and personal effects that are not otherwise insured, belonging to Your directors, partners and employees.

**“Excess”** means either the amount of money specified in the Schedule or otherwise stated in the Policy for each applicable Section that You must contribute as the first payment for all claims arising out of one event, or the period of time specified in the Schedule or otherwise stated in the Policy for which no payment will be made by Us.

**“Excluded Event”** means any event specifically excluded from the covers granted under an individual Policy Section or any event excluded in the “General exclusions applicable to all Sections of this Policy”.

**"Flood"** means the inundation of normally dry land by water overflowing from the normal confines of any natural watercourse or lake whether or not altered or modified or of any reservoir, canal or dam.

**"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 coin, bank notes, currency notes, cheques, credit card sales/service vouchers, postal orders, money orders, negotiable and non-negotiable securities and valuable documents, the unused value of postage stamps, revenue stamps, instant lottery tickets (for their face value only), metropolitan transport tickets, phone cards, credit cards, stored-value cards, travellers' cheques, pre-paid travel passes, cab charge vouchers and the contents of franking machines.

**"Optional Benefit"** means the optional benefit described as being available in certain Sections of this Policy. Optional Benefits that are covered are shown in the Schedule.

**"Period of Insurance"** means the period commencing on the effective date and ending at 4pm on the expiry date as shown in the Schedule.

**"Policy"** means this document and any endorsement, specification, attachment or memoranda affixed (or intended to be affixed) to it, the Schedule and the Proposal.

**"Policy Section" or "Section"** means any part of this Policy numbered and described as a policy section or section.

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

**"Premises"** means within the confines of the Building(s).

**"Property Insured"** means all tangible property both real and personal shown as insured on the Schedule in respect of each Section and not otherwise excluded which belongs to You, or for which You are legally responsible, or have assumed responsibility to insure prior to the occurrence of any Damage.

**"Proposal"** means the application for insurance completed by You or on Your behalf by which You provided the information upon which We relied to enter into this Policy.

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

**"Safe"** means a burglar-resistant container that has been designed to resist fire and attack by hand-held or power-operated tools and has been specifically designed for the storage of Money and valuables.

**"Schedule"** means the most recently dated schedule We have provided to You which specifies important information such as the Policy number, Situation, those Sections and Optional Benefits that are in force, the details of the Property Insured, the Sums Insured and any Excess payable.

**"Situation"** means the situation(s) stated in the Schedule.

**"Stock in Trade"** means:

- a. stock in trade, merchandise or raw materials, including the value of work done, containers and packaging materials;
- b. customers' goods including goods and/or merchandise and other items held in trust or on commission for which You are liable.

**"Strongroom"** means a burglar-resistant room that has been designed to resist fire and attack by hand-held or power-operated tools and has been specifically designed for the storage of Money and valuables.

**"Sum(s) Insured"** means the relevant amount shown in the Schedule as the sum insured.

**"Territorial Limits"** means anywhere within the Commonwealth of Australia including its external dependencies and territories.

**"The Insured"** means only the person(s) and/or entity(ies) shown in the Schedule as Insured unless otherwise stated in the relevant Policy Section as being a person entitled to cover.

**"Watercraft"** means any vessel, craft or thing (other than a Hovercraft) designed to float on or in or travel on or through water.

**"We", "Us", "Our", "Allianz"** means Allianz Australia Insurance Limited AFS Licence No. 234708, ABN 15 000 122 850 of 2 Market Street, Sydney, NSW, 2000.

**"You", "Your", "Yours", "Yourself"** means either the person or the entity named as The Insured in the Schedule, including all subsidiary companies, organisations and entities in which the Insured has a controlling interest but only to the extent that each of them is engaged in carrying on the Business described in the Schedule or activities which are substantially of the same kind or related to that Business. For the purpose of this definition, a controlling interest shall, in the case of a company, mean the beneficial ownership of shares carrying more than 50% of votes capable of being cast.

# General exclusions applicable to all Sections of this Policy

1. The Policy does not cover loss, destruction, liability, Sickness or Injury (as defined in Section Eight – Personal Accident and Sickness), or Damage:

a. **War**

caused by, contributed to by or arising from any war, whether war be declared or not, hostilities or rebellion, civil war, revolution, insurrection, military or usurped power, invasion or act of foreign enemy;

b. **Nuclear**

caused by, contributed to by or arising from ionising radiation or contamination by radioactivity from:

- (i) any nuclear fuel or from any nuclear waste; or
- (ii) from the combustion of nuclear fuel (including any self-sustaining process of nuclear fission);
- (iii) nuclear weapons material;

c. **Lawful seizure**

caused by, contributed to by or arising from the lawful seizure, detention, confiscation, nationalisation or requisition of the Property Insured;

d. **Wilful acts**

caused by, contributed to by or arising from any actual or alleged:

- (i) dishonest, fraudulent, criminal or malicious act; or
- (ii) wilful breach of any statute, contract or duty; or
- (iii) conduct intended to cause loss or Damage or with reckless disregard for the consequences;

carried out by You or any person acting with Your knowledge, consent or connivance;

e. **Territorial Limits**

occurring outside the Territorial Limits except as specifically stated otherwise in the appropriate Section.

2. Except as specifically provided otherwise, this Policy does not cover:

- a. consequential loss of any kind;
- b. legal liability to pay compensation or damages;
- c. 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 Policy was entered into.

3. This Policy does not cover any loss or Damage to any appliance, machinery, equipment or other property which is a computer or which contains or comprises any computer technology (including computer chip or control logic) and which fails to perform or function in the precise manner for which it was designed for any reason arising from the performance or functionality of such computer technology (including computer chip or control logic).

## 4. Terrorism

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto, this Policy excludes and does not cover death, injury, illness, loss, damage, cost or expense, directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with, any Act of Terrorism, as defined herein, regardless of any other cause or event contributing concurrently or in any other sequence to the death, injury, illness, loss, damage, cost or expense.

An Act of Terrorism includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar 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 government(s) de jure or de facto, and which:

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

This Policy also excludes and does not cover death, injury, illness, loss, damage, cost or expense, directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with, any action in controlling, preventing, suppressing, retaliating against or responding to any Act of Terrorism.

This exclusion will not apply to Sections Theft, Money, General Property and Glass. This exclusion will apply to the other Sections of the Policy, unless otherwise provided for in the Terrorism Insurance Act.

## 5. Electronic Data

a. **Electronic Data – Part 1**

This Electronic Data exclusion is applicable to the following Sections of this Policy:

- Section One – Material Damage
- Section Two – Business Interruption

- Section Three – Theft
- Section Four – Money
- Section Five – General Property
- Section Six – Glass
- Section Twelve – Transit
- Section Thirteen – Tax Audit

- (i) These Policy Sections do not insure:
- (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.

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.

- (ii) However, in the event that a peril listed below (being a peril insured by the relevant Policy Sections but for this exclusion) is caused by any of the matters described in paragraph (i) above, then the relevant Policy Sections, subject to all their provisions, will insure:
- physical loss of or Damage or destruction to Property Insured directly caused by such listed peril, and/or
  - consequential loss insured by this Policy.

Further, this exclusion does not apply in the event that a peril listed below (being a peril insured by the relevant Policy Sections but for this exclusion) causes any of the matters described in paragraph (i) above.

Accidental Damage other than non-physical Damage, fire, lightning, thunderbolt, explosion, implosion, earthquake, subterranean fire, volcanic eruption, impact by Aircraft or aerial object dropped therefrom, impact by road vehicle or animal, sonic boom, theft of Electronic Data solely where such theft is a consequence of theft of any computer and/or computer hardware and/or firmware and/or

microchip and/or integrated circuit and/or similar device containing such Electronic Data, breakage of glass, the acts of persons taking part in riots or civil commotions or of strikers or of locked-out workers or of persons taking part in labour disturbances, storm and/or tempest and/or rainwater and/or wind and/or hail, water and other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or pipes at the Premises.

- (iii) For the purposes of the Basis of Settlement provision in these Policy Sections, computer systems records includes Electronic Data as defined in paragraph (i) above.

Any terrorism exclusion in these Policy Sections or any endorsement thereto prevails over this exclusion.

#### b. Electronic Data – Part 2

This Electronic Data exclusion is applicable to the following Sections of this Policy:

- Section Ten – Machinery Breakdown
- Section Eleven – Computer/Electronic Equipment

These Policy Sections do not cover any loss or Damage of whatsoever kind arising directly or indirectly out of:

- (i) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data;
- (ii) error in creating, amending, entering, deleting or using Electronic Data;
- (iii) total or partial inability or failure to receive, send, access or use Electronic Data for any time or at all; or
- (iv) any business interruption losses resulting therefrom,

regardless of any other contributing cause or event whenever it may occur, unless such loss or Damage is a direct consequence of otherwise insured physical Damage and provided that Restoration of Data and/or business interruption is insured by these Policy Sections.

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

Any terrorism exclusion in these Policy Sections or any endorsement thereto prevails over this exclusion.

# Claims procedure and conditions

## 1. Claims procedure

- a. As soon as You become aware of anything happening which may result in a claim under this Policy You must, at Your own expense (unless the expense is covered under Claims preparation expenses below):
  - (i) immediately inform the police of any malicious Damage, theft, attempted theft or loss of property,
  - (ii) advise Us as soon as possible, telling Us how the loss, Damage, Injury or Sickness (as defined in Section Eight – Personal Accident and Sickness), or liability occurred,
  - (iii) take all reasonable action to recover lost or stolen property and minimise the claim,
  - (iv) as far as possible preserve any products, appliances, plant or other items which might prove necessary or useful as evidence until We have had an opportunity for inspection,
  - (v) give Us all the information, proof and assistance We may require to prosecute, defend or settle Your claim including details of any other insurance effected by You or on Your behalf,
  - (vi) as soon as is reasonably practicable after the loss, Damage, Injury or Sickness (as defined in Section Eight – Personal Accident and Sickness) (or any further time which We may allow in writing) deliver to Us a written claim containing as detailed an account as is reasonably practicable of the circumstances surrounding the loss, Damage, Injury or Sickness and the amount claimed. If We ask You to provide Us with a Statutory Declaration You must provide it,
  - (vii) immediately send Us any claim, writ, summons, or full details of other relevant legal or other proceedings such as an impending prosecution or inquest You receive or become aware of,
  - (viii) at all times give Us all the information and assistance We may reasonably require.
- b. You MUST NOT:
  - (i) admit liability for, or offer, or agree to settle any claim without Our prior written consent,
  - (ii) authorise the repair or replacement of anything without Our prior written consent unless for safety reasons or to minimise or prevent further imminent loss, Damage, liability or Injury (as defined in Section Eight – Personal Accident and Sickness).
- c. After You have advised Us of any loss, Damage, Injury or Sickness (as defined in Section Eight – Personal Accident and Sickness) as set out in this condition:
  - (i) You must comply with all the terms of the Policy including the general conditions and claims conditions before We will meet any claim under this Policy,
  - (ii) We have the right to recover from any person against whom You may be able to claim any money paid by Us. We will have full discretion in the conduct, settlement or defence of any claim in Your name. The amount recovered will be applied first to reducing the amount by which Your loss exceeds the payment made by Us plus any Excess applied. Any balance remaining after You have been fully compensated for Your loss, up to the amount We have paid to You to settle Your claim (including Our legal fees for recovery), will be retained by Us,
  - (iii) We may take over and conduct, in Your name, the defence or settlement of any claim and We will have full discretion in the conduct of any proceedings in connection with the claim,
  - (iv) We may pay You the Sum Insured or Limit of Indemnity under the applicable Section or any lesser amount for which a claim or claims under that Section may reasonably be settled. After We have paid You, We will no longer be liable for the claim(s) (or future conduct of the claim(s)) except for costs and expenses incurred up until the time We agreed to pay,
- d. If You recover or find any lost or stolen Property Insured for which We have paid a claim, You must:
  - (i) tell Us immediately; and
  - (ii) give Us the recovered or found Property Insured if We request You to do so.
- e. If You advise Us of loss or Damage to Property Insured, as set out in this condition:
  - (i) We may, or anybody We appoint may:
    - (a) enter, take or keep possession of the Buildings where destruction or Damage has happened;

- (b) take or keep possession of the Property Insured for the purposes of Our investigations; and
- (c) if We accept liability for the loss, sell such Property Insured or dispose of it in a reasonable manner;

but, You are not entitled to abandon such Buildings or Property Insured to Us. If We enter, take or keep possession of the Buildings or the Property Insured it will not be an admission of liability nor will it affect any of Your obligations under this Policy;

- (ii) if We elect or become bound to reinstate or replace any Property Insured, You must at Your own expense produce and give Us all such plans, documents, books and information as We may reasonably require;
- (iii) We will not be bound to reinstate exactly or completely, but only in a reasonable manner given the circumstances. In no case will We be bound to pay, in respect of any of the Property Insured, more than the Sum Insured or Limit of Indemnity specified in the Schedule.

## 2. Claims preparation expenses

We will pay for costs necessarily and reasonably incurred for the preparation of a valid claim under this Policy. The most We will pay is \$25,000 or 25% of the claim amount otherwise payable, whichever is the lesser.

## 3. Multiple Excesses

If a claim arises from a single event and You can obtain cover under more than one Section, You will only be required to pay the highest single Excess applicable regardless of the number of Excesses applying to the individual Sections.

Provided that this shall not apply to claims arising from loss or Damage claimable under the Optional Benefit of Section Ten – Machinery Breakdown.

# General conditions applicable to all Sections of this Policy

## 1. Actions of parties other than You

The acts or omissions of:

- a. a tenant of Yours; or
- b. the owner of, or another tenant in, the Building;

which breach any provision of this Policy will not affect Your entitlement to cover provided that:

- (i) the act or omission was committed without Your prior knowledge or complicity, and
- (ii) You notify Us of the happening or existence of the act or omission as soon as You become aware of it, and
- (iii) You pay any reasonable extra premium which We require.

## 2. Cancellation rights

- a. In addition to Your Cooling off rights detailed earlier, You may cancel and return this Policy at any time by telephoning Us;
- b. We have the right to cancel the Policy where permitted by law. For example, We may cancel:
  - if You failed to comply with Your Duty of Disclosure; or
  - where You have made a misrepresentation to Us during negotiations prior to the issue of the Policy; or
  - where You have failed to comply with a provision of the Policy, including the term relating to payment of premium; or
  - where You have made a fraudulent claim under the Policy or under some other contract of insurance that provides cover during the same period of time that the Policy covers You,

and We may do so by giving You at least three days notice in writing of the date from which the Policy will be cancelled. The notification may be delivered personally or posted to You at the address last notified to Us.

- c. Subject to d., if You or We cancel the Policy We may deduct a pro rata proportion of the premium for time on risk, reasonable administrative costs related to the acquisition and termination of the Policy We incur and any government taxes or duties We cannot recover.

- d. In the event that You have made a claim under this Policy and We have agreed to pay the full Sum Insured for Your Property Insured, no return of premium will be made for any unused portion of the premium.

### 3. Governing law and jurisdiction

This Policy is governed by the laws of Australia. Any dispute relating to this Policy shall be submitted to the exclusive jurisdiction of an Australian Court within the State or Territory in which the Policy was issued.

### 4. GST Notice

This Policy has a GST provision in relation to premium and Our payment to You for claims. It may have an impact on how You determine the amount of insurance You need. Please read it carefully. Seek professional advice if You have any queries about GST and Your insurance.

#### Sums Insured

All monetary limits in this Policy may be increased for GST in some circumstances (see below).

#### Claim settlements – Where We agree to pay

When We calculate the amount We will pay You, We will have regard to the items below:

- Where You are liable to pay an amount for GST in respect of an acquisition relevant to Your claim (such as services to repair a Damaged item insured under the Policy) We will pay the GST amount.

We will pay the GST amount in addition to the Sum Insured or Limit of Indemnity or other limits shown in the Policy or in the Schedule.

If Your Sum Insured or Limit of Indemnity is not sufficient to cover Your loss, We will only pay the GST amount that relates to Our settlement of Your claim. We will reduce the GST amount We pay by the amount of any input tax credits to which You are or would be entitled.

- Where We make a payment under this Policy as compensation instead of payment for a relevant acquisition, We will reduce the amount of the payment by the amount of any input tax credit that You would have been entitled to had the payment been applied to a relevant acquisition.
- Where the Policy insures business interruption, We will (where relevant) pay You on Your claim by reference to the GST exclusive amount of any supply made by Your Business that is relevant to Your claim.

### Disclosure – Input tax credit entitlement

If You register, or are registered, for GST You are required to tell Us Your entitlement to an input tax credit on Your premium. If You fail to disclose or You understate Your entitlement, You may be liable for GST on a claim We may pay. This Policy does not cover You for this GST liability, or for any fine, penalty or charge for which You may be liable.

### 5. Interests of other parties

- a. The insurable interest of only those lessors, financiers, trustees, mortgagees, owners and all other parties having a legal interest or charge over the Property Insured and who are specifically noted in Your records, shall be automatically included as third party beneficiaries without notification or specification. The nature and extent of such interest is to be disclosed to Us in the event of Damage. Any other people not in this category or not named on the Schedule are not covered and cannot make a claim. All third party beneficiaries must comply with the terms and conditions of the Policy.
- b. Where the protection provided by this Policy covers the interests of more than one party, any act or omission of an individual party will not prejudice the rights of the remaining parties:
  - (i) subject to General exclusion 1.d. Wilful acts, and
  - (ii) provided the remaining parties must, immediately on becoming aware of any act or omission that increases the risk of loss, Damage, Injury or Sickness (as defined in Section Eight – Personal Accident and Sickness) or liability, give notice in writing to Us and on demand pay any reasonable additional premium We may require.

### 6. One event for earthquake

Only for the purpose of the application of any Excess, all Damage resulting from earthquake occurring during each period of 72 consecutive hours will be considered as one event, whether the earthquake is continuous or sporadic in its sweep and/or scope and the Damage was due to the same seismological conditions. Each event will be considered to have commenced on the first happening of Damage, not within the period of any previous event.

### 7. Reinstatement of Sum Insured

In the event of Damage insured under Section One – Material Damage, Section Two – Business Interruption, Section Three – Theft, Section Four – Money, Section Six – Glass and Section Twelve – Transit of this Policy, the amount by which the Sum Insured is reduced as a



consequence of the loss or Damage will be automatically reinstated 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 Section One – Material Damage or Section Two – Business Interruption if We have paid a total loss under either of these Sections.

## 8. Your representative – authorisation

By entering into this Policy, You agree that the person representing You when applying for this insurance is authorised to give and receive information on Your behalf in relation to all matters arising under this Policy and in accordance with the Insurance Contracts Act 1984.

If You do not meet the following conditions, We may cancel the Policy and/or reduce or refuse to pay a claim:

## 9. Alteration to risk

If You become aware of any changes to the facts or circumstances which existed when this insurance commenced that change the nature of the risk (for example, the nature of Your Business, or other circumstances that affect the Situation or Property Insured) in a way that would increase the risk of loss or Damage You must notify Us in writing. If We agree to the change We will do so in writing and You must pay Us any additional premium We require.

## 10. Non payment of premium by instalments – right to refuse a claim

Where You pay Your premium by instalments, You must ensure that they are paid on time because if an instalment has remained unpaid for a period of at least 14 days, We may refuse to pay a claim. We will notify You if an instalment has not been paid.

## 11. Other insurance

You must give Us written notice of any insurance already effected, or which may be subsequently effected covering, whether in whole or in part, the subject matter of the various Sections of this Policy.

## 12. Reasonable care and maintenance

You must take all reasonable care:

- a. to prevent Injury and Sickness (as defined in Section Eight – Personal Accident and Sickness), loss, Damage or legal liability;

- b. to maintain the Property Insured and Premises in sound condition, in particular to minimise or avoid theft, loss, Damage or liability;
- c. to comply with all statutory obligations, by-laws, regulations, public authority requirements and safety requirements;
- d. to minimise any loss or Damage; and
- e. to only employ competent employees and ensure they adhere to the requirements specified in a. – d. above.

## 13. Storage of hazardous goods

Hazardous goods stored at the Situation by any person as part of that person's business must be stored in quantities and in a manner permitted by relevant laws or regulations.

## 14. Unoccupancy

If Your Buildings have not been or will not be occupied for any period in excess of 60 consecutive days, We will not pay for Damage to Property Insured caused by:

- Section One – Material Damage
- Section Three – Theft, Defined Events,
- Section Four – Money, Defined Events,
- Section Six – Glass, Defined Events,
- Section Ten – Machinery Breakdown,
- Section Eleven – Computer/Electronic Equipment,

unless You have Our prior agreement in writing and have paid any additional premium We may require.

## 15. Waiver of subrogation rights

We may not be liable to pay any benefits under this Policy for loss, Injury or Sickness (as defined in Section Eight – Personal Accident and Sickness), 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, Injury or Sickness, Damage or liability however:

- a. We shall waive any rights and remedies or relief to which We are or may become entitled under subrogation against:
  - (i) any co-insured (including directors, officers and employees);
  - (ii) any corporation or entity (including its 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 government, statutory authority or municipal authority from any liability if required by contract to do so;
- (ii) agree to enter into a contract for storage of goods or merchandise if the terms of the contract include a disclaimer clause;
- (iii) agree to enter into a lease for occupancy of any building or part of a building or a lease or hiring of property where the terms of the lease or hiring include a disclaimer clause in favour of the lessor or the owner.

