

A male mechanic with short dark hair, wearing a dark blue long-sleeved work shirt, is smiling as he works on the engine of a car. The car's hood is open, and the engine compartment is visible. The background shows a blurred garage setting with other vehicles. The lighting is bright, highlighting the mechanic and the engine components.

Motor Trades Pack

Product Disclosure Statement
and Policy Document.

Allianz 

General Information

The General Information set out below is provided for your information only. It does not form part of the insurance contract with you, and is not part of the policy.

Nothing contained in the General Information imposes contractual obligations on you, or creates contractual rights. These are contained in the policy and any endorsement.

Claims made

Section Thirteen of the policy operates on a 'claims made and notified' basis. This means that the policy section covers you for claims made against you and notified to us during the period of insurance.

The policy section does not provide cover in relation to:

- acts, errors or omissions actually or allegedly committed prior to the retroactive date of the policy (if such a date is specified);
- claims made after the expiry of the period of insurance even though the event giving rise to the claim may have occurred during the period of insurance;
- claims notified or arising out of facts or circumstances notified (or which ought reasonably to have been notified) under any previous policy;
- claims made, threatened or intimated against you prior to the commencement of the period of insurance;
- facts or circumstances of which you first became aware prior to the period of insurance, and which you knew or ought reasonably to have known had the potential to give rise to a claim under this policy section;
- claims arising out of circumstances noted on the proposal form for the current period of insurance or on any previous proposal form.

Where you give notice in writing to us of any facts that might give rise to a claim against you as soon as reasonably practicable after you become aware of those facts but before the expiry of the period of insurance, you may have rights under Section 40(3) of the Insurance Contracts Act 1984 to be indemnified in respect of any claim subsequently made against you arising from those facts notwithstanding that the claim is made after the expiry of the period of insurance. Any such rights arise under the legislation only. The terms of the policy section and the effect of the policy section is that you are not covered for claims made against you after the expiry of the period of insurance.

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Introduction

Welcome and thank you for choosing Allianz Motor Trades 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 – Fire and Perils	This covers Damage to Property Insured at the Situation caused by Defined Events 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 or revenue 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 and optional 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 – 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 Nine – 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 Ten – Computer/ Electronic Equipment	This covers loss of, Damage to or Breakdown of Your insured computers and/or electronic equipment caused by the occurrence of a Defined Event. You can choose either Accidental Damage cover or Breakdown only cover. It also provides a number of automatic additional benefits and Optional Benefits.
Section Eleven – Transit	This covers Damage to Property Insured whilst in transit anywhere within the Territorial Limits caused by a Defined Event.
Section Twelve – Tax Audit	This covers the Professional Fees reasonably and necessarily 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.

Section Thirteen – Professional Indemnity	This covers You for claims You are legally liable to pay as compensation due to a breach of Your professional duty in the conduct of Your Business. It provides a number of automatic additional benefits and optional benefits.
Section Fourteen – Customers’ Vehicles	This covers You for certain damage to Your Customers’ Vehicles.
Section Fifteen – Business Vehicles	This covers You for certain damage to Your Vehicles used in Your Business.

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: 15/05/2015.

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 16, 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 7.

Some words have special meanings

Certain words used in the Policy have special meanings. The General definitions section of this document on pages 9 to 11 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 14.

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

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

This duty of disclosure applies until the contract is entered into (or renewed, extended, varied or reinstated as applicable).

Your duty however does not require disclosure of any matter:

- that diminishes the risk to be undertaken by Us; or
- that is of common knowledge; or
- that We know or, in the ordinary course of Our business as an insurer, ought to know; or
- as to which compliance with Your duty is waived by Us.

Non-disclosure

If You fail to comply with Your duty of disclosure, We may be entitled to reduce Our liability under the contract in respect of a claim, cancel the contract or both.

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

Privacy Notice

At Allianz, We give priority to protecting the privacy of Your personal information. We do this by handling personal information in a responsible manner and in accordance with the Privacy Act 1988 (Cth).