# Section One – Material Damage

## The cover

Where this Section is shown as insured on the Schedule, We will settle Your claim in accordance with the Basis of Settlement if any of the Property Insured:

1. is Damaged at the Situation;
2. by any sudden or unexpected or unforeseen occurrence which is not otherwise excluded; and
3. which occurs during the Period of Insurance.

## Definitions applicable to this Section

“Pollution or Contamination” means Damage or loss arising out of 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 any property, land, atmosphere or any watercourse or body of water (including groundwater);

“Sea” means all oceans, seas, bays, ports or tidal waters;

“Storm Surge” means the short period rise or fall of the sea level produced by a cyclone;

“Water” includes snow, sleet or hail.

## Basis of Settlement applicable to this Section

1. For the Property Insured, the Basis of Settlement will be as follows:

Property Insured	Basis of Settlement
a. Buildings, Contents and Stock in Trade (other than those specified below)	Reinstatement or Replacement or Indemnity as specified in the Schedule For empty Buildings awaiting demolition, We will only pay the salvage value of building materials, fixtures and fittings.
b. Raw materials, supplies & other merchandise not manufactured by You	The replacement value at the time and the place of replacement or, if the Property Insured is not replaced, the value of it at the time and place of the Damage.
c. Material in the process of manufacture	The replacement value of the raw materials and the value of labour and other overhead charges expended on them at the time and the place of the Damage.

Property Insured	Basis of Settlement
d. Finished goods	The replacement value of the raw materials and the value of labour and other overhead charges expended on them before any allowance for profit, or the cost of reproducing such goods, whichever is the lesser.
e. Computer systems records, documents, manuscripts, securities, deeds, specifications, plans, drawings, designs, business books and other records of every description	The cost of reinstating, replacing, reproducing or restoring them, including information contained in them or on them, but excluding the value to You of that information; or, if this is not required, the replacement cost of materials as blank stationery at the time and place of the Damage.
f. Patterns, models, moulds, dies or casts	The cost of repair or replacement if actually replaced or else the value to You of the Property by way of Indemnity.
g. Customers' goods	Indemnity.
h. Directors', Partners' and Employees' Personal Property	Reinstatement or Replacement.
i. Salvage of branded goods	In the event of a claim any salvage of branded goods and/or merchandise, Yours or held by You in trust or on commission, and/or goods sold but not delivered, will not be disposed of by sale without Your consent. If the salvage is not disposed of by sale then the Damage will be assessed at the value agreed between You and Us after brands, labels or names have been removed by You or on Your behalf.
j. Goods sold but not delivered	Our liability for goods which are sold but not delivered and for which the contract of sale is cancelled under its conditions due to Damage to the goods will be the contract price, or, in the case of partial cancellation of the contract of sale, that part of the total contract price which will have been lost to You because of the partial cancellation. Our liability as set out in this clause will in any case be reduced by any amount which is paid or payable to You.

**2. For the purpose of this Section, the terms Reinstatement or Replacement and Indemnity will apply as follows:**

**a. Reinstatement or Replacement**

Where Your Schedule states that cover is for Reinstatement or Replacement, claims will be settled as follows:

**Where Property Insured is lost or wholly destroyed:** in the case of a Building, its rebuilding or in the case of Property Insured other than a Building, its replacement with similar property: in either case in a condition equal to, but not better or more extensive than, its condition when new.

**Where Property Insured is Damaged in part only:** the repair of the Damage and the restoration of the Damaged portion of the Property Insured to a condition substantially the same as, but not better or more extensive than, its condition when new.

Provided that:

- (i) the work of rebuilding, replacing, repairing or restoring as the case may be (which may be carried out upon any other site(s) and in any manner suitable to Your requirements, but subject to Our liability not being increased), must be commenced and carried out within a reasonable period, failing which We will not pay more than the Indemnity value of the Damaged Property Insured at the time the Damage occurred.
- (ii) when any Property Insured to which this clause applies is Damaged in part only, Our liability will not exceed the sum representing the cost which We could have been called upon to pay for reinstatement had the Property Insured been wholly destroyed.

**b. Indemnity**

Where Your Schedule states that cover is for Indemnity, claims will be settled as follows:

If the Property Insured is Damaged in part or lost or totally destroyed, We will pay the cost necessary to reinstate, replace or repair the Property Insured to a condition substantially the same as but not better or more extensive than its condition at the time of the Damage, loss or destruction, taking into consideration age, condition, depreciation and remaining useful life.

### 3. Extra cost of reinstatement

(Applicable to Buildings and Contents).

Where cover is for Reinstatement or Replacement, this Section extends to include the extra cost of reinstatement (including demolition or dismantling) of Damaged Property Insured necessarily incurred to comply with the requirements of any act of parliament or regulation made under an act or any by-law or the regulation of any municipal or other statutory authority. This cover is subject to the following provisions and the terms, conditions and Sums Insured of this Section.

However:

- 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 this additional coverage had not been included;
- b. the work of reinstatement may be carried out wholly or partially upon any other site, if the requirements of the act, regulation or by-law necessitate it, subject to Our liability not being increased;
- c. all other insurances covering the Property Insured effected by You or on Your behalf must be on a similar basis;
- d. if the cost of reinstatement of Damaged Property Insured is less than 50% of that which would have been the cost of reinstatement if the Property Insured had been destroyed, the amount We will pay will be limited to the extra cost necessarily incurred in reinstating only that portion Damaged;
- e. Our total liability will not exceed 50% of the Sum Insured specified in the Schedule for the relevant Property Insured;
- f. the amount recoverable shall not include the additional costs incurred in complying with any such act, regulation, by-law or requirement with which You had been required to comply prior to the Damage occurring.

### 4. Floor space ratio index (plot ratio)

Where Reinstatement or Replacement is shown on the Schedule and Buildings are Damaged and reinstatement of the Damage is limited or restricted by:

- a. any act of parliament or regulation under an act; or
- b. any by-law or regulation of any municipal or other statutory authority, resulting in the reduction of the floor space ratio index (plot ratio) of the site, then We will pay in addition to any amount payable on reinstatement of these Buildings, the difference between:

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

Our liability arising from any one occurrence for Damage or expenses will not exceed in aggregate the Sum Insured stated in the Schedule in respect of the Building that is the subject of the claim.

### 5. Undamaged foundations

If, where a Building is destroyed but the foundations are not, and, due to the exercising of statutory powers and/or authority by any government department, local government or other statutory authority, reinstatement of the Building has to be carried out upon another site, then the abandoned foundations will be considered to be destroyed.

However, if the presence of the abandoned foundations increases the resale value of the original Building site then the increase in resale value will be regarded as salvage and will be payable to Us.

### 6. Maximum payment

Unless specifically stated, We will not pay more than the Sum Insured shown against each item in the Schedule.

### 7. Claim payment

Until You actually incur the cost of Reinstatement or Replacement, We will not pay more than would be required to settle Your claim in accordance with clause 2b. Indemnity of the Basis of Settlement.

### 8. Cost of complying with regulations

The amount recoverable will not include any cost incurred in complying with any act, by-law, regulation, or requirement with which You had been required to comply before the Damage occurred.

### 9. Excess

We will not pay the amount shown in the Schedule as the Excess for this Section.

## Additional benefits applicable to this Section

Where We have agreed to pay a claim under this Section, We will pay for the reasonable and necessary costs that are incurred for the following additional benefits.

Our liability for these additional benefits will be limited to:

- a. the amount shown in the Schedule of the relevant additional benefit; or

- b. if no amount is shown in the Schedule then the amounts shown below, subject to the extent that the Sum Insured on Buildings, Contents or Stock in Trade (whichever is applicable) is not otherwise exhausted.

### 1. Removal of Debris

- a. the removal, storage and/or disposal of Debris or the demolition, dismantling, shoring up, propping, underpinning or other temporary repairs;
- b. the demolition and removal of any Property Insured belonging to You that is no longer useful for the purpose for which it was intended, providing such demolition and removal is necessary for the purpose of the Reinstatement or Replacement;

These costs must be incurred with Our written consent. The most We will pay for one event is \$50,000 or 10% of the Sum Insured, whichever is the greater.

### 2. Fire extinguishment costs

The reasonable costs necessarily incurred by You in the extinguishment of any fire at Your Situation, or any fire which threatens Your Property Insured. This will include the wages of employees necessarily and reasonably incurred in extinguishing the fire and the cost of replenishing firefighting appliances.

The most We will pay for any one event is \$25,000.

### 3. Temporary protection

Temporary protection and safety of Property Insured pending replacement or repair of Damage covered by this Section.

The most We will pay for any one event is \$25,000.

### 4. Professional fees

Architects', surveyors', consulting engineers', legal and other fees and clerks of works' salaries for estimates, plans, specifications, quantities, tenders and supervision necessarily incurred in reinstatement or repair of Property Insured. We will not cover costs, fees and salaries for preparing any claim under this Section. All costs must be incurred following Our written consent.

The most We will pay in respect of any one event is \$20,000 or 10% of the Sum Insured, whichever is the greater.

### 5. Government fees

Any fee, contribution or other impost payable to any government, local government or other statutory authority where payment of the fee, contribution or impost is a condition precedent to the obtaining of consent to reinstate any Property Insured. However, We will not be liable for payment of any fines or penalties imposed upon You by any such authorities.

The most We will pay in respect of any one event for this additional benefit is \$5,000.

### 6. Rewriting of Records

The reasonable cost of clerical labour to restore computer records, documents, manuscripts, securities, deeds, specifications, plans, drawings, designs, business books and other records of every description. All costs must be incurred with Our written consent.

The most We will pay in respect to any one event is \$25,000.

### 7. Directors', Partners' and Employees' Personal Property

The repair or replacement of Directors', Partners' and Employees' Personal Property, which is Damaged by an event not otherwise excluded, but only if the property was at the Situation at the time the Damage occurred.

The most We will pay is limited to \$5,000 for any one person and \$15,000 for any one event.

### 8. Contractual agreements

Notwithstanding general condition 15. Waiver of subrogation rights, where You:

- a. enter into a lease for occupancy of any Building and the terms of the lease contain a disclaimer of liability in favour of the lessor; or
- b. have been required by contractual agreement to release railways, local governments, governments or statutory authorities from their liability to You for loss or Damage covered by this Policy;

this insurance will not be prejudiced by You agreeing to such disclaimers or agreements.

In addition to the Sum(s) Insured shown in the Schedule, We will also:

### 9. Seasonal increases in the Sum Insured

increase the Sum Insured for Stock in Trade by 50% during the following periods:

- a. from 60 days before Christmas Day to the twentieth day following, both days inclusive;
- b. from 30 days before Easter Sunday to the twentieth day following, both days inclusive;
- c. from 7 days before Valentine's Day, Mother's Day and Father's Day to the third day following, both days inclusive;

unless stated otherwise in the Schedule. Where Stock in Trade is shown in the Schedule as being within an item covering "All Contents including stock", this additional

benefit will apply only to that part of the Sum Insured which relates to Stock in Trade.

### 10. Capital additions

cover as Property Insured, alterations and additions during the Period of Insurance to the Property Insured, other than Stock in Trade.

The most We will pay is 20% of the Sum Insured for such property or \$500,000, whichever is the lesser.

### 11. Temporary removal

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

However:

- a. the most We will pay for this additional benefit will be 10% of the Sum Insured or \$100,000, whichever is the lesser;
- b. this additional benefit will not apply to any Property Insured which has been removed from the Premises for a period greater than 60 days without Our prior written consent;
- c. while property temporarily removed is in transit, cover is limited to Damage arising out of:
  - (i) fire,
  - (ii) lightning or thunderbolt,
  - (iii) explosion,
  - (iv) earthquake,
  - (v) impact by Aircraft or other aerial devices or articles dropped from them,
  - (vi) the acts of persons taking part in riots, civil commotions, or labour disturbances or strikers or locked out workers,
  - (vii) malicious Damage,
  - (viii) wind or rainwater,
  - (ix) water bursting, overflowing, discharging or leaking from water tanks, pipes or apparatus,
  - (x) sprinkler leakage, or
  - (xi) impact by a vehicle.

### 12. Exploratory costs

cover the reasonable costs of identifying and locating the source of the Damage for which a claim is payable, where the Damage is caused by the discharge, overflowing or leakage from fixed apparatus, fixed appliances, fixed pipes or other systems used to hold or convey liquid of any kind. We will not pay for the repair or replacement of the apparatus, appliances, pipes or other systems which give rise to the Damage.

The most We will pay under this additional benefit is \$25,000 for any one loss or series of losses arising out of any one event.

### 13. Landscaping

cover the reasonable cost of restoring landscaping, trees, shrubs, plants and lawns following Damage but not roadways and paths. "Specific exclusions applicable to this Section" 1.i. and 1.j., will not apply to this additional benefit.

We will not pay for Damage caused by storm, tempest or Water.

The most We will pay under this additional benefit is limited to \$2,000 for any one loss or series of losses arising out of any one event.

### 14. Minimisation of Damage

cover the removal of property from Your Premises if Your Premises are threatened by fire or any other perils insured by this Section, provided that the purpose of the removal was to prevent or minimise Damage.

The maximum amount We will pay in respect of any one event for this additional benefit is \$5,000.

### 15. New premises temporary protection

cover temporary protection of Property Insured at any new situation that is used by You for Your Business for the first time during the Period of Insurance for a period of 30 consecutive days from the day that You first use the new premises.

Provided that:

- a. this temporary cover is not available to property that cannot be correctly designated to one of the items/categories of Property Insured that is shown in the Schedule as insured;
- b. this temporary cover is only available to property that is of a similar type to that insured by this Section;
- c. this temporary cover is limited to 10% of the highest Sum Insured shown in the Schedule for that item of property;
- d. the new situation has Buildings, fire protection and security features that are similar to those at one of the Situations (shown in the Schedule); and
- e. cover will then cease unless, in the meantime, You provide Us full details of the new situation, We agree to provide cover, You and We agree on Sums Insured and You agree to pay any additional premium required;
- f. in no case shall the temporary cover provided under this additional benefit extend beyond the Period of Insurance.

## Optional Benefit applicable to this Section

### Flood

When this Optional Benefit is shown as insured on the Schedule We will cover You up to the amount shown in the Schedule as the Sum Insured for Flood.

Specific exclusion 3.t.(i) applicable to this Section is deleted from the Policy.

## Specific exclusions applicable to this Section

1. We will not pay for loss or Damage to:
    - a. property undergoing construction, erection, alteration or addition when the value of work exceeds 10% of the Sum Insured for Buildings or \$500,000, whichever is the lesser;
    - b. property while in transit other than:
      - (i) during the incidental movement of the property within Situations occupied by You, and/or
      - (ii) as provided under "Additional benefits applicable to this Section", 11. Temporary removal.
    - c. Money, cheques, promissory notes and any other negotiable instrument of every description;
    - d. jewellery, furs, bullion, precious metals or precious stones unless they are in the Premises at the Situation at the time in the Damage, and then limited to an amount not exceeding \$2,000 in total unless expressly stated otherwise in the Schedule;
    - e. curios, antiques or works of art unless they are in the Premises at the Situation at the time of the Damage, and then limited to an amount not exceeding \$10,000 in total unless expressly stated otherwise in the Schedule;
    - f. any locomotive, rolling stock, Watercraft, or Aircraft, including their accessories and/or spare parts;
    - g. motor vehicles, caravans, trailers, motorcycles, Watercraft, Aircraft or aerial devices or the accessories to any of these;
    - h. livestock, animals, birds or fish (other than Stock in Trade);
    - i. standing timber, growing crops and pastures;
    - j. land, provided that this exclusion will not apply to structural improvements that are not otherwise excluded in this Section;
  - k. bridges, canals, roadways, tunnels, railway tracks (other than on the Premises occupied or used by You), dams, reservoirs (other than tanks) and their contents;
  - l. signs, caused by wind or Water;
  - m. Property Insured in the open air unless such property comprises or forms part of a structure designed to function without the protection of walls or roof caused by wind or Water;
  - n. pressure equipment arising out of failure by You or Your employees or agents to comply with the Australian Standard, or other legal requirements applicable to pressure equipment;
  - o. glass (as defined in Section Six – Glass), other than breakage by fire, lightning, explosion, implosion, earthquake, impact by vehicles or animals, Aircraft and other aerial devices and/or articles dropped from them, riots or civil commotion, malicious damage, wind or Water.
2. We will not pay for loss or Damage caused directly or indirectly by or in connection with or arising from or occasioned through:
    - a. any legal liability of any nature;
    - b. the incorrect siting of Buildings;
    - c. demolition ordered by government or public or local authorities due to failure by You or Your agents to obtain the necessary permits required;
    - d. (i) unexplained inventory shortages or disappearances, or  
(ii) shortages in the supply or delivery of materials to or from You;
    - e. loss or Damage as a result of trickery;
    - f. spontaneous combustion, heating or any process involving the direct application of heat, provided that this specific exclusion will be limited to the item(s) immediately affected and will not extend to other Property Insured Damaged as a result of the spontaneous combustion;
    - g. deterioration, fermentation and putrefaction of refrigerated goods;
    - h. consequential loss of any kind, including loss resulting from delay or lack of performance, loss of contract or depreciation in value of any undamaged Property Insured;
    - i. Pollution or Contamination except loss or destruction of or Damage to Property Insured at Your Premises caused by:

- (i) Pollution or Contamination at the Premises which itself results from fire, lightning, explosion, Aircraft or other aerial devices or articles dropped from them, riot, civil commotion, strikers, locked-out workers, people taking part in labour disturbances, malicious Damage, earthquake, storm, bursting, overflowing, discharging or leaking of water tanks, apparatus or pipes, sprinkler leakage or impact by any vehicle or animal,
  - (ii) any of the perils listed in (i) above which itself results from Pollution or Contamination.
  - j. loading or unloading, delivery or dispatch;
  - k. demolition, where the cost of demolition is greater than \$10,000;
  - l. adjusting, testing or servicing operations;
  - m. any process of heat treatment, welding, grinding, cutting, drilling, shaping or the application of tools but limited only to the Property Insured undergoing treatment;
  - n. the failure of water, gas, electric or fuel supply;
  - o. recovery or repossession of the Property Insured for any reason;
  - p. data processing or media failure, breakdown or malfunction of the processing system, including operator error or omission;
  - q. any process of cleaning, dyeing, repairing or restoring.
3. We will not pay for loss or Damage caused by or occasioned through:
- a. wear and tear, fading, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good;
  - b. error or omission in design, plan or specification or failure of design;
  - c. normal settling, seepage, shrinkage, or expansion of Buildings or foundations, walls, pavements, roads and other structural improvements, creeping or heaving or vibration;
  - d. faulty materials or faulty workmanship;
  - e. total or partial cessation of work or the retarding or interruption of work or the retarding or interruption or cessation of any process or operation as the direct result of strikes, labour disturbances or locked out workers. This does not apply to the interruption or cessation or partial cessation of any work, process or operation resulting from Damage to Property Insured at the Premises caused by strikes, people involved in labour disturbances or locked-out workers;
  - f. erosion, subsidence, earth movement or collapse resulting therefrom;
  - g. fusion of electric motors;
  - h. mechanical, hydraulic, electrical or electronic breakdown, failure, malfunction or derangement of any machine or electrical or electronic device or temperature controlling equipment;
- However, exclusions 3.a. to 3.h. will not apply to subsequent Damage to Property Insured caused by any sudden or unexpected or unforeseen occurrence, despite the fact that this occurrence may in turn have been caused by any of the circumstances referred to in exclusions 3.a. to 3.h.
- i. access by people not authorised by You to Your computer systems and records;
  - j. the actions of moths, termites or other insects, birds or vermin;
  - k. any of the following:
    - (i) mildew, mould, wet or dry rot,
    - (ii) rust, oxidation or corrosion;
  - l. change of colour, dampness of atmosphere or other variation in temperature, evaporation;
  - m. disease;
  - n. inherent vice or latent defect;
  - o. loss of weight;
  - p. change in flavour, texture or finish;
  - q. smog, smut, soot or smoke from industrial operations;
  - r. fraud or dishonest acts, embezzlement, forgery, erasure, counterfeiting and fraudulent misappropriation by electronic means or otherwise;
  - s. theft;
  - t. (i) Flood,
    - (ii) action of the Sea, Storm Surge, tidal wave, high Water, seepage or percolation of Water or Water entering the Premises as a result of structural defects, faulty design or workmanship, unless Damage is caused by or results from an earthquake or seismological disturbance.



## Specific conditions applicable to this Section

The following terms, conditions and limitations apply to this Section. If You do not meet them, We may cancel the Policy or reduce or refuse to pay a claim.

### 1. 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.

### 2. Progress payments

At Our election or if required by You, progress payments on account of any loss recoverable under this Section will be made at intervals to be mutually agreed upon subject to production of an interim report by the loss adjuster (if one is appointed). These payments will be deducted from the final claim settlement.

### 3. Underinsurance

In the event of Damage to the Property Insured, We will be liable for no greater proportion of the Damage than the Sum Insured bears to 80% of:

- a. where the Basis of Settlement is Reinstatement or Replacement, the reinstatement or replacement cost of the Property Insured;
- b. where the Basis of Settlement is Indemnity, the value of the Property Insured, taking into account wear, tear and depreciation;

on the day of commencement of the Period of Insurance.

Underinsurance will not apply if the amount of the Damage is less than 5% of the Sum Insured. Every Situation insured is separately subject to this clause. This clause does not apply to any of the additional benefits.

### 4. Automatic sprinklers, alarms and/or chemical extinguishers

Where Your Buildings are fitted with:

- a. automatic sprinklers; and/or
- b. an automatic external alarm connected to a fire station; and/or
- c. fully charged portable extinguishers of approved design;

You must ensure that they are maintained in sound working order. Written notice of all alterations and additions to any such installations in Buildings owned or occupied by You must be given to Us without delay. If, in the exercise of due diligence in the proper

maintenance of the automatic sprinkler equipment, it becomes necessary:

- a. to disconnect any water supply to the sprinkler installation; or
- b. to remove any sprinkler; or
- c. to render any automatic alarm inoperative;

in any portion of any Building for any period exceeding 24 hours, (spread over the hours of daylight of not more than 3 consecutive days), notice must be given to Us, except in cases of emergency or impracticability only, when such notification must be given with the least possible delay.

In the event of any failure by You to comply with the above, We will not be liable for Damage to any Property Insured caused or contributed to by such disconnection, removal or rendering inoperative.

### 5. Indexation

We may 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.

# Section Two – Business Interruption

## Cover Options

The following cover options are available under this Policy Section:

Part “A” – Business Income Protection;

Part “B” – Consequential Loss of Profits; or

Your cover selection will be shown in Your Policy Schedule.

## Defined Events applicable to Parts “A” and “B” of this Section

1. Any Damage to Property Insured for which You are insured by Us:
    - a. or would have been had there not been an Excess, under Section One – Material Damage, Section Three – Theft, Section Four – Money and Section Six – Glass of this Policy, or
    - b. or which is insured under any other policy providing indemnity for the same insured event covered under Section One – Material Damage or a Defined Event insured under Section Three – Theft, Section Four – Money and Section Six – Glass of this Policy, or
    - c. is property used but not owned by You at the Situation which is Damaged by an insured event or a Defined Event which would have been covered under 1.a. had it been Your property.
  2. Explosion of any boiler, pressure vessel, compressor or economiser at the Premises.
  3. Damage to other property, which, had it been insured under this Policy, would have resulted in an admissible claim under Section One – Material Damage, Section Three – Theft, Section Four – Money, Section Six – Glass or Defined Event Two above and which occurs:
    - a. within a multi-tenanted retail or commercial complex in which Your Business is located that prevents or hinders the use of, or access to, Your Business;
    - b. within 20 kilometres of Your Premises which prevents the use of or access to the Premises;
    - c. at the premises of Your suppliers or customers of goods or materials or at storage premises neither owned nor operated by You where You store goods or materials, all within the Territorial Limits,
  4. provided that Our liability will not exceed 20% of the Sum Insured applicable to this Section;
    - d. at any electricity station or substation, gas works, telecommunications service, water works or sewerage reticulation works of a public supply undertaking from which You obtain electric current, gas, telecommunications or water and including their pipelines and transmission lines,  
provided that:
      - (i) where the public supply undertaking is not at or immediately adjacent to Your Premises the interruption of supply extends for greater than 48 hours; and
      - (ii) all of the above public supply undertakings including their pipelines and transmission lines are on shore within the Territorial Limits; and
      - (iii) there is no cover for failure of satellites or satellite systems.
  4. a. Closure or evacuation of the whole or part of the Premises by order of a competent public authority as a result of:
    - (i) infectious or contagious disease in humans manifested by any person while at the Premises,
    - (ii) vermin or pests or defects in the drains or other sanitary arrangements at the Premises,
    - (iii) the outbreak of a notifiable human infectious or contagious disease occurring within a 20 kilometre radius of the Premises;
  - b. Poisoning directly caused by the consumption of food or drink provided on the Premises;
  - c. Murder or suicide occurring in or at the Premises;
- However, there is no cover under Defined Event 4.a.(i) and (iii) due to Highly Pathogenic Avian Influenza in Humans or any other disease declared to be a quarantinable disease under the Quarantine Act 1908 (including amendments).
- The maximum amount We will pay for loss arising from this Defined Event 4. is \$200,000 during any one Period of Insurance.
5. Damage to roads, bridges and/or railway lines within the Territorial Limits over which raw materials and Stock in Trade are conveyed to or from Your Premises, which, had it been insured under this Policy, would have resulted in an admissible claim under Section One – Material Damage.

Provided that in relation to this Defined Event 5.:

- a. the maximum We will pay for a loss arising hereunder is 10% of the Sum Insured for any one event.
  - b. We will not pay any claim under this additional benefit where:
    - (i) the Damage is caused by Flood, and
    - (ii) the interference or interruption to the Business is for a period of less than 48 hours.
6. Damage to Property Insured while in transit by road, rail, sea, air, parcel post or courier in Australia other than at the Premises up to a maximum of 5% of the Sum Insured provided that the claim for the Property Insured is covered under Section Twelve – Transit of this Policy.

## Part “A” Business Income Protection

### The cover

Where Part “A” is shown as insured on the Schedule, We will pay You, in accordance with the Part “A” Basis of Settlement, for consequential loss resulting from the interruption of or interference with the Business that is caused by a Defined Event that occurs during the Period of Insurance.

### Definitions applicable to Part “A” of this Section

**“Additional Costs of Working”** means the additional expenditure, limited to the Sum Insured stated in the Schedule, not otherwise recoverable under this Section necessarily and reasonably incurred during the Indemnity Period as a consequence of the Damage caused by a Defined Event for the sole or main purpose of avoiding or diminishing reduction in Business Income and/or resuming and/or maintaining normal Business operations and/or services.

**“Additional Expenses”** means Relocation Costs, Increased Costs of Working, Additional Costs of Working, Expediting Expenses and/or Loss of Accounts Receivable.

**“Average Income”** means:

1. the average Weekly Income maintained in the 52 weeks, immediately before the Damage to which adjustment will be made to reflect the trend of the Business and any other variable to arrive at the same result that would have been obtained had the Damage not occurred; or
2. if the Business has been in operation for less than 52 weeks, the average Weekly Income maintained from the date of commencement of the Business to the date of the Damage to which any necessary adjustment will be made to allow for the trend of the Business and any other variable to arrive at the same result that would have been obtained had the Damage not occurred.

**“Business Income”** means the money paid or payable to You for goods sold and/or services rendered and/or rental received or receivable in the course of Your Business less the purchase cost, after any discounts, of stock.

**“Expediting Expenses”** means costs and expenses necessarily and reasonably incurred by You for express carriage rates and extra payments for overtime, night, Sunday or holiday working incurred in connection with the repair or reinstatement of the Property Insured.

**“Increased Costs of Working”** means the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Business Income, excluding expenditure incurred on the purchase of Stock in Trade.

**“Indemnity Period”** means the period beginning with the occurrence of the Damage (or a later date that has been agreed by Us in writing) and ending not later than the number of weeks stated in the Schedule during which the results of the Business are affected because of the Damage.

**“Loss of Accounts Receivable”** means the loss sustained by You in respect of all outstanding debit balances if You are unable to effect collection thereof as a direct result of Damage caused by a Defined Event to records of accounts receivable, but excluding bad debts and prior uncollectables.

**“Relocation Costs”** means actual expenditure necessarily and reasonably incurred for the relocation of the Business, excluding costs incurred by You for the acquisition of assets or property.

**“Shortfall in Weekly Income”** means the amount by which the Weekly Income, in consequence of the Damage, falls short of the Average Income.

**“Weekly Income”** means the Business Income maintained for each week the Business is in operation.

## **Basis of Settlement applicable to Part “A” of this Section**

Where Part “A” Business Income Protection is shown as covered in the Schedule, We will pay to You:

### **1. Weekly Income**

the percentage of the declared Average Income, stated in the Schedule as the Sum Insured, that the Shortfall in Weekly Income bears to the Average Income, provided that the interference or interruption to the Business is for a period exceeding one week.

We will not pay more than the sum produced by multiplying the Indemnity Period stated in the Schedule by the Average Income stated in the Schedule.

### **2. Additional Expenses**

when the applicable Additional Expenses are shown to be insured on the Schedule and consequent upon a claim being admitted under this Section, We will also pay You, up to the amount shown in the Schedule for the relevant Additional Expenses, those expenses You have necessarily and reasonably incurred.

## **3. Claims preparation expenses**

in addition to the benefit provided under Basis of Settlement 1. Weekly Income, the costs of reasonable professional fees as are payable by You, and other reasonable expenses necessarily incurred by You and not otherwise recoverable, for preparation of claims under this Section up to the Sum Insured shown for this item in the Schedule.

## **Excess**

We will not pay any claim under Part A where the interference or interruption to the Business is for a period of less than one week.

## **Additional benefits applicable to Part “A” of this Section**

### **1. Additional premises**

If You acquire or use during the Period of Insurance any other premises within the Territorial Limit for the purpose of the Business, We will treat any Damage relating to those premises as covered by this Section of the Policy provided that We are advised of the use or acquisition of the premises within 30 days.

### **2. Computer**

This Section also extends to include loss (not otherwise recoverable) resulting from interruption of or interference with the Business occasioned by Damage by Defined Events 1. or 2. to computer installations, including ancillary equipment and data processing media utilised by the Insured anywhere in the Commonwealth of Australia.

## **Specific conditions applicable to Part “A” of this Section**

The following terms, conditions and limitations will apply to this Section:

### **1. Accumulated stocks**

If after any Defined Event giving rise to a claim under this Section of the Policy, Weekly Income is temporarily maintained from accumulated stocks of finished goods, We will make a fair and reasonable allowance in arriving at the settlement of the loss.

### **2. Alterations and forfeiture**

We will not pay any claim under this Section if the Business is wound up or carried on by either a liquidator, administrator or a receiver or is permanently discontinued.

### 3. Turnover elsewhere after Damage

If during the Indemnity Period You or others on Your behalf operate the Business from Premises other than those specified in the Schedule then the Weekly Income so earned will be brought into account when calculating the Weekly Income.

### 4. Progress claim payments

Progress payments on account of any loss recoverable under this Section will be made at intervals to be mutually agreed upon if You so require and upon production of an interim report by the loss adjuster (if one is appointed).

### 5. 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.

The words and expressions used in this Section will have the meanings usually attached to them in Your books and accounts unless otherwise defined in this Policy.

## Part “B” Consequential Loss of Profits

### The cover

Where Part “B” is shown as insured on the Schedule, We will pay You, in accordance with the Part “B” Basis of Settlement, for consequential loss resulting from interruption of or interference with the Business that is caused by a Defined Event that occurs during the Period of Insurance.

### Definitions applicable to Part “B” of this Section

“**Annual Turnover**” means the Turnover during the 12 months immediately before the date of the Damage.

“**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 amount of the opening stock and work in progress and the amount of the Uninsured Working Expenses as set out in the Proposal. The amounts of the opening and closing stocks and work in progress will be arrived at in accordance with Your normal accountancy methods, due provision being made for depreciation.

“**Indemnity Period**” means the period beginning with the occurrence of the Damage and ending not later than the number of months specified in the Schedule thereafter during which the results of the Business are affected in consequence of the Damage.

“**Payroll**” means the remuneration (including but not limited to payroll tax, bonuses, holiday pay, workers’ compensation insurance premiums and/or accident compensation levies, superannuation and pension fund contributions and the like) of all Your employees.

“**Rate of Gross Profit**” means the proportion that the Gross Profit bears to the Turnover during the financial year immediately before the date of the Damage.

“**Rate of Payroll**” means the proportion that the Payroll bears to the Turnover during the financial year immediately before the date of the Defined Event.

“**Shortage in Turnover**” means the amount by which the Turnover during an Indemnity Period, in consequence of the Damage, falls short of the part of the Standard Turnover for that period.

“**Standard Turnover**” means the Turnover during the period in the 12 months immediately before the date of the Damage that corresponds with the Indemnity Period.

“**Turnover**” means the money (less discounts, if any allowed) paid or payable to You for goods sold and delivered and for services rendered in the course of Business at the Premises.

“Uninsured Working Expenses” means those expenses You chose not to insure as shown in Your Proposal.

## Calculation adjustment clause

When calculating Rate of Gross Profit, Annual Turnover, Standard Turnover and Rate of Payroll such adjustments will be made:

- a. as may be necessary, to provide for the trend of the Business; and
- b. for variations in or special circumstances affecting the Business; and
- c. for variations in or other circumstances affecting the Business;

either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the adjusted figures represent as nearly as may be reasonably practicable the results that but for the Damage would have been obtained during the relative period after the Damage.

## Basis of Settlement applicable to Part “B” of this Section

Where Part “B” Consequential Loss of Profits is shown as insured on the Schedule, We will pay to You:

### 1. Gross Profit

the actual loss of Gross Profit due to reduction in Turnover and increase in cost of working, and the amount payable will be:

- a. in respect of reduction in Turnover:  
the sum produced by applying the Rate of Gross Profit to the Shortage in Turnover;
- b. in respect of increase in cost of working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover that, but for that 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 the reduction so avoided;

less any sum saved during the Indemnity Period in respect of the charges and expenses of the Business payable out of Gross Profit that cease or are reduced in consequence of the Defined Event.

### 2. Payroll

loss in respect of Payroll limited to loss due to reduction in Turnover and increase in cost of working, and the amount payable will be:

- a. in respect of reduction of Turnover
  - (i) during the part of the Indemnity Period beginning with the occurrence of the Damage and ending not later than the number of weeks specified in the Schedule after that: the sum produced by applying the Rate of Payroll to the Shortage in Turnover during that part of the Indemnity Period less any saving during that part of the Indemnity Period, through reduction in the amount of Payroll paid in consequence of the Damage,
  - (ii) during the remaining part of the Indemnity Period: the sum produced by applying the Rate of Payroll to the Shortage in Turnover during that part less any saving during that part, through reduction in the amount of Payroll paid in consequence of the Damage; but not exceeding the amount produced by applying the percentage of the Rate of Payroll specified in the Schedule to the Shortage in Turnover during the remaining part of the Indemnity Period, increased by such amount as is deducted for savings under the terms of clause 2.a.(i);
- b. in respect of increase in cost of working so much of the additional expenditure described in clause 1.b. as exceeds the amount payable under that clause, but not more than the additional amount that would have been payable in respect of reduction in Turnover under the provisions of clauses 2.a.(i) and (ii) had such expenditure not been incurred.

### 3. Claims preparation expenses

in addition to the amount payable under Claims procedure and conditions 2. Claims preparation expenses and clause 1. Gross Profit in the Basis of Settlement applicable to Part “B” of this Section as applicable, the costs of such reasonable professional fees as may be payable by You, and such other reasonable expenses necessarily incurred by You and not otherwise recoverable, for preparation of claims under this Section.

Our liability under Part “B” of this Section will not exceed the Sum Insured stated against each item in the Schedule.

## Optional Benefits applicable to Part “B” of this Section

When the applicable Optional Benefit is shown as insured on the Schedule and consequent upon a claim being admitted under this Section, We will also pay You up to the amount shown in the Schedule for the relevant Optional Benefit for:

### 1. Additional increase in cost of working

the increase in cost of working (not otherwise recoverable under this Policy) necessarily and reasonably incurred during the Indemnity Period to resume or maintain the normal running of the Business.

### 2. Loss of rent

loss of rent receivable and loss of amounts due for services rendered and/or recoverable expenses. We will pay the amount by which rent and amounts for services rendered and/or recoverable expenses received or receivable during the Indemnity Period falls short of the amount that it may be reasonably estimated would have been received during that period had the Defined Event not occurred, including the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of rent and loss of amounts for services rendered and/or recoverable expenses, less any sum saved during that period in respect of the charges or expenses payable out of rent that cease or are reduced in consequence of the Defined Event.

### 3. Accounts receivable

all sums due to You from customers 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 uncollectable by such Damage.

If You cannot accurately establish the total amount of accounts receivable outstanding as at the date of loss, 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 loss 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 loss 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 loss occurs;
- d. the amount determined under c. above, will be increased or decreased in conformity with the normal fluctuation in the amount of accounts receivable during the fiscal month involved, consideration being given to the experience of the

Business since the last day of the last fiscal month for which statements have been rendered less:

- (i) the amounts of such accounts evidenced by records not suffering Damage or otherwise established or collected by You,
- (ii) an amount to allow for probable bad debts that would normally have been uncollectable by You,
- (iii) all unearned interest and service charges, and
- (iv) settlement or term discounts normally allowed.

## Additional benefits applicable to Part "B" of this Section

Our liability for these additional benefits will be limited to:

- a. the amount shown in the Schedule of the relevant additional benefit; or
- b. if no amount is shown then the amounts shown below, subject to the extent that the Sum Insured on Gross Profit is not otherwise exhausted.

### 1. Additional premises

If You acquire or use during the Period of Insurance any other premises within the Territorial Limit for the purpose of the Business We will treat any Damage relating to those premises as covered by this Section of the Policy provided that We are advised of the use or acquisition of the premises within 30 days.

### 2. Computer

This Section also extends to include loss (not otherwise recoverable) resulting from interruption of or interference with the Business occasioned by Damage; by Defined Events 1. or 2. to computer installations, including ancillary equipment and data processing media utilised by the Insured anywhere in the Commonwealth of Australia.

### 3. Fines, damages and penalties

This Section also extends to include liability for:

- a. fines or damages for breach of contract resulting from non-completion or late completion of orders. We will not pay for exemplary, punitive or aggravated damages; or
- b. the discharge of contract purchases, cancellation notices, fines or damages for breach of contracts for the purchase of goods or services You cannot use during the Indemnity Period, less the value of these goods to You or the amount received for their sale;

but only where such is due to Damage to the Property Insured which has resulted in an admissible claim under Section One – Material Damage or Section Three – Theft of this Policy.

Under this additional benefit, the maximum We will pay is 5% of the Gross Profits Sum Insured of this Policy Section within any one Period of Insurance.

#### 4. Government incentives

The monetary loss of 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.

This only applies if the loss of these benefits was caused as a result of Damage to the Property Insured which has resulted in an admissible claim under Section One – Material Damage or Section Three – Theft of this Policy.

Under this additional benefit, the maximum We will pay is 10% of the Gross Profits Sum Insured of this Policy Section within any one Period of Insurance.

### Specific conditions applicable to Part “B” of this Section

#### 1. Adjustment of premium

In the event of the Gross Profit earned (or a proportionately increased multiple of it when the Indemnity Period exceeds 52 weeks) during the accounting period of 12 months most nearly concurrent with any Period of Insurance, as certified by Your auditors, being less than the Sum Insured in this Section, a pro-rata return of premium not exceeding 50% of the premium paid on the Sum Insured for the Period of Insurance will be made in respect of the difference. If any Defined Event has occurred giving rise to Indemnity under this Section, the return will be made in respect only of so much of that difference as is not due to that event.

#### 2. Underinsurance

If the Sum Insured for Gross Profit at the commencement of each Period of Insurance is less than the sum produced by applying the Rate of Gross Profit to 80% of the Annual Turnover, (or a proportionately increased multiple of it, where the Indemnity Period exceeds 52 weeks) the amount payable under this Section will be proportionately reduced.

If the Sum Insured for Payroll at the commencement of each Period of Insurance is less than the sum produced by applying the Sum Insured for Payroll to the sum produced by applying the Rate of Payroll to 80% of the Annual Turnover (or a proportionately increased multiple, where the Indemnity Period exceeds 52 weeks) the amount payable will be proportionately reduced.

This condition will not apply if the amount of the claim does not exceed 5% of the Sum Insured for this Section.

#### 3. Consolidated period (payroll)

At Your option, the number of weeks referred to in clause 2.a.(i) of the Basis of Settlement applicable to Part “B” of this Section may be increased to the number of weeks specified in the Schedule under the heading “Consolidated Period”; provided that the amount arrived at under the provisions of clause 2.a.(i) will not exceed the amount that is deducted under clause 2.a.(i) for savings effected during the increased number of weeks.

#### 4. Salvage sale clause

If, following Damage giving rise to a claim under Part “B” of this Section, You hold a salvage sale during the Indemnity Period, clauses 1.a. and 2.a. of the Basis of Settlement applicable to Part “B” of this Section are amended to read as follows:

1a. in respect of reduction in Turnover:

the sum produced by applying the Rate of Gross Profit to the Shortage in Turnover (less the Turnover for the period of the salvage sale) from which shall be deducted the Gross Profit actually earned during the period of the salvage sale.

2a. in respect of reduction in Turnover:

- (i) during the part of the Indemnity Period beginning with the occurrence of the Damage and ending not later than the number of weeks specified in the Schedule after that: the sum produced by applying the Rate of Payroll to the Shortage in Turnover during that part of the Indemnity Period (less the Turnover for the period of the salvage sale) less any saving during that part of the Indemnity Period, through reduction in the amount of Payroll paid in consequence of the Damage;
- (ii) during the remaining part of the Indemnity Period: the sum produced by applying the Rate of Payroll to the Shortage in Turnover during that part (less the Turnover for the period of the salvage sale) less any saving during that part, through reduction in the amount of Payroll paid in consequence of the Damage; but not exceeding the amount produced by applying the percentage of the Rate of Payroll specified in the Schedule to the Shortage in Turnover during the remaining part of the Indemnity Period, increased by such amount as is deducted for savings under the terms of clause 2.a.(i);
- (iii) the amount of insured Payroll recovered from the Turnover during the period of the salvage sale shall be deducted from the amount otherwise payable under the Basis of Settlement clauses 2.a.(i) and 2.a.(ii).