How We collect Your personal information

We usually collect Your personal information from You or Your agents. We may also collect it from Our agents and service providers; other insurers and insurance reference bureaus; people who are involved in a claim or assist Us in investigating or processing claims, including third parties claiming under Your policy, witnesses and medical practitioners; third parties who may be arranging insurance cover for a group that You are a part of; law enforcement, dispute resolution, statutory and regulatory bodies; marketing lists and industry databases; and publicly available sources.

Why We collect Your personal information

We collect Your personal information to enable Us to provide Our products and services, including to process and settle claims; offer Our products and services and those of Our related companies, brokers, intermediaries and business partners that may interest You; and conduct market or customer research to determine those products or services that may suit You. You can choose not to receive product or service offerings from Us (including product or service offerings from Us on behalf of Our brokers, intermediaries and/or Our business partners) or Our related companies by calling the Allianz Direct Marketing Privacy Service Line on 1300 360 529, EST 8am to 6pm Monday to Friday, or going to Our website’s Privacy section at www.allianz.com.au.

Who We disclose Your personal information to

We may disclose Your personal information to others with whom We have business arrangements for the purposes listed in the paragraph above or to enable them to offer their products and services to You. These parties may include insurers, intermediaries, reinsurers, insurance reference bureaus, related companies, Our advisers, persons involved in claims, external claims data collectors and verifiers, parties that We have an insurance scheme in place with under which You purchased Your policy (such as a financier or motor vehicle manufacturer and/or dealer). Disclosure may also be made to government, law enforcement, dispute resolution, statutory or regulatory bodies, or as required by law.

Disclosure overseas

Your personal information may be disclosed to other companies in the Allianz Group, business partners, reinsurers and service providers that may be located in Australia or overseas. The countries this information may be disclosed to will vary from time to time, but may include Canada, Germany, New Zealand, United Kingdom, United States of America and other countries where the Allianz Group has a presence or engages subcontractors. We regularly review the security of Our systems used for sending personal information overseas. Any information disclosed may only be used for the purposes of collection detailed above and system administration.

Access to Your personal information and complaints

You may ask for access to the personal information We hold about You and seek correction by calling 1300 360 529 EST 8am–6pm, Monday to Friday. Our Privacy Policy contains details about how You may make a complaint about a breach of the privacy principles contained in the Privacy Act 1988 (Cth) and how We deal with complaints. Our Privacy Policy is available at www.allianz.com.au.

Telephone call recording

We may record incoming and/or outgoing telephone calls for training or verification purposes. Where We have recorded a telephone call, We can provide You with a copy at Your request, where it is reasonable to do so.

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

Phone: 1300 78 08 08

Post: GPO Box 3, Melbourne, Victoria 3001

Website: 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.

Financial Claims Scheme

In the unlikely event Allianz Australia Insurance Limited were to become insolvent and could not meet its obligations under this Policy, a person entitled to claim may be entitled to payment under the Financial Claims Scheme. Access to the Scheme is subject to eligibility criteria and for more information see APRA website at <http://www.apra.gov.au> and the APRA hotline on 1300 55 88 49.

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.

“Approved Key Cabinet” means a cabinet designed to hold keys or other valuables that:

- a. is securely attached to the Building in accordance with the manufacturer’s instructions; and
- b. has been demonstrated to resist concerted physical attack using hand and other commonly available power tools for a period of at least fifteen (15) minutes; and
- c. has at least four of the following characteristics:
 - i. self latching on closing;
 - ii. a door ajar alarm;
 - iii. both a daytime general staff lock as well as a manager’s key lock to provide additional protection overnight;
 - iv. a minimum of three (3) points of locking;
 - v. no external access to hinges;
 - vi. a minimum aggregate steel wall thickness of 3 mm.

“Approved Safe” means a burglar resistant container designed for the storage of Money and valuables, which:

- a. is claimed in writing by the manufacturer to be ‘torch and drill resistant; and
- b. is securely attached to the Building in accordance with the manufacturer’s instructions; and
- c. weighs more than 200 kg when empty; or
- d. weighs more than 100 kg when empty and is firmly affixed to the Building structure.

Approved Safe includes automatic teller machines.

Note: A ‘document safe’, ‘fire safe’, ‘records safe’, ‘media/data safe’, ‘home/domestic safe’ or other container weighing less than 200 kg is not an Approved Safe for the purpose of the Policy.