## 5. New business

In the event of Damage occurring at the Premises before the completion of the first year's trading of the Business, the terms "Rate of Gross profit", "Annual Turnover", "Standard Turnover" and "Rate of Payroll" shall have the following meanings wherever they appear in this Section:

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

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

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

**"Rate of Payroll"** means the proportion that the Payroll bears to the Turnover during the period between the date of commencement of the Business and the date of the Damage.

When calculating Rate of Gross Profit, Annual Turnover, Standard Turnover and Rate of Payroll such adjustments will be made:

- a. as may be necessary, to provide for the trend of the Business; and
- b. for variations in or special circumstances affecting the Business; and
- c. for variations in or other circumstances affecting the Business;

either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the adjusted figures represent as nearly as may be reasonably practicable the results that but for the Damage would have been obtained during the relative period after the Damage.

## 6. Turnover/Output alternative

Where Part "B" Business Interruption has been selected, the term "Output" may, at Your option, be substituted for the term "Turnover" and, for the purpose of Section Two – Business Interruption, Part "B", "Output" shall mean the sale and/or invoice value of goods manufactured and/or processed by You in the course of Business at the Premises. Provided that only one such meaning shall be operative in connection with any one event involving Damage caused by a Defined Event.

If this option is shown as insured on the Schedule, specific condition 10. 'Turnover elsewhere after Damage' shall be altered to read as follows:

"If during the Indemnity Period goods shall be manufactured and/or processed other than at the Premises for the benefit of the Business either by You or by others on Your behalf the sale and/or invoice value of the goods so manufactured and/or processed shall be brought into account in arriving at the Output during the Indemnity Period".

## 7. Departmental clause

If Your Business is conducted in departments and the trading results of each department can be determined independently then clauses 1.a. and 1.b. of the Basis of Settlement applicable to Part "B" of this Section as applicable will apply separately to each department affected by the Damage.

## 8. Accumulated stocks

If after any Defined Event giving rise to a claim under this Section of the Policy, Turnover is temporarily maintained from accumulated stocks of finished goods, We will make a fair and reasonable allowance in arriving at the settlement of the loss.

## 9. Alterations and forfeiture

We will not pay any claim under this Section if the Business is wound up or carried on by either a liquidator, administrator or a receiver or is permanently discontinued.

## 10. Turnover elsewhere after Damage

If during the Indemnity Period You or others on Your behalf operate the Business from Premises other than those specified in the Schedule then the Turnover so earned will be brought into account when calculating the Turnover.

## 11. Progress claim payments

Progress payments on account of any loss recoverable under this Section will be made at intervals to be mutually agreed upon if You so require and upon production of an interim report by the loss adjuster (if one is appointed).

## 12. 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.

The words and expressions used in this Section will have the meanings usually attached to them in Your books and accounts unless otherwise defined in this Policy.

# Section Three – Theft

## The cover

We will pay You in accordance with the Basis of Settlement for Damage to any of the Property Insured shown in the Schedule under this Section at the Situation that is caused by a Defined Event which occurs during the Period of Insurance.

## Definitions applicable to this Section

“**Building**” means the building or buildings at the Situation that are fully enclosed by walls and a roof.

“**Stock in Trade**” means the following items excluding tobacco, cigars and cigarettes:

- a. stock in trade and/or merchandise, including the value of work done, containers and packaging materials;
- b. customers’ goods and items held in trust or on commission for which You are liable.

## Defined Events applicable to this Section

1. Theft following forcible and violent entry to the securely locked Building or any attempt at theft, but We will not pay for Damage if there is no visible evidence of the entry or attempt at entry.
2. Theft or any attempt at theft by a person(s) concealed in the Building but We will not pay for Damage if there is no visible evidence of exit.
3. Theft from the Premises following assault or violence or threat of immediate assault or violence to You, Your employees or Your customers.
4. Theft following armed hold up occurring at the Premises.
5. Theft, fraud or dishonesty by Your employees provided that:
  - (i) the maximum amount payable under this Defined Event 5. will not exceed \$1,000 during any one Period of Insurance;
  - (ii) the loss is discovered within 21 days of its occurrence;
  - (iii) any cover given under this Defined Event 5. will not accumulate with any cover that may be given under Policy Section Four – Money or Policy Section Nine – Employee Dishonesty.

To this extent Specific exclusions applicable to this Section 2.c. is modified.

6. Theft of fixtures and fittings attached to or forming part of the Building. The maximum amount payable under this Defined Event 6. during any one Period of Insurance is \$2,000.

## Basis of Settlement applicable to this Section

1. The Basis of Settlement following the happening of a Defined Event to the Property Insured will be as follows:

Property Insured	Basis of Settlement
a. Contents and Stock in Trade (other than those specified below)	Reinstatement or Replacement or Indemnity specified below)as specified in the Schedule.
b. Raw materials, supplies & other merchandise not manufactured by You	The replacement value at the time and the place of replacement or, if the Property Insured is not replaced, the value of it at the time and place of the Damage.
c. Material in the process of manufacture	The replacement value of the raw materials and the value of labour and other overhead charges expended on them at the time and the place of the Damage.
d. Finished goods	The replacement value of the raw materials and the value of labour and other overhead charges expended on them before any allowance for profit, or the cost of reproducing such goods, whichever is the lesser.
e. Computer systems records, documents, manuscripts, securities, deeds, specifications, plans, drawings, designs, business books and other records of every description	The cost of reinstating, replacing, reproducing or restoring them, including information contained in them or on them, but excluding the value to You of that information; or, if this is not required, the replacement cost of materials as blank stationery at the time and place of the Damage.
f. Patterns, models, moulds, dies or casts	The cost of repair or replacement if actually replaced or else the value to You of the Property by way of Indemnity.
g. Customers’ goods	Indemnity.
h. Directors’, Partners’ and Employees’ Personal Property	Reinstatement or Replacement.

In the event of a claim any salvage of branded goods and/or merchandise, Yours or held by You in trust or on commission, and/or goods sold but not delivered, will not be disposed of by sale without Your consent. If the salvage is not disposed of by sale then the Damage will be assessed at the value agreed between You and Us after brands, labels or names have been removed by You or on Your behalf.

2. For the purpose of this Section Three – Theft, the terms Reinstatement or Replacement and Indemnity will apply as follows:

**a. Reinstatement or Replacement**

Where Your Schedule states that cover is for Reinstatement or Replacement, claims will be settled as follows:

**Where Property Insured is stolen:**

In the case of Property Insured other than that specifically described in 1 c. to 1. h. above, its replacement with similar property: in either case in a condition equal to, but not better or more extensive than, its condition when new.

**Where Property Insured is Damaged in part only:**

The repair of the Damage and the restoration of the Damaged portion of the Property Insured to a condition substantially the same as, but not better or more extensive than, its condition when new, and including demolition or destruction of sound property necessary for the purpose of Reinstatement or Replacement.

Provided that:

- (i) where Property Insured consists of equipment, machinery or plant and We settle Your claim using an item or items with greater function, capacity or output and the new installed cost of such replacement property is greater than the replacement cost of the Damaged property, the amount payable is the lesser of:
  - (a) the replacement cost; or
  - (b) that proportion of the new installed cost of the replacement item or items which the output of the property Damaged bears to the output of the replacement item or items.
- (ii) when any Property Insured to which this clause applies is Damaged in part only, Our liability will not exceed the sum representing the cost which We could have been called upon to pay for reinstatement had the Property Insured been wholly destroyed.

**b. Indemnity**

Where Your Schedule states that cover is for Indemnity and for property shown in the above table as 1.h., claims will be settled as follows:

If the Property Insured is stolen or Damaged in part or totally destroyed, We will pay the cost necessary to reinstate, replace or repair the Property Insured to a condition substantially the same as but not better or more extensive than its condition at the time of the theft, taking into consideration age, condition, depreciation and remaining useful life.

**c. Sum Insured limitation**

Other than for additional benefits 5., 6. and 7., We will not pay more than the Sum Insured shown against each item in the Schedule;

**d. No payment for reinstatement unless reinstatement occurs**

Until You actually incur the cost of reinstatement, We will not pay any more than We would be required to pay under clause 2.b. Indemnity in the Basis of Settlement.

**Excess**

We will not pay the amount shown in the Schedule as the Excess for this Section.

**Additional benefits applicable to this Section**

Following a claim being admitted under this Section, We will pay for the reasonable and necessary costs that are incurred for the additional benefits listed below.

Our liability for these additional benefits will be:

- a. limited to the relevant amount shown in the Schedule; or
- b. if no amount is shown in the Schedule, the amount shown below, subject to the extent that the Sum Insured is not otherwise exhausted. The limitation regarding the Sum Insured being not otherwise exhausted does not apply to additional benefits 5., 6. and 7. applicable to this Section.

**1. Damage to the Building at the Situation**

Damage to the Building and/or its fixtures and fittings caused by forcible and violent entry to or exit from the Building, to a maximum of \$2,000 during any one Period of Insurance.

**2. Temporary protection**

Temporary protection of Property Insured pending repair or replacement following Damage by a Defined Event, to a maximum of \$5,000 for any one Period of Insurance.

Provided that any cover given under this additional benefit 2. Temporary protection shall not accumulate with any similar cover that may be given under additional benefit 4. of Policy Section Four – Money.

### 3. Rewriting or replacing records

Rewriting or replacing necessary written or printed documents, computer system records, Business records, plans or designs to a maximum of \$5,000 for any one event, however We will not cover the cost of obtaining any information to be rewritten or recorded.

### 4. Directors', Partners' and Employees' Personal Property

To the extent the Directors', Partners' and Employees' Personal Property is not otherwise insured, to a maximum of \$2,000 for any one person and \$5,000 for any one event.

Provided that any cover given under this additional benefit 4. Directors', Partners' and Employees' Personal Property shall not accumulate with any similar cover that may be given under additional benefit 1. of Policy Section Four – Money.

### 5. Replacement keys and locks

For:

- a. replacing locks and/or keys and/or combinations and/or the cost of opening Safes, where, if because of a Defined Event the keys and/or combinations are stolen, or if there are reasonable grounds to believe the keys may have been duplicated;
- b. replacing and developing security film where it is exposed because of a Defined Event;

up to a maximum of \$5,000 for any one Period of Insurance.

Provided that any cover given under this additional benefit 5. Replacement keys and locks shall not accumulate with any similar cover that may be given under additional benefit 2. of Policy Section Four – Money.

### 6. Seasonal increases in the Sum Insured

During the periods:

- a. from 60 days before Christmas Day to the twentieth day following, both days inclusive;
- b. from 30 days before Easter Sunday to the twentieth day following, both days inclusive;
- c. from 7 days before Valentine's Day, Mother's Day and Father's Day to the third day following, both days inclusive;

unless stated otherwise in the Schedule;

the Sum Insured for tobacco, cigars and cigarettes as well as Stock in Trade, will be increased by 50%.

Where the Schedule shows a Sum Insured for an item covering "All Contents and Stock in Trade excluding tobacco", this additional benefit applies only to that part of the Sum Insured which relates to Stock in Trade.

### 7. Temporary removal

Damage to Property Insured while temporarily removed from Your Building(s) to any other building(s) within the Territorial Limits.

Provided that:

- a. We will not cover the following property:
  - (i) Stock in Trade that is on consignment to other parties;
  - (ii) tobacco, cigarettes, cigars and alcoholic beverages,
  - (iii) motor vehicles or trailers, Watercraft, caravans or motor cycles unless they are Stock in Trade of Your Business or forklift trucks and similar appliances that are normally used for hauling or lifting goods at Your Premises.
- b. The maximum amount We will pay for this additional benefit will be 20% of the Sum Insured under this Section.
- c. This additional benefit will not apply to Property Insured which has been removed for a period greater than 60 days.
- d. This additional benefit will not apply to any other Building(s) where the physical security and protection are of a lower standard than at the Situation.

### 8. Loss of Money

Loss of Money resulting from an event covered under Defined Events 1. or 2. applicable to this Section up to a maximum of \$100 for any one event.

To this extent, specific exclusion 1.a. applicable to this Section is modified.

### 9. New premises temporary protection

Temporary protection of Property Insured at any new situation that is used by You for Your Business for the first time during the Period of Insurance for a period of 30 consecutive days from the day that You first use the new premises.

Provided that:

- a. this temporary cover is not available for property that cannot be correctly designated to one of the items/categories of Property Insured that is shown in the Schedule as insured;

- b. this temporary cover is only available to property that is of a similar type to that insured by this Section;
- c. this temporary cover is limited to 10% of the highest Sum Insured shown in the Schedule for that item of property;
- d. this additional benefit will not apply to any other building(s) where the physical security and protection are of a lower standard than at the Situation; and
- e. cover will then cease unless, in the meantime, You provide Us full details of the new situation, We agree to provide cover, You and We agree on Sums Insured and You agree to pay any additional premium required;
- f. in no case shall the temporary cover provided under this additional benefit extend beyond the Period of Insurance.

## 10. Death following assault

Death within 12 months as a direct result of injury caused through You, Your directors, partners or any person employed by You protecting or attempting to protect Property Insured from theft at the Premises up to a maximum of \$10,000 during any one Period of Insurance payable to the estate of the deceased person.

Provided that any cover given under this additional benefit 10. Death following assault shall not accumulate with any similar cover that may be given under additional benefit 3. of Policy Section Four – Money.

## 11. Tenanted Premises

The cost of repairing Damage to the Building where You are a tenant and for which You are legally liable to pay under the terms of Your lease, provided the Damage occurs as a result of theft or attempted theft of Property Insured up to a maximum of \$1,000 for any one event.

## 12. Theft without forcible and violent entry

Loss or Damage to Contents following theft or attempted theft from the Building where no forcible or violent entry has occurred, to a maximum of \$5,000 during any one Period of Insurance.

There is no cover under this additional benefit for Stock In Trade.

## Specific exclusions applicable to this Section

We will not pay for:

1. loss or Damage arising directly or indirectly out of or in any way connected with theft or any attempt at theft, to:
  - a. Money, business books, plans, or designs;
  - b. tobacco, cigarettes and cigars unless specifically stated in the Schedule;
  - c. jewellery, furs, bullion, precious metals or precious stones for an amount in excess of \$2,000 for any one item or \$10,000 in total;
  - d. curios or works of art for an amount in excess of \$1,000 for any one item or \$10,000 in total;
  - e. live animals, birds or fish or any other living creature (other than Stock in Trade); or
  - f. plants, shrubs, landscaping or growing crops, pastures or standing timber;
 unless expressly stated in the Schedule;
2. loss or Damage arising directly or indirectly out of or in any way connected with theft or any attempt at theft committed by:
  - a. any member of Your family;
  - b. any persons while lawfully on the Premises;
  - c. the collusion of or the fraudulent embezzlement by or the fraudulent misappropriation by You, Your directors, partners or any person employed by You, other than by an employee following visible forcible and violent entry;
3. loss or Damage arising directly or indirectly out of or in any way connected with fire;
4. loss or Damage to glass or the cost of replacing sign-writing, ornamentation, reflective materials and burglar alarm tapes and connections attached to the glass (other than Stock in Trade);
5. loss or Damage to motor vehicles, unless expressly stated in the Schedule;
6. loss or Damage to Property Insured in the open air or from any open-sided structure such as but not limited to verandahs, yards, driveways or other open spaces whether they are partially or fully enclosed or not;
7. loss or Damage arising directly or indirectly out of or in any way connected with theft or any attempt at theft of Property Insured from a Safe, Strongroom or security enclosure opened by a key or by use of the details of a combination either of which has been left on Your Premises while closed for Business;
8. loss or Damage arising directly or indirectly out of or in any way connected with the dishonest manipulation of any database or computer system;
9. unexplained disappearances or unexplained shortages whether resulting from clerical or accounting errors or shortages in supply or delivery of materials to or by You.

## Specific conditions applicable to this Section

If a burglar alarm system is installed in the Premises the following conditions apply:

1. The burglar alarm must be well maintained and in good working condition at all times.
2. The burglar alarm must be made operative whenever the Premises are left unoccupied.
3. If the burglar alarm system relies upon either electricity or communication services to operate in the correct manner, electricity and communication services must be connected to the burglar alarm and operational at all times unless the power supply has failed due to unforeseen circumstances beyond Your control.

If You do not comply with these conditions, We may cancel Your Policy or reduce or refuse to pay a claim.

## Section Four – Money

### The cover

We will pay You in accordance with the Basis of Settlement for a Defined Event which occurs during the Period of Insurance to the Property Insured shown in the Schedule under this Section.

### Definitions applicable to this Section

“**Bank**” means a bank, building society, credit union or similar financial institution.

“**Building**” means the building or buildings at the Situation that are fully enclosed by walls and a roof.

“**Business Hours**” means the period You or persons authorised by You are at the Premises for the purpose of conducting the Business.

### Defined Events applicable to this Section

The following Defined Events will apply to this Section where shown in the Schedule.

#### Loss and/or Damage to:

1. **Money in transit**, meaning:
  - a. Money in transit to or from the Premises while in Your personal custody or the custody of persons that You have authorised;
  - b. Money while contained in the nightsafe or automatic teller machine of any Bank at which You normally transact business provided that Our liability for Money in nightsafes or automatic teller machines will cease at Bank closing time on the next business day following deposit;
  - c. Money drawn as wages and/or salaries and carried by You and/or persons authorised by You while on the Premises until paid out provided that:
    - (i) Our liability in respect of Money not paid out on the day of withdrawal from the Bank will be limited to a maximum of 40% of the withdrawal;
    - (ii) during non-Business Hours Money is kept in a securely locked Safe or Strongroom in the Building.
2. **Money contained in the Building**:
  - a. during Business Hours;
  - b. outside Business Hours;
  - c. only while contained in a securely locked Safe or securely locked Strongroom.

3. **Money in Your personal custody** or the custody of persons that You have authorised while contained in Your/their private residences but Our liability will cease at Bank closing time on the next Bank business day or after 48 hours, whichever is the later, following the day on which the Money was taken into custody.

4. **Safes, Strongrooms** or cash-carrying bags caused by unauthorised persons attempting to gain entry to the Safe, Strongroom or cash carrying bag.

## Basis of Settlement applicable to this Section

We will pay You the amount of Money lost or Damaged, less the Excess listed in the Schedule.

We will not pay more than the Sum Insured stated against each item in the Schedule.

In the case of loss of subscription, conversion or redemption privileges through the loss of any security, the value of such privileges will be their value immediately before their expiration, such valuation being in the currency in which the loss was sustained. Losses sustained in currencies other than Australian dollars will 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 in this paragraph, then the value will be agreed between You and Us, or if We cannot agree, We and You will submit to arbitration and will be bound by the decision of the umpire.

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

In the case of Safes, Strongrooms or cash carrying bags, the Basis of Settlement will be:

- Where stolen or Damaged beyond repair: Replacement with similar property in a condition equal to, but not better or more extensive than, its condition when new.
- Where Damage can be repaired: The repair of the Damage and/or the restoration of the Damaged portion of the Safe, Strongroom or cash carrying bag to a condition substantially the same as, but not better or more extensive than, its condition when new.
- We will also pay for demolition or destruction of sound property necessary for the purpose of replacement or reinstatement and for Damage to the Building and/or fixtures and fittings as a result of theft or attempted theft of Money.

Provided that Our liability will not exceed the Sum Insured shown against Defined Event 4 in the Schedule.

## Excess

We will not pay the amount shown in the Schedule as the Excess for this Section.

## Additional benefits applicable to this Section

Following a claim being admitted under this Section, We will pay for the reasonable and necessary costs that are incurred for the additional benefits listed below.

Our liability for the following additional benefits will be limited to:

- a. the relevant amount shown in the Schedule; or
- b. if no amount is shown in the Schedule, the amount shown below, subject to the extent that the cumulative Sums Insured for Defined Events 1. to 4. are not otherwise exhausted. The limitation regarding the Sum Insured being not otherwise exhausted does not apply to additional benefits 2., 6. and 7. applicable to this Section.

### 1. Directors', Partners' and Employees' Personal Property

To the extent the Directors', Partners' and Employees' Personal Property is not otherwise insured, for repair or replacement cost at the time of the loss or Damage caused during theft or attempted theft of Money, to a maximum of \$2,000 for any one person and \$5,000 for any one event.

Provided that any cover given under this additional benefit 1. Directors', Partners' and Employees' Personal Property shall not accumulate with any similar cover that may be given under additional benefit 4. of Policy Section Three – Theft.

### 2. Replacement keys and locks

Where a Sum Insured is shown in the Schedule against Defined Event 2.c. We will pay for:

- a. replacing locks and/or keys and/or combinations and/or the cost of opening Safes where, because of theft or attempted theft of Money the keys and/or combinations are stolen, or if there are reasonable grounds to believe the keys may have been duplicated;
- b. replacing and developing security film where it is exposed because of theft or attempted theft of Money; up to a maximum of \$5,000 for any one Period of Insurance.

Provided that any cover given under this additional benefit 2. Replacement keys and locks shall not accumulate with any similar cover that may be given under additional benefit 5. of Policy Section Three – Theft.

### 3. Death following assault

Death within 12 months as a direct result of injury to You, Your directors, partners or any person employed by You as a result of their protecting or attempting to protect Property Insured from theft at the Premises up to a maximum of \$10,000 during any one Period of Insurance payable to the estate of the deceased person.

Provided that any cover given under this additional benefit 3. Death following assault shall not accumulate with any similar cover that may be given under additional benefit 10. of Policy Section Three – Theft.

### 4. Temporary protection

Temporary protection of Property Insured pending repair or replacement following Damage by a Defined Event, to a maximum of \$5,000 for any one event.

Provided that any cover given under this additional benefit 4. Temporary protection shall not accumulate with any similar cover that may be given under additional benefit 2. of Policy Section Three – Theft.

### 5. Theft by Your employees

Theft, fraud or dishonesty by Your employees provided that:

- (i) the maximum amount payable under this additional benefit 5. Theft by Your employees, will not exceed \$1,000 during any one Period of Insurance;
- (ii) the loss must be discovered within 21 days of its occurrence; and
- (iii) any cover given under this additional benefit 5. will not accumulate with any cover that may be given under Policy Section Three – Theft or Policy Section Nine – Employee Dishonesty.

To this extent specific exclusions 2. and 3. applicable to this Section are modified.

In addition to the Sums Insured shown in the Schedule, We will also:

### 6. Seasonal Money extension

Increase the Sum Insured for Defined Events 1., 2.a. and 2.c. by 50% during the following periods:

- a. from 60 days before Christmas Day to the twentieth day following, both days inclusive;
- b. from 30 days before Easter Sunday to the twentieth day following, both days inclusive;
- c. from 7 days before Valentine's Day, Mother's Day and Father's Day to the third day following, both days inclusive;

unless stated otherwise in the Schedule.

Provided that the increased Sums Insured under this additional benefit 6. will not apply to the calculation of any amount payable under additional benefits 1. to 5. inclusive and 7.

### 7. Bank and public holiday extension

Increase the Sums Insured for Defined Events 1., 2.a. and 2.c. by the lesser of 100% or \$50,000 on days that are gazetted Bank or public holidays. This increase will apply until the closing time of the next Bank business day after such holiday.

Provided that the increased Sums Insured under this additional benefit 7. will not apply to the calculation of any amount payable under additional benefits 1. to 6. inclusive.

### 8. Counterfeit money

Loss sustained by You due to the acceptance in good faith of counterfeit Australian currency notes up to a maximum of \$500 for any one Period of Insurance.

## Specific exclusions applicable to this Section

We will not pay for:

1. loss or Damage due to shortages arising directly or indirectly from or in any way connected with clerical or accounting errors or loss due to errors in receiving or paying out;
2. loss or Damage not discovered within seven (7) working days of the occurrence;
3. loss or Damage by or through the collusion of or the fraudulent embezzlement or the fraudulent misappropriation by You, Your directors, partners or any person employed by You, other than as provided in additional benefit 5. applicable to this Section;
4. loss of or Damage to Money carried by professional money carriers, collectors or professional carriers or common carriers;
5. loss from an unattended motor vehicle;
6. loss from a Safe or Strongroom opened by a key or by use of details of a combination either of which has been left on Your Premises while closed for Business;
7. loss or Damage arising directly or indirectly out of or in any way connected with the dishonest manipulation of any database or computer system;
8. loss of or Damage to Money while it is outside the Territorial Limits.



## Specific conditions applicable to this Section

If a burglar alarm system is installed in the Premises the following conditions apply:

1. The burglar alarm must be well maintained and in good working condition at all times.
2. The burglar alarm must be made operative whenever the Premises are left unoccupied.
3. If the burglar alarm system relies upon either electricity or communication services to operate in the correct manner, electricity and communication services must be connected to the burglar alarm and operational at all times unless the power supply has failed due to unforeseen circumstances beyond Your control.

If You do not comply with these conditions, We may cancel Your Policy or reduce or refuse to pay a claim.

# Section Five – General Property

## The cover

Where this Section is shown as insured on the Schedule, We will settle Your claim in accordance with the Basis of Settlement if any of the Property Insured shown in the Schedule under this Section:

1. is Damaged;
2. by any sudden or unexpected or unforeseen occurrence not otherwise excluded; and
3. which occurs during the Period of Insurance.

## Basis of Settlement applicable to this Section

The Basis of Settlement will be:

1. where Damage to Property Insured can be repaired, the reasonable cost of restoring the Damaged item to its former working order. If You complete the repairs Yourself We will pay the reasonable cost of materials and wages as well as a reasonable allowance to cover any overheads.
2. where a Damaged item is not repaired:
  - a. for items that could not be repaired, their replacement with similar items in a condition equal to, but not better or more extensive than the condition of the original items when new; or,
  - b. for items that could be repaired but have been replaced, the estimated cost that would have been incurred for necessary repairs to return the Damaged items to their former state of serviceability.

We will not pay more than \$2,000 for any item not specifically listed in the Schedule.

We will not pay more than the Sum Insured shown for each item in the Schedule for any one event.

## Excess

We will not pay the amount shown in the Schedule as the Excess for this Section.

## Specific exclusions applicable to this Section

We will not pay for:

1. Damage to Property Insured outside the Commonwealth of Australia.

2. Damage caused by or arising directly or indirectly out of or in any way connected with:
  - a. spontaneous combustion, heating or any process involving the direct application of heat, provided that this specific exclusion will be limited to the item(s) immediately affected and will not extend to other Property Insured Damaged as a result of the spontaneous combustion;
  - b. fermentation, deterioration and putrefaction of refrigerated goods;
  - c. action of the Sea or tidal wave;
  - d. Flood, other than Damage to Property Insured from Flood when contained in a motor vehicle;
  - e. theft other than theft resulting from forcible and violent entry evidenced by visible damage to:
    - (i) the securely locked portion of any building, or
    - (ii) the securely locked vehicle containing the Property Insured, or
    - (iii) a locked container secured to a vehicle.
  - f. theft of property in the open air;
  - g. fraud or dishonest acts, embezzlement, forgery, erasure, counterfeiting and fraudulent misappropriation by electronic means or otherwise;
  - h. (i) unexplained inventory shortages or disappearances,  
(ii) shortage in the supply or delivery of materials to or from You;
  - i. loss or Damage as a result of trickery;
  - j. loading or unloading, delivery or dispatch;
  - k. demolition, where the cost of demolition is greater than \$10,000;
  - l. adjusting, testing or servicing operations;
  - m. any process of heat treatment, welding, grinding, cutting, drilling, shaping or the application of tools to the Property Insured;
  - n. mechanical, hydraulic, electrical or electronic breakdown, failure, malfunction or derangement of any machine or electrical or electronic device or temperature controlling equipment;
  - o. moths, termites or other insects, vermin, rust or oxidation, mildew, mould, contamination or pollution, wet or dry rot, corrosion, change of colour, dampness, light, variations in or extremes of temperature, evaporation, disease, inherent vice, latent defect, change in flavour, texture or finish, or smut or smoke from industrial operations;
  - p. wear and tear, fading, scratching or marring, chipping or denting, gradual deterioration, developing flaws, normal upkeep or making good;
  - q. the failure of water, gas, electric or fuel supply;
  - r. recovery or repossession of the Property Insured for any reason;
  - s. data processing or media failure or breakdown, or malfunction of a processing system, including operator error or omission, or computer virus; or
  - t. any process of cleaning, dyeing, repairing or restoring.
3. Damage caused to:
  - a. motor vehicles, caravans, trailers, motorcycles, Watercraft, Aircraft or aerial devices or the accessories to any of these;
  - b. Property Insured in the course of construction, erection, renovation or demolition;
  - c. (i) Money,  
(ii) glass or items of a brittle nature,  
(iii) jewellery, furs, bullion, precious metals or precious stones,  
(iv) curios or works of art,  
(v) mobile phones, photographic equipment, computer equipment unless specified in the Schedule, or  
(vi) any guns, sporting equipment or musical instruments while they are in use.
  - d. Property Insured in the open air caused by wind, rainwater or hail unless the property is designed to function without the protection of walls or a roof;
  - e. Property Insured should it be lost or Damaged during use or recovery whilst in use underground, underwater or within inaccessible locations;
  - f. livestock, animals, birds or fish;
  - g. standing timber, growing crops and pastures;
  - h. land.

# Section Six – Glass

## The cover

We will pay You in accordance with the Basis of Settlement for Damage to any Glass at the Situation that is caused by a Defined Event occurring during the Period of Insurance.

## Definitions applicable to this Section

“**Breakage**” means a fracture extending through the entire thickness of the Glass, perspex or plastic or in the case of laminated Glass, the entire thickness of the laminate. “**Broken**” has a corresponding meaning to “**Breakage**”.

“**External Glass**” means fixed glass, perspex and plastic material used in external windows, doors, skylights and showcases at the Premises.

“**Glass**” External Glass and Internal Glass, belonging to You or for which You are legally responsible or have assumed responsibility before the Damage.

“**Internal Glass**” means fixed glass, perspex and plastic material in internal partitions, doors, windows, counters, shelves and stock restraints, showcases, mirrors (including hanging mirrors) and ceramic vitreous china urinals, lavatory pans, cisterns and wash basins.

## Defined Event applicable to this Section

Loss or Damage caused by accidental Breakage.

## Basis of Settlement applicable to this Section

The Basis of Settlement will be:

1. on Glass (other than illuminated signs), the value of insured Glass being the purchase price of Glass of similar manufacture and quality, or the manufacture and quality that are necessary to comply with the requirements of any statutory authority, whichever is higher, including the cost of installation;
2. on illuminated signs, the cost of repairing or replacing them. Where they are not repaired or replaced, We will pay to You the value of them at the time and place of the Damage. We will not pay more than the Sum Insured shown against illuminated signs in the Schedule.

## Excess

We will not pay the amount shown in the Schedule as the Excess for this Section.

## Additional benefits applicable to this Section

Consequent upon a claim being admitted following the occurrence of a Defined Event, We will pay for the reasonable and necessary costs that are incurred for the following additional benefits:

1. Damage to window or door frames, tiled shop fronts and Stock in Trade;
2. Damage to illuminated signs including perspex and plastic signs not otherwise insured;
3. the cost of temporary shuttering and security, signwriting, ornamentation, reflective materials and alarm tapes.

Our liability for these additional benefits will be limited to:

- (i) the amount shown in the Schedule, or
- (ii) if no amount is shown in the Schedule, up to a maximum of \$10,000 for any one event.

## Specific exclusions applicable to this Section

We will not pay for:

1. any disfiguration or Damage to Glass other than a fracture extending through its entire thickness, or in the case of laminated glass, through an entire laminate;
2. Breakage arising directly or indirectly from or in consequence of fire, artificial heat, subterranean fire or Flood;
3. cracked, chipped or imperfect Glass;
4. Glass when in transit or while being fitted into position or removed from its fitting;
5. Damage to Glass forming part of Your Stock in Trade;
6. Damage to Glass forming part of shade houses, fibreglass houses or glasshouses.

# Section Seven – Public and Products Liability

## The cover

This Section insures all amounts which You become legally liable to pay as compensation for Personal Injury and/or Property Damage occurring within the Territorial Limits as a result of an Occurrence in connection with Your Business, up to the Limit of Indemnity stated in the Schedule.

## Definitions applicable to this Section

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

**“Excess”** means either the amount of money specified in the Schedule or otherwise stated in Your Policy that You must contribute as the first payment for each Occurrence including supplementary payments.

**“Incidental Contracts”** means:

- a. any written rental agreement or lease of real property which does not impose on You;
  - (i) an obligation to insure such property, or
  - (ii) any liability regardless of fault;
- b. any written contract with any public authority for the supply of water, gas or electricity but only to the extent of indemnifying any such authority in respect of liability arising out of Your Business and excepting contracts for the performance of work or provision of services by You.

**“Limit of Indemnity”** means the amount(s) stated in the Schedule as the Limit of Indemnity or any lesser limit shown in the Schedule or this document. The Limit of Indemnity is inclusive of and not additional to any applicable Excess.

**“Medical Persons”** means legally qualified medical practitioners, legally qualified, enrolled and registered nurses, dentists and first aid attendants.

**“Occurrence”** means an event including continuous or repeated exposure to substantially the same general conditions which results in Personal Injury or Property Damage neither expected nor intended by You. All occurrences of a series consequent upon or attributable to one source or originating cause are deemed to be one Occurrence.

**“Personal Injury”** means:

- a. death, bodily injury, sickness, disease, disability, shock, fright, mental anguish and mental injury;
- b. (i) false arrest, wrongful detention or imprisonment, malicious prosecution,
  - (ii) wrongful eviction,
  - (iii) assault or battery,
  - (iv) libel, slander, defamation of character or invasion of right of privacy;

which occurs during the Period of Insurance.

In the event of Personal Injury claims arising from latent injury, latent disease, latent sickness or latent disability, such injury, disease, sickness or disability in respect of each claim shall be deemed to have occurred on the day such injury, disease, sickness or disability was first medically diagnosed.

**“Property Damage”** means:

- a. physical Damage to, physical loss of or physical destruction of tangible property that occurs during the Period of Insurance including any resultant loss of use; or
- b. loss of use of tangible property that has not been physically Damaged, physically lost or physically destroyed provided such loss of use is caused by physical Damage to, physical loss of or physical destruction of other tangible property that occurs during the Period of Insurance.

**“Territorial Limits”** means:

- a. anywhere within Australia or its external territories;
- b. elsewhere in the world but only in respect of:
  - (i) travelling executives or salespeople who are normally resident in Australia and who neither undertake manual work nor supervise work of any kind;
  - (ii) Your Products exported to anywhere in the world except the United States of America or Canada or any country, territory or protectorate to which the laws of the United States of America or Canada apply.

**“Tool of Trade”** means a Vehicle which has any tool or plant forming part of or attached to or used in connection with it while such tool or plant is in operation for the purpose of the Business, but does not include:

- a. Vehicles while in transit to or from or within any place of work; or
- b. Vehicles used for transport or haulage.

**“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 made or intended to be drawn by any such machine.

**“Worker”** means any person employed by You or deemed to be employed by You pursuant to any law.

**“Workers’ Compensation Law”** means any law relating to compensation for injury to Workers or employees.

**“You”, “Your”, “Yours”** means:

- a. the Insured shown in the Schedule;
- b. any subsidiary companies of a. above, existing at the commencement date of the Period of Insurance as shown in the Schedule, whose place of incorporation is within Australia or its external territories;
- c. (i) any company acquired by, and whose operations are controlled and managed by, the Insured shown in the Schedule or a company referred to in b. above during the Period of Insurance as a result of consolidation, merger or purchase;  
(ii) any subsidiary company that is incorporated by the Insured shown in the Schedule or by a company referred to in b. above, during the Period of Insurance;

Provided that:

- (i) any such acquisition or incorporation is notified to Us within 90 days;
  - (ii) the newly acquired or incorporated company conducts the same type of business as Your Business; and
  - (iii) the newly acquired or incorporated company is incorporated within Australia or its external territories;
- d. (i) any director, executive officer, employee or partner of the Insured shown in the Schedule or a company referred to in b. or c. above, but only while acting within the scope of their duties in such capacity; and  
(ii) any shareholder of a company referred to in a., b. or c. above, but only while acting within the scope of their capacity as shareholders of such company;
  - e. any principal in respect of the liability of such principal arising out of the performance by the Insured shown in the Schedule or a company referred to in b. or c. above, 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 limited always to the extent of cover and Limit of Indemnity provided in this Policy Section;

- f. any office bearer or member of a social and/or sporting club, canteen, welfare or child care organisation, first aid, fire or ambulance service formed with the consent of any of the parties in a., b., c. or d. above and which is incidental to Your Business.

**“Your Products”** means anything (after it has ceased to be in Your physical possession or under Your control) manufactured or deemed to have been manufactured, constructed, grown, extracted, produced, processed, assembled, erected, installed, repaired, serviced, treated, sold, supplied (including services) or distributed by You including any container (other than a Vehicle).

## Limit of Indemnity and Excess applicable to this Section

The Limit of Indemnity is the amount stated in the Schedule. This is the maximum amount We will pay in respect of any one Occurrence provided that, for all legal liability directly or indirectly arising out of Your Products, Our total aggregate liability during any one Period of Insurance will not exceed the Limit of Indemnity.

In respect of Property Damage You must pay the amount shown in the Schedule as the Excess for each Occurrence.

## Supplementary payments

Subject to the provisos below, in addition to the Limit of Indemnity, We will also make the following supplementary payments:

- a. all charges, expenses and legal costs incurred by Us and/or by You with Our prior written consent in the investigation, reporting, settlement or defence of any claim or suit for compensation for which:
  - (i) You are entitled to cover under this Policy, or
  - (ii) You would be entitled to cover under this Policy if such claim or suit were to be sustained;
- b. all legal costs taxed against You in any such suit or claim and all interest on the judgement or settlement amount accruing after the entry of judgement against You until We have paid, tendered or deposited in court such part of the judgement as does not exceed the Limit of Indemnity;
- c. all expenses incurred by You for providing first aid to others for Personal Injury for which You are covered by this Policy (other than medical expenses prohibited by law);

Provided that:

- (i) if a payment exceeding the Limit of Indemnity has been made or is required to be made to dispose of a claim, Our liability to make supplementary payments will be limited to the proportion of the supplementary payments as the Limit of Indemnity bears to the amount paid or required to be paid to dispose of the claim. Where the application of this clause means that You are liable to repay supplementary payments to Us, We may set off the amount that You owe Us against any other entitlements You have under this Policy;
- (ii) supplementary payments in connection with claims made and/or actions instituted against You within the United States of America or Canada or claims and actions to which the laws of the United States of America or Canada apply will form part of the Limit of Indemnity and not be additional to it.

## Specific exclusions applicable to this Section

This Section does not cover any actual or alleged liability:

### 1. Aircraft, Hovercraft

arising directly or indirectly out of or in any way connected with:

- a. the ownership, possession, maintenance, repair, operation or use by You or on Your behalf; or
- b. any of Your Products which are incorporated into the structure, machinery or controls;

of any Aircraft or Hovercraft.

### 2. Asbestos

arising directly or indirectly out of, resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity.

### 3. Assault and battery

arising directly or indirectly out of or in any way connected with assault and/or battery committed by You or at Your direction.

This exclusion 3. will not apply when such assault and/or battery is committed for the purpose of preventing or eliminating danger to persons or property.

### 4. Contractual liability

assumed under any contract or agreement.

This exclusion 4. does not apply to:

- a. liability that would have been implied by law in the absence of such contract or agreement;

- b. liability assumed by You under a warranty of fitness or quality regarding Your Products;
- c. those written contracts shown in the Schedule;
- d. liability assumed under Incidental Contracts.

### 5. Defamation, libel and slander

arising directly or indirectly out of or in any way connected with, the publication or utterance of any libellous, slanderous, defamatory or disparaging material:

- a. made prior to the commencement of the Period of Insurance;
- b. made at Your direction or with Your authority and with knowledge of its falsity; or
- c. related to advertising, broadcasting, telecasting or publishing activities conducted by You or on Your behalf.

### 6. Defect in design

arising directly or indirectly out of or in any way connected with, any defective design or error in specification or formula in any of Your Products.

Exclusion 6. shall not apply in respect of any design, specification or formula in any of Your Products, which was not provided for remuneration, such as a fee or commission.

### 7. Employer's liability

- a. for Personal Injury to any Worker if You are required by law to insure or otherwise fund, whether through self insurance, statutory fund or other statutory scheme, all or part of any common law liability (whether limited or not) for such Personal Injury; or
- b. imposed by:
  - (i) any Workers' Compensation Law;
  - (ii) 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, agreement or determination;
  - (iii) any law relating to Employment Practices.

### 8. Erections, alterations and additions

arising directly or indirectly out of or in any way connected with, the construction, erection, alteration, demolition of and/or addition to buildings by You or on Your behalf.

This exclusion 8. will not apply to alteration of or additions to Buildings owned and/or occupied by You where the cost of such alterations or additions does not exceed \$500,000.

## 9. Faulty workmanship

for the costs or expenses incurred in performing, completing, correcting or improving any work or service undertaken or provided by You or on Your behalf.

## 10. Loss of use

for loss of the use of tangible property (not having been physically Damaged or destroyed) arising directly or indirectly out of or in any way connected with:

- a. a delay in or lack of performance by You or on Your behalf in relation to any contract or agreement; or
- b. the failure of Your Products to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by You.

This exclusion 10.b. does not apply to the loss of use of other tangible property resulting from the sudden and accidental physical Damage to or destruction of Your Products after such products have been put to use by any person or organisation other than You.

## 11. More specific policy

for which indemnity is provided, or would have been provided but for any applicable deductible or Excess, under a more specific policy shown as such in the Schedule.

## 12. Participation

for Personal Injury to any person or Property Damage to the property of any person arising directly or indirectly out of or in any way connected with, the actual Participation of such person in any sport, exercise or activity such as but not limited to aerobics, athletics, football, aquatic, aerial or equestrian activity.

The term Participation as used in this exclusion includes the participation, training or practice for, supervision or control of such activities.

This exclusion 12. does not apply to Personal Injury or Property Damage, caused by any fault or defect in equipment provided by You at any location owned and/or occupied by You for the purpose of Your Business.

## 13. Penalties, liquidated damages, punitive, exemplary and/or aggravated damages

for fines or penalties imposed by law or liquidated damages or punitive, exemplary and/or aggravated damages and/or any additional damages resulting from the multiplication of compensatory damages.

## 14. Pollution

arising directly or indirectly out of or in any way connected with:

- a. loss, damage, costs or expense, injury, illness or liability directly or indirectly arising out of the

discharge, seepage, migration, dispersal, release or escape of Pollutants into or upon any property, land, the atmosphere or any watercourse or body of water (including ground water);

- b. loss, damage, costs or expense, injury, illness or liability directly or indirectly arising out of the discharge, seepage, migration, dispersal, release or escape of Pollutants caused by any of Your Products that have been discarded, dumped, abandoned or thrown away by others;
- c. the cost of removing, nullifying or cleaning up Pollutants;
- d. the cost of preventing the escape of Pollutants.