“Bailee” means an individual who has temporary rightful possession, but not the legal ownership, of another’s property.

“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 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 but does not cover activities broader than:

- a. the service and repair of Vehicles or their Parts and Accessories;
- b. the inspection of Vehicles, reporting on the condition of Vehicles, the provision of advice on the road worthiness of Vehicles, and the recommendation of/for repairs and/or parts required to/for a Vehicle;
- c. the issuance of documentation to facilitate the registration of Vehicles or their transfer of title;
- d. the ownership and/or occupation of the Situation(s);
- e. other activities incidental to Your Business, as declared to and accepted by Us.

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

“Customers’ Goods” means goods and/or merchandise, including Customers’ Vehicles owned by Your customers and left in Your care, custody or control in connection with Your Business.

“Customers’ Vehicles” means vehicle(s) owned by Your customers and left in Your care, custody or control in connection with Your Business.

“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 which 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 clothing and personal effects (other than tools of trade), 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 each claim 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” or otherwise in the Policy.

“Flood” means the covering of normally dry land by water that has escaped or been released from the normal confines of any of the following:

- a. lake (whether or not it has been altered or modified);
- b. a river (whether or not it has been altered or modified);
- c. a creek (whether or not it has been altered or modified);
- d. another natural watercourse (whether or not it has been altered or modified);
- e. a reservoir;
- f. a canal; or
- g. a dam.

“Hail” means precipitation of particles of ice (hailstones) from clouds, falling either separately or collected into irregularly – shaped balls.

“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.

“Limit of Indemnity” means the amount(s) specified in the Schedule as the Sum Insured which will be the maximum amount that We will pay for any one loss or series of losses arising out of a Defined Event which may be determined after consideration of any special condition or sub-limit contained either in the applicable Section or subsection or as shown as an item in the Schedule.

“Market Value” means the value We determine as being the amount of money it would cost to buy a vehicle of the same make, model, age and condition of Your vehicle immediately prior to the loss or damage but excluding costs and charges for vehicle registration, compulsory third party insurance, stamp duty transfer, dealer warranty costs, allowance for dealer profit or transfer fees.

“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.

“Parts and Accessories” means replacement parts and accessories for Vehicles.

“Period of Insurance” means the period commencing on the effective date and ending at 4pm on the expiry date as shown in the Schedule (unless ending sooner in accordance with the Policy terms).

“Policy” means this Policy 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 in 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.

“Schedule” means the relevant schedule We provide 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. If a new or replacement schedule is issued, it only takes effect from that time unless otherwise notified by Us in writing.

“Situation” means the situation(s) stated in the Schedule.

“Stock in Trade” means:

- a. stock of general merchandise, raw materials, including the value of work done, containers and packaging materials;

- b. stock of Parts and Accessories, component parts, oils, engine additives and other consumables for Vehicles used by You, raw materials.

It excludes Customers’ Goods and Stock of Fuel.

“Stock of Fuel” means stock of petrol and other fuel, owned by You or for which You are legally responsible, in storage tanks and petrol pumps or like containers, at the Situation.

“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 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 The Insured unless otherwise stated in the relevant Policy Section as being a person entitled to cover.

“Total Loss” means where Your Property Insured is lost or stolen and not recovered within a reasonable period of time, or where it is Damaged and we consider the cost of repairing it is uneconomical or greater than the Limit of Indemnity, Sub limit, or Market Value.

“Vehicle(s)” means any type of machine on wheels or on self-laid tracks made or intended to be self propelled by other than manual or animal power and any trailer or other attachment made or intended to be drawn by such machine.

“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

These General exclusions are applicable to all Sections of the Policy and apply whether or not the Policy may cover the relevant event (unless specified otherwise in the General exclusion).

1. The Policy does not cover loss, destruction, liability, 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. Consequential loss, legal liability and defects

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

- a. consequential loss of any kind, including loss of use or loss resulting from delay or lack of performance, loss of contract or depreciation in value of any undamaged item of Property Insured;
- b. legal liability of whatsoever nature, including but not limited to liability to pay compensation or damages; or
- 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. Computer technology

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 – Fire and Perils
 - Section Two – Business Interruption
 - Section Three – Theft
 - Section Four – Money
 - Section Five – General Property
 - Section Six – Glass
 - Section Eleven – Transit
- (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:

- Damage 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 Nine – Machinery Breakdown
- Section Ten – 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 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 “2. 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, 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 or Damage, (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 or Damage 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; and
 - (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; or
 - (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 or liability.

c. After You have advised Us of any loss or damage 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 deduction of any sums paid by Us). 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 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 or damage, 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 \$10,000 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 Nine – Machinery Breakdown.

General conditions applicable to all Sections of this Policy

The General conditions are applicable to all Sections of this Policy. Each Section of this Policy also contains specific conditions that apply to that Section. Further conditions may be set out in the Schedule or other documents forming part of Your Policy.

If You do not meet a condition of the Policy (other than the Cancellation condition), We may cancel the Policy and/or reduce or refuse to pay a claim, to the extent permitted by law.

1. 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.

2. Reasonable care and maintenance

You must take all reasonable care:

- a. to prevent injury, loss, Damage or 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.

3. 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 or Situation;

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.

4. 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.

5. Other insurance

You must give Us written notice of any insurance already effected, or which may be subsequently effected (whether by You or not) covering, whether in whole or in part, the subject matter of the various Sections of this Policy.

6. 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 – Fire and Perils – Defined Events:
 1. Fire,
 3. Explosion,
 6. Leakage of Water and liquid,
 7. Acts of,
 10. Accidental Damage;
- Section Three – Theft;
- Section Four – Money;
- Section Six – Glass;
- Section Nine – Machinery Breakdown; or
- Section Ten – Computer/Electronic Equipment,

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

7. 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.

8. 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.

9. Waiver of subrogation rights

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

- a. We shall waive any rights and remedies or relief to which We are or may become entitled 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, semi-government or municipal authority from any liability if required by contract to do so;

Provided that this General condition 9.b.(i) does not apply to Section Seven – Public and Products Liability.
 - (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.

10. 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 any loss or 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 exclusions applicable to all Sections of this Policy, and
 - (ii) provided the remaining parties must, immediately on becoming aware of any act or omission that increases the risk of loss, Damage or liability, give notice in writing to Us and on demand pay any reasonable additional premium We may require.

11. 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.

12. Reinstatement of Sum Insured/ Limit of Indemnity

In the event of Damage insured under Section One – Fire and Perils, Section Two – Business Interruption, Section Three – Theft, Section Four – Money, Section Six – Glass and Section Eleven – Transit of this Policy, the amount by which the Sum Insured or Limit of Indemnity is reduced as a consequence of the loss or Damage will be automatically reinstated 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 – Fire and Perils or Section Two – Business Interruption if We have paid a Total Loss under either of these Sections.

13. 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.

14. 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.

15. 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.

16. Headings

Headings have been included for ease of reference only. The provisions of the Policy are not to be construed or interpreted by reference to such headings.

17. More Specific Policy Section

We will not indemnify You or pay for any claim under more than one Section of Your Policy for the same loss, Damage or liability.

Where more than one Section of Your Policy covers the claim, or would have covered the claim had You selected or purchased it, the Section that is more specifically designed to cover the relevant claim applies and We will not pay anything under the least specific Section(s), unless specifically provided for otherwise within the Policy.

Section One

– Fire and Perils

The cover

We will pay You in accordance with the applicable 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 occurring during the Period of Insurance.

Definitions applicable to this Section

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

“**The Sea**” means all oceans, seas, bays, ports or tidal waters.

“**Water**” includes snow, sleet or Hail.

Defined Events applicable to this Section

1. Fire but excluding Damage to the Property Insured caused by or happening through its own spontaneous combustion or fermentation or heating or to the Property Insured undergoing any process involving the direct application of heat, provided these exclusions are limited to the items immediately affected.

2. Lightning or thunderbolt.

3. Explosion but We will not pay for explosion Damage to boilers, economisers or pressure vessels exceeding one cubic metre capacity.

4. Earthquake, subterranean fire, volcanic eruption or tsunami. The following Excess will apply to Damage caused by this Defined Event.