Exclusion 14.a. and c. shall not apply where the claim arises from a sudden identifiable, unintended and unexpected event which takes place in its entirety at a specific time and place and occurs outside of the United States of America or Canada or any country, territory or protectorate to which the laws of the United States of America or Canada apply, however, the total aggregate Limit of Indemnity during any one Period of Insurance shall not exceed the Limit of Indemnity stated in the Schedule.

## 15. Product defect

for Property Damage to Your Products if such Property Damage arises directly or indirectly out of or is in any way connected with:

- a. any defect in them or their harmful nature;
- b. their unsuitability for the purpose for which they were intended; or
- c. their inherent vice or inefficiency or ineffectiveness.

## 16. Product recall

arising directly or indirectly out of or in any way connected with, the removal, withdrawal, recall, inspection, repair, reconditioning, replacement or loss of use of Your Products or any property of which such products form a part if they are withdrawn from the market or from use because of any known or suspected defect or deficiency in them.

## 17. Professional liability

arising directly or indirectly out of or in any way connected with the provision by You or anyone on Your behalf to provide professional advice or any error or omission connected therewith.

Provided that this exclusion 17. does not apply to:

- a. the rendering of or failure to render medical advice by Medical Persons employed by You to provide first aid and other medical services on Your Premises, other than where Your Business involves the provision of professional medical services or advice

(which includes dental and veterinary services and advice) and the provision or sale of medication or other medical equipment, prosthetics, aids or devices of any description; or

- b. Personal Injury or Property Damage where such professional advice is not given for remuneration, such as a fee or commission.

## 18. Property in physical or legal control

for Property Damage to:

- a. property owned by or leased or rented to You;
- b. property in Your physical or legal control.

Provided that this exclusion 18. will not apply to liability for Property Damage to:

- (i) Buildings which are leased or rented to You;
- (ii) Buildings, including their Contents, not owned, leased or rented to You but temporarily occupied by You for the purpose of carrying out work in connection with Your Business, but We will not pay for Property Damage to that part of the property on which You are or have been working which arises out of such work;
- (iii) Vehicles (not belonging to or used by You or on Your behalf) in Your physical or legal control where such Property Damage occurs while any such Vehicles are in a car park which is not owned or operated for reward by You as part of Your Business;
- (iv) property belonging to visitors or Your employees; or
- (v) property (other than listed in (i) to (iv) above) in Your physical or legal control (except for that part of any property that is undergoing any process or is being worked upon where Property Damage arises out of such process or work) for which You have not assumed any responsibility to obtain insurance.

Our liability under this exclusion 18. (v) will be limited to \$100,000 in the aggregate in respect of any one Period of Insurance, unless a higher amount is shown in the Schedule, and will be subject to the Excess shown in the Schedule.

## 19. Smoking

for any Personal Injury arising directly or indirectly out of or in any way connected with, the inhalation or ingestion of or exposure to:

- a. tobacco or tobacco smoke; or
- b. any ingredient or additive present in any articles, items or goods which contain or include tobacco.

## 20. Technology, information and the Internet

arising directly or indirectly out of or in any way connected with Your Internet Operations.

This exclusion does not apply to liability otherwise covered by this Policy which would have arisen irrespective of Your Internet Operations.

Internet Operations includes but is not limited to, the following:

- a. use of electronic mail systems by You or Your employees, including part-time and temporary staff, and others acting on Your behalf;
- b. access through Your network to the world wide web or a public internet site by You or Your employees, including part-time and temporary staff, and others acting on Your behalf;
- 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 website.

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

## 21. Vehicles

arising directly or indirectly out of or in any way connected with, the ownership, possession, operation or use by You or on Your behalf of any Vehicle:

- a. which is registered or is required under any legislation to be registered;

This exclusion 21.a. will not apply to:

- (i) liability for Personal Injury or Property Damage arising beyond the limits of any carriageway or thoroughfare or caused by the loading or unloading of any Vehicle or trailer;
- (ii) liability for Personal Injury and/or Property Damage arising from the use of any Vehicle as a Tool of Trade;
- b. where such liability is required by virtue of any legislation to be insured under a compensation scheme or policy of bodily injury insurance.

## 22. Watercraft

arising directly or indirectly out of or in any way connected with the ownership, possession, operation, maintenance or use by You or on Your behalf of any Watercraft, the hull of which exceeds 8 metres in length except where such Watercraft are owned and operated by others and used by You for Business entertainment.



## Specific conditions applicable to this Section

### 1. Applicable law

Any phrase or word in this Section and Schedule will be interpreted in accordance with the law of the Commonwealth of Australia.

### 2. Cross liability

Where You are comprised of more than one entity, the term "You" will be considered as applying to each entity in the same manner as though a separate policy had been issued to each entity, provided that Our Limit of Indemnity and liability to make supplementary payments will apply as though there were not separate policies issued to each entity.

### 3. Discharge of liabilities

We may at any time pay to You or on Your behalf in respect of all claims against You:

- a. the amount of the Limit of Indemnity (after deduction of any sum or sums already paid by Us); or
- b. any lesser sum for which the claim or claims may be settled.

Upon such payment We will relinquish conduct or control of the defence of all claims against You and be under no further liability under this Policy in connection with such claim or claims.

Provided that We will pay for costs, charges and expenses recoverable from You in respect of the period prior to the date of such payment (whether or not this is pursuant to an order made subsequently) or incurred by Us or by You with Our written consent prior to the date of such payment.

### 4. Premium adjustment

If the premium for this Policy has been calculated on any estimates given by You, You must keep accurate records containing all relevant particulars and at any reasonable time allow Us to inspect such records.

Following the expiry of each Period of Insurance You must supply Us with such records as We may reasonably require so that the premium for that period may be calculated. Subject to any minimum premium applicable, the difference must be paid by or will be allowed to You as the case may be.

### 5. Reasonable care and maintenance

You must:

- a. take reasonable precautions to prevent the manufacture, sale or supply of defective products;
- b. at Your expense, take reasonable action to trace, recall or modify any products containing any defect or deficiency which defect or deficiency You have knowledge of or have reason to suspect.

If You do not meet the above conditions, We may cancel the Policy and/or reduce or refuse to pay a claim.

# Section Eight – Personal Accident and Sickness

## The cover

We will pay You Compensation in accordance with the Basis of Settlement on the happening of a Defined Event to an Insured Person.

## Definitions applicable to this Section

**“Accident”** means any unexpected or unforeseen incident.

### **“Average Weekly Income”**

- a. for a wage earning or salaried Insured Person means the average gross weekly income excluding overtime, bonuses, commission and any other allowances or payments; or
- b. for a self employed Insured Person means the average gross weekly income derived by personal exertion after the deduction of all expenses necessarily incurred in earning an income;

earned during the 12 months immediately preceding any Injury or Sickness for which a claim is made. If the Insured Person has derived an income as defined above for less than 12 months, the Average Weekly Income will be calculated over such shorter period.

**“Benefit Period”** means the number of weeks stated in the Schedule.

**“Business Expenses”** mean the expenses You reasonably incur in running Your Business including:

- a. employees wages and on-costs (for example, superannuation, premiums for accidents or workers’ compensation, pay roll tax, amounts payable under awards and regulations);
- b. rent, property rates;
- c. electricity, water, gas or telephone charges;
- d. laundry and cleaning expenses;
- e. leasing payment on equipment or motor vehicles;
- f. other expenses that are usual for Your type of Business and that would be considered Business expenses for tax purposes.

Business Expenses does not mean:

- a. payment of Your personal accounts;
- b. any withdrawals You make for personal use;

- c. wages or salary fees for:
  - (i) You and Your replacement,
  - (ii) a replacement for any person who is not Your employee;
- d. the cost of stock or merchandise.

**“Capital Sum Insured”** means the sum shown in the Schedule.

**“Compensation”** means the percentage of the Capital Sum Insured shown against the Defined Events or the Weekly Benefit shown in the Schedule.

**“Death”** means cessation of all vital functions.

**“Defined Event”** means those events occasioned by Injury or Sickness and listed under the heading “Defined Events applicable to this Section”.

**“Excess Period”** means the period shown in the Schedule commencing from the first date of disablement of the Insured Person and is the period of either Temporary Total Disablement or Temporary Partial Disablement during which We will not pay Compensation.

**“Existing Medical Condition”** means:

- a. any physical defect, condition, Sickness or disease suffered by the Insured Person for which treatment, medication or advice (including investigations) has been received or prescribed by a medical or dental adviser in the 90 days prior to the Policy including the relevant Insured Person on the Schedule;  
or
- b. any chronic or ongoing (whether chronic or otherwise) medical or dental condition, Sickness or disease medically documented prior to the Policy including the relevant Insured Person on the Schedule.

**“Injury”** means bodily injury caused solely and directly by accidental, violent, external and visible means, including exposure to the elements caused by them which first occurs during the Period of Insurance and does not include a Sickness.

**“Insured Person”** means the person or persons shown in the Schedule as the Insured Person.

**“Insured Person’s Occupation”** means the Insured Person’s usual occupation or profession that they perform on Your behalf in relation to Your Business immediately prior to an Injury or Sickness.

**“Limb”** means an arm, a leg, the whole of a hand commencing at the wrist or the whole of a foot commencing at the ankle.

**“Loss”** means loss by physical severance or total and irrecoverable Permanent loss of use.

**“Partial Disablement”** means disablement that prevents the Insured Person from substantially attending to the Insured Person’s Usual Occupation as certified by a legally qualified medical practitioner.

**“Permanent”** means lasting in excess of 12 calendar months from the commencement of Total Disablement and at the end of that period being considered unlikely to improve and will continue for an indefinite period.

**“Sickness”** means illness and/or disease first manifesting itself during the Period of Insurance that results, solely and directly and independently of any other cause, in Total Disablement, but does not mean illness and/or disease contracted and commencing during the first 28 days after the first effective date of this Policy Section or an Injury.

**“Sum Insured”** means the maximum amount of Compensation that We will pay being either the Capital Sum Insured and/or the Weekly Benefit as the case may be, arising out of any one Injury by Accident or Sickness in respect of a Defined Event.

**“Temporary”** means not Permanent.

**“Total Disablement”** means disablement that entirely prevents the Insured Person from carrying out all the normal duties of the Insured Person’s Usual Occupation, as certified by a legally qualified medical practitioner.

**“Weekly Benefit”** means the weekly amount shown in the Schedule.

## Defined Events applicable to this Section

### [A] Injury by Accident causing:

The Events	The Compensation %
1. Death	100.0%
2. Permanent Total Disablement	100.0%
3. Permanent and incurable paralysis of all Limbs	100.0%
4. Permanent total loss of sight of both eyes	100.0%
5. Permanent total loss of sight of one eye	100.0%
6. Permanent total loss of use of two Limbs	100.0%
7. Permanent total loss of use of one Limb	100.0%
8. Permanent and incurable major brain damage	100.0%
9. Permanent total loss of hearing in	
a. both ears	100.0%
b. one ear	25.0%
10. Permanent total loss of the lens of one or both eyes	60.0%
11. Permanent total loss of use of four fingers and thumb of either hand	75.0%
12. Permanent total loss of use of four fingers of either hand	50.0%
13. Permanent total loss of use of one thumb of either hand	
a. both joints	35.0%
b. one joint	20.0%
14. Permanent total loss of use of any finger of either hand	
a. three joints	12.5%
b. two joints	10.0%
c. one joint	7.5%
15. Permanent total loss of use of toes of either foot	
a. all – one foot	15.0%
b. great – both joints	7.5%
c. great – one joint	5.0%
d. other than great, each toe	2.5%
16. Permanent total loss of speech	75.0%
17. Fractured leg or patella with established non-union	10.0%
18. Shortening of leg by at least 5 cm	7.5%
19. Permanent disfigurement from burns	
a. to more than 50% of the surface area of the head and neck	30.0%
b. to more than 50% of the surface area of the remainder of the body	20.0%
20. Permanent and total loss of the use of some part of the Insured Person's body not described in Events 2-18	An amount We think is appropriate for the Injury, taking account of the benefits We pay in Events 2-19 but no more than 100%
21. Temporary Total Disablement	The Weekly Benefit shown in the Schedule or Average Weekly Income, whichever is the lesser.
22. Temporary Partial Disablement	25% of the compensation shown under Event 21.

### [B] Where cover for Sickness is stated in the Schedule:

The Event	The Compensation
23. Temporary Total Disablement by Sickness	The Weekly Benefit shown in the Schedule or Average Weekly Income, whichever is the lesser.

## Basis of Settlement applicable to this Section

We will pay Compensation under this Section for the happening of a Defined Event to an Insured Person as follows:

1. For Defined Events 1. to 20., the Compensation percentage of the Capital Sum Insured shown against the Defined Events, provided that:
  - a. the aggregate total of all payments under Defined Events 1. to 20. inclusive will not exceed 100% of the Capital Sum Insured stated in the Schedule in any one Period of Insurance;
  - b. any Compensation paid or payable for Defined Events 1. to 20. will be reduced by any sum already paid for Defined Event 21. and/or 22. in respect of the same Injury;
  - c. if there is no Capital Sum Insured under this Section, no amount will be payable for these Defined Events.
2. For Defined Events 21. and 23., We will pay the Weekly Benefit shown in the Schedule and for Defined Event 22., We will pay the percentage of the Weekly Benefit shown in the Schedule, provided that:
  - a. We will not pay for more than one of these Defined Events at the same time;
  - b. We will not make payment for longer in aggregate than the number of weeks of the Benefit Period shown in the Schedule for any one Injury by Accident or Sickness giving rise to a claim;
  - c. the Compensation payable to You under Defined Events 21. or 23. will be limited to the Weekly Benefit or the Insured Person's Average Weekly Income, whichever is the lesser. If the Insured Person is entitled to receive benefits under any Workers' Compensation or similar Legislation or other policy of insurance, then the Compensation payable for Defined Events 21., 22. or 23. will be reduced by the amount necessary to limit the total of all such payments and/or Compensation to the amount of the Insured Person's Average Weekly Income or Weekly Benefit shown in the Schedule, whichever is the lesser;
  - d. We will not pay for any Sickness that does not continue for a minimum of 7 days.
3. After the occurrence of any one of Defined Events 2. to 8. and 9.a. there will be no further liability under this Section in respect of the Insured Person for Injury by Accident sustained after that time.
4. If, as a result of Injury by Accident or Sickness, Compensation is payable under this Section and the Insured Person suffers a recurrence of Total Disablement or Partial Disablement while this Section is in force and as a result of the same or a related cause or causes, any subsequent period of Total Disablement or Partial Disablement will be deemed to be a continuation of the prior period unless between such periods the Insured Person has performed his or her normal duties of the Insured Person's Usual Occupation on a full-time basis for at least 6 consecutive months, in which event, any such subsequent period of Total Disablement or Partial Disablement will be deemed to be the result of a new Injury and subject to a new Excess Period.
5. No Compensation is payable under this Section unless the Defined Event referred to occurs within 12 calendar months of the date of the Injury.

## Excess Period

We will not pay Compensation for the Excess Period shown in the Schedule for this Section.

## Additional benefits applicable to this Section

The insurance provided by this Section also includes the following additional benefits:

### 1. Exposure

If because of an Injury covered under this Section the Insured Person is exposed to the elements and as a result of such exposure suffers from a Defined Event for which Compensation is payable, Compensation will be payable for that Defined Event under the terms of this Section.

### 2. Disappearance

If an Insured Person is travelling in a conveyance that disappears, sinks or is wrecked and the body of the Insured Person has not been found within one year of that date, it will be presumed that the Insured Person suffered Injury by Accident causing Death at the time of such disappearance, sinking or wrecking, provided that the circumstances do not fall within any exclusion contained in this Section.

However, if the Insured Person is later found alive, You must repay any Compensation We paid to You.

### 3. Funeral expenses

If We agree to pay Compensation for Defined Event [A] 1. – Death, We will also pay to the estate of the Insured Person the costs reasonably and necessarily incurred for funeral or cremation expenses, including the costs of returning the remains of the Insured Person to their

normal place of residence, to an amount not exceeding \$5,000 in total.

#### 4. Hijack

We will pay Compensation in respect of the happening of a Defined Event to the Insured Person that occurs as a direct result of the unlawful seizure or wrongful exercise of control of a conveyance.

#### 5. Rehabilitation

If the Insured Person suffers Total Disablement for a period in excess of 26 consecutive weeks as a result of Injury by Accident We will pay from the 27th week of such Total Disablement a rehabilitation benefit equal to 50% of the Compensation specified in respect of Defined Event 21. but only:

- a. if the Insured Person actively and fully participates in a rehabilitation program that is recognised and sponsored by any Federal or State Government or, if the program is not so recognised and sponsored, one that is first approved by Us in writing;
- b. if there is continuing entitlement to receive Compensation under Defined Event 21.;
- c. for the remainder of the period of Total Disablement or 52 Weeks, whichever is the lesser; and
- d. if the Insured Person is not entitled to recover the costs of such rehabilitation by virtue of any government allowance, benefit or assistance, or any other form of insurance or workers' compensation.

Any such payment will be made to the approved rehabilitation centre.

#### 6. Indexation of compensation

Where a Weekly Benefit is specified in the Schedule in respect of Defined Events 21., 22. and 23., this Weekly Benefit will be increased during each period of such Temporary Partial Disablement or Temporary Total Disablement as the case may be at 3 monthly intervals from the date of the first payment, provided that the period of disablement is uninterrupted and has continued for a period in excess of 3 calendar months. The increase will be the lesser of:

- a. 2%; or
- b. the percentage increase, if any, by which the index figure of the Australian Consumer Price Index last published by the Australian Bureau of Statistics exceeds the index figure published in the previous quarter.

If the Consumer Price Index movement is negative, there will be no increase to the Weekly Benefit.

## Optional Benefits applicable to this Section

The following Optional Benefits are operative when they are included as covered in the Schedule:

### 1. Guaranteed Renewable

For the Guaranteed Period stated in the Schedule We guarantee:

- a. We will offer You the option to renew this Section in accordance with the cover provided in the Section and up to Sums Insured You selected at the commencement of the Guarantee Period.
- b. We will not increase Your premiums based on the number of claims We pay You, We will only increase Your premiums during the Guarantee Period if:
  - (i) there is an increase in Our premium rate for all people working in the same occupation as the Insured Person, or
  - (ii) the Insured Person's Usual Occupation changes to one for which higher premiums apply, or
  - (iii) there is an increase in Government Stamp Duty on disability policies.
- c. We will not apply any new restrictions because of:
  - (i) the number of claims We pay You, or
  - (ii) any change in the Insured Person's Usual Occupation, unless the new occupation be unacceptable, or
  - (iii) there is a change in the Insured Person's health.

Any restrictions which applied at the start of the Guarantee Period will continue to apply during the whole Guarantee Period.

This Optional Benefit is not available after the expiry date of the Period of Insurance in which the Insured Person reaches the age of 58 years.

### 2. Business Expenses

If following a Defined Event We have agreed to pay an Insured Person a Weekly Benefit under "21. Temporary Total Disablement" We will also pay You the lesser of the weekly Business Expenses:

- a. that You actually incur each week,
- b. that You incur periodically for that week (for example, if You have to pay a Business Expense every four weeks, then We will pay 1/4 of that amount for each week You are totally disabled. If You have to pay yearly, We will pay 1/52 of that amount each week), or
- c. the amount for Business Expenses shown in the Policy Schedule.

We will pay Your weekly Business Expenses for each week You are totally disabled by the Sickness or Injury – up to a maximum of 52 weeks for all claims You make using this Option in each Period of Insurance.

We will not pay Business Expenses for any period that is within the Excess Period shown in the Schedule.

### 3. Leisure Time Only

If You have selected cover under this Option, We will only provide cover under this Section if the Defined Event is not related to or arising out of any work the Insured Person undertakes which provides You with income, regardless of the form that income takes.

### 4. Transport Only

If You have selected cover under this Option, We will only provide cover under this Section if the Defined Event is an Injury caused by an Accident which occurred while the Insured Person was:

- a. driving or a passenger in a registered motor vehicle, or
- b. a fare paying passenger in any type of public transport other than air transport, or
- c. a pedestrian and was hit by a motor vehicle.

### 5. Voluntary Workers

This Section is extended to include cover for Voluntary Workers. They are regarded as Insured Persons for the purposes of this Section subject also to the specific conditions and exclusions applicable to this Optional Benefit.

#### Definition applicable to this Optional Benefit

“Voluntary Worker(s)” means a person:

- a. aged between 16 years of age and 65 years of age,
- b. who is actually engaged in (including necessary travel to, from or during) voluntary work organised by You and under Your direct control.

#### Specific conditions applicable to this Optional Benefit

1. The amount payable under this Optional Benefit will be reduced by any amount of benefit, reimbursement or common law settlement that the Voluntary Worker is entitled to claim for the Injury under any State or Federal Government legislation or any other policy of insurance.
2. The Weekly Benefit under Defined Event 21. will be limited to 75% of the Voluntary Worker’s Average Weekly Income.

#### Specific exclusion applicable to this Optional Benefit

1. We will not pay claims for Sickness.

## Specific exclusions applicable to this Section

### 1. Age

We will not pay for Sickness sustained or suffered after the expiry date of the Period of Insurance in which the Insured Person reaches the age of 60 years.