The lesser of:

- a. \$20,000; or
- b. an amount equal to 1% of the total Sum Insured for all Your Buildings, Contents and Stock in Trade at the Situation.

This Excess will be deducted from the amount of the loss after We have adjusted Your claim for underinsurance in accordance with Specific conditions applicable to this Section – 5. Underinsurance.

For the purpose of calculating the Excess, General conditions applicable to all Sections of this Policy – 11. One event for earthquake will apply.

5. Wind and/or Water

We only cover storm, tempest, cyclones and tornadoes, wind and Water.

We will not pay for loss or Damage caused:

- a. by Flood, however caused;
- b. by Hail to Customers’ Goods;
- c. by steam or condensation;
- d. by soil movement including erosion, landslide, mudslide or subsidence unless it is directly caused by and occurs within 72 hours of a storm, tempest, cyclone or tornado;
- e. by compaction, shrinkage or expansion of the earth or land;
- f. by Water seeping or percolating from outside the Premises;
- g. by Water entering the Premises because of:
 - (i) structural defects,
 - (ii) faulty design of the Premises, or
 - (iii) faulty workmanship;
- h. to gates, fences, retaining walls, signs, textile awnings, shades, blinds, shade houses, fibreglass houses or glasshouses;
- i. to Property Insured while in the open air unless it comprises or forms part of a permanent structure designed to function without the protection of walls or roofs;
- j. by the action of The Sea, tidal wave, Storm Surge or high Water except that caused by or arising from tsunami;
- k. to Buildings during construction or reconstruction or to their Contents or Stock in Trade unless the Buildings are enclosed and under a roof with all outside doors and windows permanently in place;
- l. to trees, shrubs and plants.

6. Leakage of Water or liquid

Water or liquid discharged or leaking from any tank, pipe, storage system or sprinkler installation installed in or on the Building or in or on any adjoining Building or by Water from any water main outside the Building. If We pay for Damage to the Property Insured that is caused by this Defined Event 6. We will also pay for the exploratory costs for which You are responsible (up to a limit of \$25,000) reasonably incurred in locating the source of Damage but excluding the cost of repair or replacement of the defective part or parts of the tank, pipe or storage system that caused the Damage.

7. Acts of

- a. persons taking part in:
 - (i) riots or civil commotions, or
 - (ii) labour disturbances;
- b. strikers or locked-out workers;
- c. malicious persons acting on behalf of or in connection with any political organisation;
- d. other malicious persons (including persons in gaining or attempting to gain unlawful entry to the Premises but excluding theft of property) not being tenants, but You must:
 - (i) pay an Excess of \$250 or the amount of the Excess shown in the Schedule, whichever is the greater for malicious Damage, and
 - (ii) immediately inform the police of any malicious Damage;

Other than for fire or explosion Damage, this clause d. does not provide cover for Damage occurring as a result of the malicious acts of Your tenants;
- e. any lawful authority in connection with the acts described in 7.a., 7.b., 7.c. and 7.d. of this Defined Event. The Excess set out in 7.d.(i) applies to the acts of a lawful authority.

8. Impact by

- a. an aerial device, Aircraft or anything dropped or falling from an Aircraft, sonic boom, space debris or debris from a rocket or satellite;
- b. a road vehicle or its load, Watercraft, Hovercraft or animal but excluding loss or Damage by eating, chewing, clawing or pecking of animals or impact by pets or guard dogs;
- c. falling trees or parts of falling trees but excluding Damage caused by You or someone else when You have agreed not to hold them responsible if they cause Damage to Your Property Insured whilst cutting down trees or removing tree branches;
- d. an aerial, antenna, communication mast or tower or a satellite dish that collapses or breaks, but excluding loss or Damage to the aerial, antenna, communication mast or tower or satellite dish itself unless caused by an insured peril;
- e. a falling building or other structure or part thereof, provided the collapse is not caused by:
 - (i) lack of maintenance of a building or structure at the Situation, or
 - (ii) the intentional demolition of a building or other structure at Your Premises but only to the extent that such demolition has not resulted from Damage otherwise insured by this Section.