We will not pay for Death or Injury sustained or suffered after the expiry date of the Period of Insurance in which the Insured Person reaches the age of 60 years unless We agree in writing, but in no case after age 65.

We will not pay for Death, Injury or Sickness:

### 2. AIDS or HIV

if the Insured Person’s disability is directly or indirectly caused by acquired immune deficiency syndrome (AIDS) or human immunodeficiency virus (HIV) or by any Sickness arising from or related to acquired immune deficiency syndrome (AIDS) or human immunodeficiency virus (HIV) and/or any of their mutant derivatives or variations that was diagnosed before the beginning of the Period of Insurance.

### 3. Air travel

arising out of participation in any aerial flight or activity except where:

- a. the Insured Person is a passenger in an Aircraft other than a balloon, helicopter or ultra light and/or any Aircraft while crop dusting; and
- b. the Aircraft is authorised to fly under legislation that relates to the safety of Aircraft.

### 4. Diseases

arising directly or indirectly out of sexually transmitted disease, drug related disease or disease acquired directly or indirectly from the administration of any drug, where the drug is not administered or supervised by a registered medical practitioner.

### 5. Existing medical condition

arising directly or indirectly out of or in any way connected with any Existing Medical Condition the Insured Person has. This restriction of cover will not apply to any Existing Medical Condition where We have agreed in writing to accept the additional risk and You have paid the required extra premium. If an Injury by Accident or Sickness is aggravated or affected by any Existing Medical Condition that the Insured Person suffered from before the Injury by Accident or Sickness occurred, the amount of any Compensation payable will be the amount that would have been payable if the extent of the Injury or Sickness had not been aggravated or affected by the Existing Medical Condition.

## 6. Alcohol and drugs

arising directly or indirectly out of or in any way connected with the Insured Person being rendered less capable than usual of taking care of himself or herself due to intoxicating liquor or narcotics or drugs (other than a drug taken or administered by or following the advice of a duly qualified medical practitioner).

## 7. Mental condition

arising directly or indirectly out of or in any way connected with the Insured Person being rendered less capable than usual of taking care of themselves due to mental unsoundness, including any psychological, psychiatric or stress disorder, other than from a condition which was not diagnosed before the beginning of the Period of Insurance.

## 8. Occupations/sports

arising directly or indirectly out of or in any way connected with the Insured Person:

- a. engaging in or taking part in naval, military or air force service or operations;
- b. engaging in motor cycling, professional sports of any kind, driving or riding in any kind of race, any form of competitive organised football, diving when using breathing apparatus, parachute jumping or hang gliding.

## 9. Pregnancy

arising directly or indirectly out of or in any way connected with pregnancy, childbirth or any related complications.

## 10. Suicide/self injury

arising directly or indirectly out of or in any way connected with the Insured Person's suicide or attempted suicide or intentional self injury.

## Specific conditions applicable to this Section

The following conditions apply to this Section:

### 1. Change of occupation/change in health/other insurance

You must give Us immediate written notice:

- a. if there is a change in the Insured Person's Usual Occupation involving a greater risk of a claim being made. Cover will not continue unless We have agreed in writing and You have agreed to pay any additional premium We may require;

- b. of any accident, disability and/or sickness or like insurance held with any other insurer covering the Insured Person;
- c. if You become aware that the Insured Person has become affected by any disease or physical defect or infirmity or Sickness or Injury, You must advise Us about it, in writing, before the next renewal and each subsequent renewal of this Section following the Insured Person becoming so affected.

### 2. Physical examination

In the event of a claim being made under this Section, the Insured Person must undertake at Our expense such medical examination or examinations as We may reasonably require. We may arrange an autopsy or post mortem examination if thought necessary by Us provided that We are not precluded from doing so by law.

### 3. Medical treatment

On the occurrence of any Injury by Accident or Sickness the Insured Person must undertake and follow treatment from a legally qualified medical practitioner as soon as possible.

### 4. Cancellation

In the event that You have made a claim under a Defined Event and We have agreed to pay the Sum Insured for that Defined Event no return of premium will be due or payable.



# Section Nine – Employee Dishonesty

## The cover

We will pay You in accordance with the Basis of Settlement for any loss of Property Insured (including Money) caused by a Defined Event, provided that:

- a. the loss happens during the Period of Insurance;
- b. the loss is discovered not later than 12 months after the expiry of the Period of Insurance or not later than 12 months after the termination of the employment of the Employee, whichever occurs first;
- c. the Sum Insured for any one Employee shown in the Schedule under this Section will be reduced by the total of any claims payable by Us for losses resulting from the fraudulent or dishonest conduct of that Employee in any period before the current Period of Insurance;
- d. We will not be liable for more than the Sum Insured for all Employees shown in the Schedule in respect of all losses suffered during the Period of Insurance.

## Definitions applicable to this Section

“Employee” means any person who is employed by You in the Business who You compensate by salary, wages, commission or other benefit and have the right at all times to govern, control and direct in the performance of their work. An Employee does not include:

- a. a partner, director or trustee unless they are acting in their capacity as an employee; or
- b. any broker, factor, consignee or contractor.

“Time Limitations” means those limitations as to the time of discovery of a loss and/or the time when a loss occurred that appear in The cover and in additional benefit 1. Retroactive cover applicable to this Section.

## Defined Event applicable to this Section

Fraudulent or dishonest conduct of an Employee (whether acting alone or in collusion with others) for their own gain or for the financial benefit of any other person or organisation intended by the Employee to receive a benefit.

## Basis of Settlement applicable to this Section

The Basis of Settlement will be:

1. for Property Insured other than Money, We will at Our option:

- a. pay to You the amount of the loss of Property Insured; or
- b. reinstate or replace that property, but in so doing We will not be bound to reinstate or replace exactly and completely, but only as circumstances permit and in a reasonably sufficient manner;

2. for Money, We will pay to You the amount of Your loss;

Provided that:

1. a. We will not pay more than the amount shown in the Schedule for any one Employee and for any loss that arises out of the act or acts of any one Employee or for which that Employee is concerned or implicated by acting in concert with any other person;
- b. for all losses suffered during the Period of Insurance, We will not pay in total more than the amount shown in the Schedule for all Employees.
2. a. for Property Insured other than Money, after payment for or replacement of any lost property, that property, if recovered will belong to Us subject to Your right to reclaim it upon repayment of any amount paid by Us;
- b. for Money, any recovery made either by You or by Us after settlement of the claim will first be applied to any uninsured loss borne by You.

## Excess

We will not pay the amount of the Excess shown in the Schedule for this Section.

## Superannuation funds

The meaning of “You”, “Your”, “Yours” is extended to include any superannuation or pension scheme formed by You and exclusively for the benefit of Employees provided that it does not include any scheme that is administered by a professional funds manager.

## Accumulation of Sum Insured

Any amount payable to You under this Section will not accumulate with any other cover that may be available for the same loss under Section Three – Theft and/or Section Four – Money of this Policy.

## Additional benefits applicable to this Section

Consequent upon a claim being admitted following the happening of a Defined Event, We will also:

## 1. Retroactive cover

cover any loss that is within the Time Limitations, if this Section of the Policy is substituted for any prior Policy of Employee Dishonesty insurance carried by You that is terminated, cancelled or allowed to expire at the time of substitution, provided that:

- a. the loss would have been recoverable by You under the prior Policy except for the fact that the time within which to discover any loss had expired;
- b. the cover We provide will fall within, and will not be in addition to, the Sum Insured shown in the Schedule;
- c. the loss would have been covered under this Section had this Section with its terms, limitations and conditions at the time of the substitution been in force when the acts or defaults causing the loss were committed;
- d. recovery under this Section for the loss will not exceed the amount that would:
  - (i) be recoverable under this Section had those acts or defaults been committed immediately before discovery; or
  - (ii) have been recoverable under the prior policy had it continued in force until the discovery of the loss;whichever is the lesser;
- e. We will not be liable for any loss arising from any act of fraud or dishonesty committed more than 12 months before the commencement of this Section of the Policy.

## 2. Unidentifiable Employee

pay for any loss You suffer where You are unable to identify the specific Employee whose conduct has given rise to the loss, provided that:

- a. You have insured for the conduct of all Employees; and
- b. You can prove to Our reasonable satisfaction that the loss was caused by the fraudulent or dishonest conduct of one or more Employees.

## 3. Automatic reinstatement

reinstate the Sum Insured to the original amount immediately preceding such claim subject to the payment of any extra premium We may require, provided that We will not be liable more than once for the Sum Insured stated in the Schedule for any loss that arises out of the act or acts of any one Employee or for which that Employee is concerned or implicated by acting in concert with any other person.

## 4. Cost of recovery

pay up to an additional 20% of the Sum Insured for costs and expenses You have reasonably incurred with Our permission in an attempt to recover Property Insured that has been lost as a result of a Defined Event. We may withhold Our consent for recovery if, in Our opinion, the attempted recovery is not economically viable.

## Specific exclusions applicable to this Section

We will not pay for:

1. any loss or part of a loss the proof or quantification of which depends upon any shortage revealed by or inconsistency in any accounting records, an inventory computation or enumeration, a comparison of inventory records with an actual physical count, or a profit and loss computation;
2. any loss arising from the conduct of an Employee after You have knowledge or information of any prior act of fraud or dishonesty by that Employee;
3. any loss arising from a failure to make payment of or default under any loan or credit transaction obtained from or made by You whether authorised or unauthorised unless there is fraud or dishonesty by an Employee;
4. any loss arising out of a change or variation in the method of conducting the Business that results in information furnished to Us in any Proposal or application for this insurance or any supporting documentation being different in some material degree.
5.
  - 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.

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.

## Specific conditions applicable to this Section

If You do not meet the following conditions, We may reduce or refuse to pay a claim.

### 1. Checks and precautions

You must perform all checks or precautions described by You in any Proposal for this insurance or any documentation supporting the Proposal.

### 2. Change in Business arrangements

You must inform Us immediately in writing and obtain Our written consent if there has been any change in the ownership of the Business without Our prior written consent.

### 3. Claims against Employee

In the event of any loss being discovered You must, to the extent allowed by law, retain all salary, commission moneys or assets that are the property of the Employee in respect of whose conduct a claim is made and which are or may come within Your control and You must apply them towards making good the amount of the loss.

### 4. Dishonest Employee

You must give to Us written notice immediately upon the discovery of any conduct that is fraudulent or dishonest by any Employee or of reasonable cause for suspicion as to any such conduct or of any lack of integrity by an Employee whether giving rise to a claim or not. We will not pay for any loss occurring after the date of discovery of such conduct.

## Section Ten – Machinery Breakdown

### The cover

We will pay You in accordance with the Basis of Settlement for Damage caused by a Defined Event occurring during the Period of Insurance to the Property Insured as defined in this Section whilst the Property Insured:

- a. is working or at rest; and/or
- b. is being dismantled or moved for the purpose of cleaning, inspecting, overhauling or repairing, or in the course of subsequent erection.

### Definitions applicable to this Section

**“Additional Machinery”** means any machinery (other than a type excluded within the Property Insured definition) that is of a similar kind to the Property Insured which is insured under this Policy and is installed or brought into use at the Situation after the commencement of the Period of Insurance.

**“Blanket Machinery”** means all the machinery at the Situation other than Specified Machinery and machinery items excluded under the definition of Property Insured below up to the amount stated as the Limit Any One Loss Sum Insured stated in the Schedule.

**“Breakdown”** means unforeseen and sudden Damage from any cause not excluded which necessitates its repair or replacement before the Property Insured can be used again.

**“Property Insured”** means Specified Machinery, Blanket Machinery and/or Additional Machinery comprising of:

- a. electrical, electronic and mechanical machinery including their interconnecting cabling and piping, and/or
- b. boilers and pressure vessels,

but excluding:

- (i) any item exceeding \$100,000 new replacement value,
- (ii) any item of machinery that is powered by a motor of more than 4 kilowatt/5.5 horse power capacity unless expressly stated otherwise in the Schedule,
- (iii) research, electro-medical and diagnostic equipment,
- (iv) refrigeration or display cabinet housing,
- (v) submersible pumps and bore pumps of more than 2.2 kilowatt/3 horse power capacity, turbine pumps, or helical rotor pumps unless specifically shown as insured in the Schedule,

- (vi) vehicles or mobile or portable machinery,
- (vii) electronic equipment (including but not limited to television receivers, video or DVD players and gambling machines) other than electronic scales, electronic cash registers, check-out scanners, or control equipment used exclusively and solely with an insured item,
- (viii) domestic items in residential quarters,
- (ix) vending or amusement machines or any coin-operated machine,
- (x) lawn maintenance equipment,
- (xi) lifts and escalators,
- (xii) hand dryers,
- (xiii) portable hand-held tools other than vacuum cleaners,
- (xiv) reticulating electrical wiring, liquid or gas piping.

“Specified Machinery” means machinery shown in the Schedule as Specified Machinery.

## Defined Event applicable to this Section

Breakdown.

Where the Optional Benefit ‘Deterioration of stock’ has been selected the Defined Event shown under that Optional Benefit will apply.

## Basis of Settlement applicable to this Section

Except as provided in clause 3. of the Basis of Settlement, all insured Damage that can be repaired must be repaired. Where the Damaged item is uneconomical to repair due solely to the extent of the insured Damage, the Basis of Settlement will be as defined in clause 2. of the Basis of Settlement.

The Basis of Settlement will be:

1. where Damage to Property Insured can be repaired, the reasonable costs of:
  - a. restoring the Damaged item to its former working order;
  - b. dismantling and re-erecting and removal of Debris necessary to complete the repairs;
  - c. ordinary freight costs to and from a repair shop;
  - d. any customs duties;
  - e. charges for overtime and work on public holidays limited to 50% of the Sum Insured for the item.

If You complete the repairs Yourself We will pay the reasonable cost of materials and wages as well as a reasonable allowance to cover overheads.

2. where it is uneconomical to repair Property Insured that is Damaged, the cost of replacement of the insured item by an item of similar function, type and quality equal to, but not better than, the insured item when new.
3. for Damaged Property Insured that could be repaired but has been replaced, the estimated cost that would have been incurred for repairs necessary to return the Damaged Property Insured to its former state of serviceability.

Under clause 1., 2., or 3. of the Basis of Settlement We will not pay more than the Sum Insured shown in the Schedule for:

- a. each item of Specified Machinery,
- b. the Limit Any One Loss for any one item for Blanket Machinery, subject to clause 2. of the specific conditions applicable to this Section, for any one event.

## Excess

We will not pay the amount shown in the Schedule as the Excess for this Section.

Where the Optional Benefit is selected, a separate Excess as shown in the Schedule will apply to that Optional Benefit.

## Additional benefits applicable to this Section

When We have agreed to pay a claim following the occurrence of a Defined Event, We will also pay:

### 1. Hire of temporary machinery and expediting costs

the following reasonable and necessary costs of hiring temporary machinery and expediting the repair of the Damage. The cost of:

- a. hiring the temporary machinery for use at the Situation;
- b. effecting temporary repairs to the Damaged Property Insured;
- c. overtime or air freight within Australia, (but not air freight on a specifically chartered Aircraft), necessary to expedite permanent repairs to the Damaged Property Insured;
- d. consultants’ fees in connection with the hire of temporary machinery and repair of the Damaged Property Insured if You have obtained Our approval.

## 2. Insulating oil and refrigerant gas or liquid

the reasonable cost of cleaning, storing, recycling and replacing:

- a. insulating oil in transformers, capacitors or switch gear; and
- b. refrigerant gas or liquid in air-conditioning or refrigeration units.

The maximum amount We will pay for these additional benefits 1. and 2. will be 50% of the normal cost of the repair of the Damaged item.

## 3. Additional Machinery

We will cover Additional Machinery acquired during the Period of Insurance provided it has worked satisfactorily for eight (8) hours and has been handed over after commissioning, and subject also to the following:

- a. Our limit of liability under this additional benefit will not exceed:
  - (i) where the Property Insured is "Specified Machinery" the lesser of:
    - (a) 25% of the Total Sum Insured stated in the Schedule for Specified Machinery; and
    - (b) \$20,000.
  - (ii) where the Property Insured is "Blanket Machinery" the Limit Any One Loss stated in the Schedule as the Sum Insured.
- b. You must give Us notice in writing of the installation or operation of Additional Machinery within the earlier of 90 days after it is installed or it is first used;
- c. You must pay Us any additional premium which We may require, calculated from the date of installation or initial operation;
- d. if We do not wish to insure the Additional Machinery, We may, within three (3) business days of receiving notice of the installation of the Additional Machinery from You, give You seven (7) days notice that We will not insure the Additional Machinery.

Upon expiry of the period specified in Our refusal notice, the Additional Machinery will no longer be covered.

## Optional Benefit applicable to this Section

The following Optional Benefit is operative only when it is included in the Schedule as covered.

We will also Indemnify You for:

## Deterioration of stock

deterioration of perishable stock, that You own or for which You are responsible, caused by a Defined Event.

### Defined Event applicable to this Optional Benefit

Deterioration resulting from a change in temperature due to:

- a. a Breakdown in the refrigeration machinery for which a claim has been admitted under this Section;
- b. the accidental escape of refrigerant liquid or gas from the refrigeration machinery or from pipes forming part of it;
- c. the operation of fuses or overload devices protecting the machinery;
- d. failure of the public power supply to the point of attachment to the Building resulting from accidental damage outside the Situation.

### Sum Insured applicable to this Optional Benefit

We will not pay more than the Sum Insured shown in the Schedule for this Optional Benefit provided that this limitation will not apply to Seasonal increase applicable to this Optional Benefit below.

### Seasonal increase applicable to this Optional Benefit

During the periods:

- a. from 60 days before Christmas Day to the twentieth day following, both days inclusive;
- b. from 30 days before Easter Sunday to the twentieth day following, both days inclusive;
- c. from 7 days before Valentine's Day, Mother's Day and Father's Day to the third day following, both days inclusive;

unless stated otherwise in the Schedule;

the Sum Insured for this Optional Benefit will be increased by 50%.

### Specific exclusions applicable to this Optional Benefit

We will not pay for:

- a. Damage caused by:
  - (i) shrinkage, inherent defects or diseases, natural deterioration or natural putrefaction;
  - (ii) improper storage or stowage, collapse of packing material, deviations from designers' specifications or instructions;
  - (iii) any wilful act by You;
- b. penalties for delay or detention.

## Specific exclusions applicable to this Section

We will not pay for:

1. loss or Damage directly or indirectly arising out of or in any way connected with fire; extinguishing a fire; demolition following a fire; smoke; soot; lightning; chemical explosion; impact by vehicles, Aircraft, aerial devices, space debris, Watercraft, Hovercraft or falling trees, buildings, towers, antennae or masts; earthquake; subterranean fire; volcanic eruption; tsunami; land slip; subsidence; riot; strike; lockout; civil commotion; malicious persons; wind and water; Flood; inundation; water discharged or leaking from any pipe or water system; theft or attempted theft;
2. loss of or Damage to items not normally reused or repaired or that require periodic replacement including belts, ropes, wires, chains, tyres, moulds, dies, exchangeable tools, cutting edges, wear plates, crushing surfaces, engraved cylinders, fuses, sheer pins, electrical contacts, thermostats, heating elements and batteries, objects made of glass or porcelain, ceramics, refractory linings, felt sieves or fabrics, jointings or packings (including lubrication, oil, fuel, catalysts or refrigerants) unless specifically shown as insured in the Schedule;
3. wasting or wearing away or wearing out of any part of an insured item caused by or naturally resulting from ordinary use or working, gradual deterioration including erosion, rust, corrosion, boilers, scale or oxidation (due to normal atmospheric conditions or otherwise), Damage due to pitting, scratching of painted or polished surfaces, adjustment or cleaning;
4. the cost of converting refrigeration and/or air-conditioning units from the use of C.F.C. (chlorofluorocarbon) refrigerant gas to any other type of refrigerant gas;
5. any costs associated with submersible pumps, bore pumps or well casings unless specified in the Schedule. For submersible pumps and/or bore pumps listed in the Schedule, We will not cover removal or installation costs unless the bore or well is fully lined;
6. the cost of any alterations, additions, improvements, overhauls or maintenance work;
7. except as provided in additional benefit 1. Hire of temporary machinery and expediting costs, applicable to this Section, the cost of any temporary repairs unless those temporary repairs form part of the final repairs and do not increase the final repair costs;
8. loss or Damage due to any act of the power supplier, including withholding, restricting or load shedding the supply of electricity;
9. loss or Damage arising:
  - a. out of the Property Insured being subjected to tests involving abnormal stresses or arising out of Property Insured being intentionally overloaded; or
  - b. prior to successful initial commissioning or during test or experimentation;
10. loss or Damage due to faults or defects known to You;
11. loss or Damage due to failure to comply with statutory requirements relating to safeguarding or operation of the Property Insured;
12. the costs of repairing or replacing if the manufacturer, supplier, agent or any other person is responsible under the terms of a maintenance agreement;
13. the cost of repairing slowly developing deformation, distortion or fatigue in any part;
14. the cost of repairing blisters, laminations, flaws or grooving even when accompanied by leakage;
15. the cost of repairing valves, fittings, glands, joints, gaskets, pipes, lines and connections which are defective or leaking.

## Specific conditions applicable to this Section

If You do not meet the following conditions, We may reduce or refuse to pay a claim.

### 1. Inspection

Our representatives will have the right to inspect and examine the Property Insured at any reasonable time.