9. Molten material

Escape of molten material from its normal container or safety device on or about the Situation but excluding:

- a. the cost of repairing any fault which permitted such escape;
- b. the cost of retrieving or removing escaped material from any escape channel or catchment area designed for the purpose;
- c. loss of or Damage to such escaped material;
- d. loss or destruction of or Damage to furnace linings, crucibles, moulds, or other containers or ladles from which molten material escapes.

10. Accidental Damage

Accidental Damage at the Situation caused by any sudden, unexpected or unforeseen occurrence not otherwise excluded in this Defined Event provided that Our Limit of Indemnity for Damage arising out of any one event will not exceed:

- a. the lesser of \$250,000 or the Contents Sum Insured under this Section One; or
- b. the Sum Insured shown in the Schedule for this Defined Event 10 – Accidental Damage;

whichever is the greater.

We will not pay the amount shown in the Schedule as the Excess for this Defined Event 10 – Accidental Damage.

Specific exclusions applicable to this Defined Event 10 – Accidental Damage

We will not pay for:

1. Damage that is insurable or covered under Defined Events 1 to 9 of this Section or under any other Section of the Policy whether effected or not, other than Accidental Damage under Section Five – General Property and/or Part A of Section Ten – Computer/Electronic Equipment.
2. Damage caused by:
 - a. spontaneous combustion, fermentation, heating or any process involving the direct application of heat, deterioration and putrefaction of refrigerated goods;
 - b. action of The Sea, Storm Surge, high Water, Flood, seepage or percolation of Water or Water entering the Premises as a result of structural defects, faulty design or faulty workmanship;
 - c. Hail, to Vehicles, caravans, trailers, motorcycles, Watercraft or Hovercraft whilst in the open air;
 - d. impact, to Vehicles, caravans, trailers, motorcycles, Watercraft or Hovercraft whilst being driven, towed or carried on any road or thoroughfare;

- e. theft;
 - f. fraud or dishonest acts, embezzlement, forgery, erasure, counterfeiting and fraudulent misappropriation by electronic means or otherwise;
 - g. (i) unexplained inventory shortages or disappearances,
(ii) shortage in the supply or delivery of materials to or from You,
(iii) loss induced by deception;
 - h. loading or unloading, delivery or dispatch;
 - i. demolition, other than demolition by or ordered by a public authority provided that such demolition or order for demolition work does not exceed \$250,000 or 20% of the total Sum Insured on Building and Contents whichever is the lesser. This clause does not override Specific exclusions applicable to this Section 3.b;
 - j. testing, intentional overloading or experiments;
 - k. any process of heat treatment, welding, grinding, cutting, drilling, shaping or the application of tools to the Property Insured, provided this exclusion shall be limited to the item or items immediately affected and shall not extend to other property Damaged as a result of any process of heat treatment, welding, grinding, cutting, drilling, shaping or the application of tools to the Property Insured;
 - l. scratching, biting and chewing by any animal or bird;
 - m. mechanical, hydraulic, electrical or electronic breakdown, failure, malfunction or derangement of any machine or electrical or electronic device or temperature-controlling equipment;
 - n. live animals, birds or fish or any other living creature;
 - o. scratching or marring.
- 3. Damage caused to:**
- a. Property Insured which occurs at any location other than the Situation shown in the Schedule;
 - b. Vehicles, caravans, trailers, motorcycles, Watercraft, Hovercraft, Aircraft or aerial devices or the accessories to any of these;
 - c. Property Insured during and as the result of its processing;
 - d. Property Insured during construction, erection, renovation or demolition or to their Contents or Stock in Trade;
 - e. gates, fences, landscaping, retaining walls;

- f. awnings, shades, blinds or signs;
- g. glass or items of a brittle nature;
- h. property in transit;
- i. boilers or pressure vessels with a capacity of one cubic metre or greater caused by explosion or implosion of the boiler or pressure vessel;
- j. Property Insured as a result of the malicious acts of Your tenant/s or lessee/s.

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. 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 and Stock of Fuel	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. 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.
d. Customers' Goods other than Vehicles	Indemnity.
e. Customers' Vehicles that are a Total Loss	Market Value
f. Customers' Vehicles that are a partial loss.	The cost of repairs as assessed by an assessor appointed by Us.