### 2. Undeclared Property Insured

Where the cover is for Blanket Machinery, the number of machine items declared either:

- a. in the Proposal; or
- b. in a subsequent written declaration to Us;

must be the actual total of the Property Insured items present at the Situation at the time of the declaration. If at the time of the loss or Damage it is found that the declared total number of Property Insured items is less than the total number present at the time of the declaration, the amount payable by Us will be reduced in proportion to the amount of the underdeclaration.

### 3. Claims procedure

Once You have advised Us that You intend to make a claim, You may commence necessary repairs to mitigate Your loss provided You keep any Damaged or replaced parts for Our inspection.

We will not be liable to make any payment under this Section unless You have produced to Our reasonable satisfaction all accounts, estimates, invoices, receipts and other documentation showing that repairs have been effected or replacement has taken place, as the case may be.

### 4. Unrepaired Damage

Our liability shall cease for any Property Insured that has sustained Damage and is operated without having been repaired in a manner consistent with the generally accepted rules of engineering practice.

## Section Eleven – Computer/Electronic Equipment

### The cover

Where this Section is shown as insured on the Schedule, We will pay You in accordance with the Basis of Settlement if any of the Property Insured shown in the Schedule under this Section is Damaged at the Premises (unless otherwise stated in the Schedule) by the occurrence of a Defined Event during the Period of Insurance.

### Definitions applicable to this Section

“Additional Computer/Electronic Equipment” means any computer/electronic equipment that is of a similar kind to the Property Insured which is insured under this Policy and is installed or brought into use at the Situation after the commencement of the Period of Insurance.

“Breakdown” means a sudden and unforeseen mechanical, electrical or electronic malfunction or failure which becomes apparent at the time it occurs and requires immediate repair or replacement to enable normal operation to continue.

“Computer Virus” means an executable program or computer code segment that is self-replicating, requires a host program or executable 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.

“Property Insured” means the computer and/or electronic equipment specified in the Schedule.

### Defined Event applicable to this Section

Breakdown of computer and/or electronic equipment.

### Basis of Settlement applicable to this Section

When the Property Insured is Damaged, the following Basis of Settlement will apply:

1. Where an equivalent make and model or all parts necessary for repairs are obtainable from the manufacturer or its agent at listed prices and the Property Insured is:
  - a. Damaged beyond repair, We will replace the Property Insured with new or equivalent makes and models;

- b. Damaged, but the Damage is repairable, We will restore the Damaged portion to a condition substantially the same as but not better or more extensive than its condition when new, provided that the work is carried out within a reasonable period.
2. Where an equivalent make and model or all parts necessary for repairs are not obtainable from the manufacturer or its agent at listed prices and the Property Insured is:
- a. Damaged beyond repair, We will replace the Property Insured with the nearest equivalent replacement based on make, model and configuration of Your existing systems and programs;
  - b. Damaged, but the Damage would have been repairable had all parts necessary for repairs been obtainable from the manufacturer or its agent at listed prices, We will pay an amount equal to the cost of repair to the nearest equivalent of current manufacture had all the parts been obtainable from the manufacturer or its agent.

We will not pay more than the Sum Insured stated in the Schedule for any computer or item of electronic equipment.

### Excess

We will not pay the amount shown in the Schedule as the Excess for this Section.

## Additional benefit applicable to this Section

### 1. Removal of Debris

The removal, storage and/or disposal of Debris up to a maximum of 10% of the Sum Insured for the item of Property Insured.

### 2. Temporary repairs and expediting costs

The reasonable additional expenses incurred in making a temporary repair to the Property Insured or in expediting a permanent repair, provided that Our total liability in respect of all such additional expenses will be the lesser of:

- a. 50% of the normal repair cost had the additional expenses not been incurred; or
- b. \$5,000.

To this extent specific exclusion 5.f. applicable to this Section is modified.

## 3. Additional Computer/Electronic Equipment

We will cover Additional Computer/Electronic Equipment acquired during the Period of Insurance, subject to the following:

- a. Our limit of liability under this additional benefit will not exceed the lesser of:
  - (i) 25% of the total Sum Insured stated in the Schedule for Specified Computer/Electronic Equipment;
  - (ii) \$10,000.
- b. You must give Us notice in writing of the installation or operation of Additional Computer/Electronic Equipment within 90 days after it occurs;
- c. You must pay Us any additional premium which We may require, calculated from the date of installation or initial operation;
- d. within three (3) business days of receiving notice from You, We may give You seven (7) days notice that We will not insure the Additional Computer/Electronic Equipment. Upon the expiry of that notice the Additional Computer/Electronic Equipment will no longer be covered.

## Optional Benefits applicable to this Section

The following Optional Benefits are operative only when included as covered in the Schedule:

Following a claim being admitted for Damage under this Section, We will also pay for:

### 1. Restoration of data

the costs incurred for the purpose of restoring data lost as a result of Damage covered under this Section to a condition equivalent to that existing prior to the Damage, including the cost of overtime necessarily incurred, provided that:

- a. the data is backed up daily and precautions existing or agreed to for its safeguarding and retention are maintained and observed at all times;
- b. except as provided in Optional Benefit 1.d. below, We will not pay more than the Sum Insured shown in the Schedule for this Optional Benefit;
- c. We will not pay for any loss or Damage to records caused by access to Your computer systems and records by people not authorised by You;
- d. We will pay no more than \$1,000 or the Sum Insured shown in the Schedule for this Optional Benefit, whichever is the lesser, for any loss or Damage to Your records, data, or software caused by computer virus, being an executable program or computer



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

## 2. Increased cost of working

the increased cost of working incurred during a period not exceeding three (3) months from the date that increased working costs are first incurred, following interruption to the normal operation of an insured item for which We have agreed to meet a claim under this Section, provided that:

- a. the cost is proved to have been necessarily and reasonably incurred during the period, over and above the normal expenses You would have incurred during the period in respect of the operation of the item;
- b. We will not pay for more than the costs actually incurred by You; and
- c. We will not pay more than the Sum Insured shown in the Schedule for this Optional Benefit.

### Additional benefit applicable to this Optional Benefit

To the extent that the Sum Insured is not otherwise exhausted, We will reimburse You for fees payable by You to external accountants and other professional advisers that are reasonably and necessarily incurred to support a valid claim. The maximum amount We will pay will be \$10,000 or 10% of any claim paid, whichever is the lesser.

This additional benefit will not apply to professional fees incurred by You directly or indirectly in respect of public loss assessors.

The cover provided by this additional benefit to this Optional Benefit is in addition to 2. Claims preparation expenses, under "Claims procedure and conditions".

### Excess applicable to this Optional Benefit

A two (2) day Excess applies to this Optional Benefit unless stated otherwise in the Schedule. The amount of the Excess will be two (2) days multiplied by the average daily increased cost for the period of interruption.

### Specific exclusions applicable to this Optional Benefit

We will not pay for:

1. any expenses incurred during:
  - a. periods of interruption due to alterations, improvements or additions to the insured items;
  - b. periods of interruption due to the need for cleansing, adjustment, inspection, maintenance or overhaul.

2. more than four (4) weeks extension of interruption due to delays in the repair or restoration of items of foreign manufacture where such delays result from one or more of the following:
  - a. restrictions, measures or regulations imposed by any government authority;
  - b. the time required to obtain replacement component parts or complete items overseas;
  - c. the time required to transport parts or complete items between the Situation and the overseas place of repair or restoration;
  - d. the time required to engage and transport overseas specialists or consultants to attend local repairs.
3. any increase in cost of working occurring as a result of loss or Damage to Your records, data, or software caused by Computer Virus.

### Specific condition applicable to this Optional Benefit

We will not be liable to make any payments under this Optional Benefit unless You have produced to Our reasonable satisfaction all accounts, invoices, receipts and other documentation substantiating that the expenditure has been incurred.

### Specific exclusions applicable to this Section

We will not pay for:

1. Breakdown caused by atmospheric moisture or temperature unless directly resulting from Damage to or malfunction of air-conditioning equipment.
2. the cost of:
  - a. replacement of Damaged, worn or spent batteries, belts, chains, tapes, ribbons, filters, fuses, electric heating elements or electrical contacts;
  - b. replacement of component parts worn through normal use or operation, unless Damaged because of loss or Damage insured by the Policy;
  - c. preventative maintenance work;
  - d. alterations, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or as a separate operation;
  - e. replacement or restoration following gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);
  - f. temporary repairs unless such repairs constitute part of the final repairs and do not increase the total repair costs.

3. Breakdown occurring to an insured item during any period when it is out of Your possession on hire, rental, lease or loan.
4. Breakdown which is covered under a service or warranty agreement except where the amount paid under such an agreement is less than the total cost of repair. In this event We will, subject to any exclusion and Excess which may apply, indemnify You for the difference.
5. Breakdown due to access by people not authorised by You to Your computer systems and records.
6. loss or Damage arising:
  - a. out of the machinery being subjected to tests involving abnormal stresses or arising out of machinery being intentionally overloaded; or
  - b. prior to successful initial commissioning or during test or experimentation.
7. loss or Damage due to faults or defects known to You.
8. loss or Damage due to failure to comply with statutory requirements relating to safeguarding or operation of the machinery or electronic equipment.
9. the costs for repairing or replacing if the manufacturer, supplier, agent or any other person is responsible under the terms of a maintenance agreement.
10. consequential loss of any kind (for example loss of use of the Property Insured) or any other type of loss not specifically covered in this Section.

## Specific conditions applicable to this Section

### 1. Maintenance

All Property Insured shown in the Schedule which is insured under this Section must be maintained and serviced in accordance with the manufacturer's specifications. If You do not comply with this condition, We will not pay for Damage that can be attributed to the lack of maintenance of the Property Insured.

### 2. Underinsurance

If, at the time of the Damage, an item of Property Insured be of greater value than the Sum Insured (also taking price changes into consideration), then You shall be deemed Your own insurer for the difference and shall bear a proportionate share of the loss accordingly.

# Section Twelve – Transit

## The cover

We will pay You in accordance with the Basis of Settlement if any of the Property Insured shown in the Schedule under this Section is Damaged whilst in Transit anywhere within the Territorial Limits by a Defined Event occurring during the Period of Insurance.

## Definitions applicable to this Section

“**Conveyance**” means the vehicle, vessel, Aircraft or train by which the Property Insured is being transported.

“**Transit**” means the period during which the Property Insured is being transported by road, rail, sea, air, parcel post or courier:

- a. from the time the loading of the Property Insured onto the Conveyance at the warehouse or place of storage, commences; and
- b. from the commencement of transportation and ending on delivery:
  - (i) to the consignee's or other final warehouse or place of storage at the destination; or
  - (ii) to any other warehouse or place of storage whether prior to, or at the destination which You elect to use either:
    - (a) for storage other than in the ordinary course of transit; or
    - (b) for allocation or distribution;
 whichever shall first occur;

unless, due to circumstances beyond Your control:

- (i) the contract of carriage is terminated at a place other than the destination, or
- (ii) the transit is otherwise terminated before delivery of the goods as provided for in b. (i) or (ii) above, in which case this cover will remain in force for a period of up to seven (7) days at the place of termination, subject to prompt notice being given to Us.

## Defined Events applicable to this Section

### Part A

Where “Part A – Fire, Collision and Overturning” is shown as insured on the Schedule, the Defined Event will be:

Damage to any Property Insured following fire, Flood, lightning, earthquake, riots, strikes, civil commotion, collision and/or overturning of the Conveyance; or

## Part B

Where “Part B – Fire, Collision and Overturning and Theft” is shown as insured on the Schedule, the Defined Event will be:

Damage to any Property Insured following fire, Flood, lightning, earthquake, riots, strikes, civil commotion, collision and/or overturning of the Conveyance or theft from a locked vehicle following forcible and violent entry; or

## Part C

Where “Part C – All Risks not excluded” is shown as insured on the Schedule, the Defined Event will be:

Loss or Damage (not otherwise excluded in this Section under “Specific exclusions applicable to this Section” or under “General exclusions applicable to all Sections of this Policy”), including general average and salvage charges adjusted or determined according to the contract of affreightment and/or governing law or practice.

## Basis of Settlement applicable to this Section

Subject to the proviso below, the Basis of Settlement will be:

1. where Property Insured has been Damaged and cannot be economically repaired, We will pay:
  - a. for goods sold – Your invoice value;
  - b. for goods purchased – the purchase price as shown on the invoice;
  - c. for all other Property Insured, the cost necessary to reinstate or replace the Damaged property less depreciation taking into consideration its age, condition, and remaining useful life.
2. Where Property Insured has been Damaged and can be economically repaired, We will pay the cost necessary to reinstate or repair the Damaged property to a condition substantially the same as, but not better or more extensive than, its condition at the time of the Damage.

For each category of Property Insured in 1. or 2., We will also pay the cost of freight where that cost has not already been included in the calculated settlement values.

## Proviso

We will not pay more than the Per Conveyance Limit shown in the Schedule for any one event.

## Excess

We will not pay the amount of the Excess shown in the Schedule for this Section.

## Specific exclusions applicable to this Section

We will not pay for any Damage arising directly or indirectly out of or in any way connected with:

1. Your wilful misconduct;
2. ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the Property Insured;
3. Damage caused by insufficiency or unsuitability of packing or preparation of the Property Insured (including stowage in a container or lift-van, but only when such stowage is carried out prior to the commencement of cover under this Section by You or Your employees);
4. Damage or expenses caused by inherent vice or nature of the Property Insured;
5. Damage or expense due to delay, (including delays caused by a Defined Event, other than expenses payable for general average and salvage charges), loss of market, depreciation or deterioration;
6. Damage or expense arising from insolvency or financial default of the owners, managers, charterers, or operators of the Conveyance;
7. loss, Damage or expense arising from:
  - a. unseaworthiness of the vessel or craft; or
  - b. unfitness of any other Conveyance, container or liftvan for the safe carriage of the Property Insured.

We will pay if You are able to prove that You or Your employees did not know of the unseaworthiness or unfitness of the Conveyance, at the time the Transit commenced;

8. capture, seizure, arrest, restraint or detainment (piracy excepted), and the consequences thereof or any attempted threat;
9. the Conveyance being driven by any person whose faculties are impaired by any drug or intoxicating liquor or by any person who is convicted of driving, at the time the Damage occurs, under the influence of intoxicating liquor or by any person with a percentage of alcohol in their breath or blood in excess of the percentage permitted by law. However, We will pay if You are able to prove that You did not know that the driver of the Conveyance was so affected;

10. theft unless there has been visible proof of forcible and violent entry;
  11. any unexplained shortage or disappearance;
  12. any loss from an unattended motor vehicle:
    - a. left overnight unless within securely locked premises;
    - b. otherwise unless securely locked;
  13. Damage to Money, jewellery, watches, furs, antiques, paintings, works of art, precious metals, precious stones or articles composed of any of them, explosives, petroleum products in bulk or gas in bulk, livestock, cigarettes, tobacco, wines, spirits or other alcoholic beverages, unless specifically covered in the Schedule;
  14. goods carried by You for payment or reward.
9. You will keep an accurate record of sales turnover and allow Us reasonable access to inspect those records;
  10. We will not pay Your claim for constructive total loss unless the Property Insured is reasonably abandoned:
    - a. due to their actual total loss appearing to be unavoidable; or
    - b. the cost of completing the Transit of the Property Insured (including recovery, reconditioning and forwarding) would exceed the value of the Property Insured on arrival.

## Specific conditions applicable to this Section

If You do not meet the following conditions, We may reduce or refuse to pay a claim.

In the event of Damage to Property Insured under this Section You and Your agents must:

1. claim immediately on the carrier;
2. give immediate notice to Us or Our agents;
3. not give clean receipts where goods are in doubtful condition, except under written protest;
4.
  - a. take such measures as may be reasonable for the purpose of averting or minimising such loss; and
  - b. ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised.

Further it is a condition that:

5. in the event of Damage to Property Insured forming part of a pair or set (caused by a Defined Event), We will not pay any more than the value of the part which is lost or Damaged;
6. cover will not be provided for the benefit of the carrier or other bailee;
7. measures taken by You or by Us with the object of saving, protecting or recovering the Property Insured will not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party;
8. You will act within a reasonable time with regard to all circumstances within Your control;

# Section Thirteen – Tax Audit

## The cover

Where this Section is shown as insured on the Schedule, We will insure You for the Professional Fees reasonably and necessarily incurred within the Commonwealth of Australia in connection with an Audit which commences during the Period of Insurance.

We will not pay You more than the amount shown in the Schedule during any one Period of Insurance.

## Definitions applicable to this Section

“**Audit**” means the investigation of Your Business, financial or tax affairs by:

- the Australian Tax Office (ATO) following lodgement of Your tax returns; or
- the responsible Commonwealth, State or Territory Department, Body or Agency following lodgement of Your returns and the making of an assessment (including a self-assessed liability) or relevant document in regard to Your obligation to pay an amount under the Commonwealth, State or Territory legislation, in relation to:
  1. income tax;
  2. fringe benefits tax;
  3. capital gains tax;
  4. wholesale and sales tax;
  5. payroll tax;
  6. goods & services tax; or
  7. superannuation contributions tax.

For the purpose of this Section, the Audit commences at the time You first receive notice that the Auditor proposes to conduct an Audit, and is completed when:

- a. the Auditor has given written notice to You to that effect,
- b. the Auditor notifies You that it has made findings in connection to an Audit and notified You of those findings and/or the actions the Auditor proposes to take in connection with those findings, or
- c. when the Auditor has issued an assessment or amended assessment as to Your liability to pay an amount under any relevant legislation.

“**Auditor**” is an officer authorised under Commonwealth, State or Territory legislation to conduct Audits of taxation or financial affairs.

“**Professional Fees**” means:

1. fees paid to registered tax agents, financial advisers, company auditors, accountants and solicitors who are not Your employees, for the preparation of evidence to be submitted to the Auditor;
2. fees charged to You for preparation of evidence by Your financial service providers;
3. overtime paid by You to Your employees to prepare for or represent You in any Audit;
4. travelling and accommodation expenses incurred by You or Your employees in order to attend an Audit.

## Excess

You will bear as an uninsured contribution, 10% of all Professional Fees incurred with a minimum contribution of \$500 in respect of each and every claim under this Section. All payments of Professional Fees made by Us in settlement of a claim under this Section will be exclusive of Your contribution directly to the supplier(s) of the service for which Professional Fees are payable.

## Specific exclusions applicable to this Section

We will not pay:

1. for any legal liability, court costs, fines, penalties, tax, penalty tax or interest;
2. in relation to routine enquiries or enquiries from an Auditor which are not identified as being either preliminary to or relating to an Audit being conducted by an Auditor;
3. for Professional Fees incurred:
  - a. after the Audit has been completed,
  - b. due to Your improper, unwarranted or unjustified refusal or failure to comply with any lawful request for the production of documents or the supply of information. Refusal or failure to comply will not be deemed to be improper, unwarranted or unjustified if You refuse or fail to comply upon the written advice of Your accountant or solicitor,
  - c. from Audits under customs legislation,
  - d. from Audits which You were notified of or knew of prior to the Period of Insurance,
  - e. from Audits of income received or earned, or where the source of income is, outside the Commonwealth of Australia or where the service giving rise to the claim are performed by people or entities ordinarily resident outside the Commonwealth of Australia,

- f. from any fraudulent act or omission committed by You or on Your behalf or by Your employee(s),
  - g. which are ordinarily associated with the maintenance and upkeep of Your Business accounts, returns, taxation and financial records and the preparation prior to lodgement of Your accounts, returns, taxation and financial records as required by any relevant legislation,
  - h. incurred more than twelve (12) months after the commencement of the Audit, unless You can show that completion of the Audit has been delayed as a result of the conduct of the Auditor;
4. if the return in relation to which the Audit is proposed to be conducted was not reviewed by an accountant prior to dispatch;
  5. if You have not maintained all records that You are required to maintain or should or would maintain in the ordinary course of Your Business.
- b. send Us copies of all correspondence in relation to Your claim within five (5) working days of receiving them;
  - c. instruct Your accountants and solicitors to provide Us with all relevant documents and information in relation to Your claim; and
  - d. permit Us, when necessary, to instruct Your accountants and solicitors in matters relating to Your claim and for the cost of these instructions to form part of Your claim. This does not mean We will take over or represent You in the Audit or investigation.

We or Our duly appointed agent may conduct Our own investigation to any matter which is or may be the subject of a claim under this Policy.

## Specific conditions applicable to this Section

If You do not meet the following conditions, We may reduce or refuse to pay a claim.

### 1. Errors

If You or any person acting on Your behalf becomes aware of any error in any return of income or other documents supplied to a Commonwealth, State or Territory Commissioner of Taxation, You must notify the Commissioner of Taxation without delay.

### 2. Tax returns

You must submit all returns and documents within the time limits prescribed by all relevant statutes or regulations or within any extensions of time as lawfully granted by a Commissioner of Taxation.

### 3. Income disclosure

You must make full and complete disclosure of all income (including capital gains), turnover and expenses required by any tax legislation. If the final assessment of Your taxable income for the period being audited is more than 20% higher than the taxable income which You originally declare, We will not pay any of Your claim.

### 4. Claims

If You have a claim under this Section You agree to:

- a. keep Us fully informed of all material matters in relation to Your claim;



For all enquiries please call Allianz on 13 1000 or talk to your broker

[allianz.com.au](http://allianz.com.au)

Allianz Australia Insurance Limited (Allianz)  
AFS Licence No. 234708  
ABN 15 000 122 850  
2 Market Street Sydney NSW 2000

POL248BA/Fl 08/11