Property Insured	Basis of Settlement
g. 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.
h. 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.
i. Directors', Partners' and Employees' Personal Property	Reinstatement or Replacement.
j. 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.

2. For the purpose of this Section One – Fire and Perils 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: (subject to any qualifications in the above table)

Where Property Insured is lost or wholly destroyed:

In the case of a Building, its rebuilding; or in the case of other Property Insured, 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) 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) 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.
- (iii) 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 Insured on an Indemnity basis shown in the above table, 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, machinery and plant).

Where Reinstatement or Replacement Basis of Settlement is shown in the Schedule, 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, subject to the following provisions and subject also to the terms, conditions and Sums Insured of this Section.

Provided that:

- a. the work of reinstatement must be commenced and carried out within a reasonable period, failing which We will not pay more than the amount which would have been payable under the Policy if 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 fire and perils insurances covering the Property Insured effected by You or on Your behalf are 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 under this clause 3. Extra cost of reinstatement 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;
- g. Specific conditions applicable to this Section 5. Underinsurance will not be applied to the amount payable under this clause.

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 any act of parliament or regulation under an act or any by-law or the 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:

- a. the actual costs incurred in reinstatement subject to the reduced floor space ratio index (plot ratio); and
- b. 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 caused by any of the Defined Events 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.

Provided that 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 be payable to Us.

6. Special conditions applying to Basis of Settlement

- a. other than for Additional benefits applicable to this Section 5. to 16., in no case will We pay more than the Sum Insured shown against each item in the Schedule;
- b. until You actually incur the cost of reinstatement We will not pay any more than We would be required to pay to indemnify You;
- c. the amount recoverable will not include any cost incurred in complying with any act, regulation, by-law or requirement with which You had been required to comply before the happening of the Damage.

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 a Defined Event occurring, 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 for the relevant additional benefit; or
- b. if no amount is shown then the amounts shown below.

1. 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 because of Damage to Property Insured but not costs, fees and salaries for preparing any claim under this Section. All costs must be incurred following Our written consent; provided that the Sum Insured under this Section is not otherwise exhausted.

2. 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 provided that We will not be liable for payment of any fines and/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, provided that the Sum Insured under this Section is not otherwise exhausted.

3. Directors', Partners' and Employees' Personal Property

The repair or replacement of Directors', Partners' and Employees' Personal Property which is Damaged by a Defined Event, 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, provided that the Sum Insured under this Section is not otherwise exhausted.

4. Employees' tools of trade

The repair or replacement of employees' tools of trade which You are legally responsible for, that are Damaged by a Defined Event, but only if the tools were at the Situation at the time the Damage occurred. The most We will pay is \$10,000 for each employee per event unless another amount is specified in the Schedule, and provided that the Sum Insured under this Section is not otherwise exhausted.

5. Removal of Debris

- a. Cover the removal, storage and/or disposal of Debris or the demolition, dismantling, shoring up,

propping, underpinning or other temporary repairs;

- b. Cover 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;

provided that such costs are incurred following Our written consent. The most We will pay in respect of any one event is \$50,000 or 20% of the Sum Insured on Buildings and Contents shown on the Schedule for the Damaged Premises whichever is the lesser (in addition to the Sum Insured) or the higher amount shown in the Schedule for removal of debris, or if this is insufficient and You have not exhausted Your Sum Insured on the damaged items requiring demolition and/or removal of debris, We will pay up to the remaining balance of the Sum Insured.

6. Fire extinguishment costs

Cover the reasonable costs and expenses, including wages of Your employees, up to an amount not exceeding \$25,000 necessarily and reasonably incurred:

- a. in the replenishment of fire-fighting appliances or Damage to materials (including employee's clothing and personal effects) caused in avoiding or minimising Damage unless otherwise specifically insured;
- b. that You are liable for under any fire brigade Act or similar legislation, provided always that Our liability in respect of these costs shall be limited to those incurred in extinguishing fires at or adjoining the Situation of the Property Insured by this Section or immediately threatening to involve such property;
- c. in avoiding or minimising imminent Damage to Property Insured by an insured peril.

7. Temporary protection

Cover temporary protection and safety of Property Insured pending replacement or repair of Damage covered by this Section, to a maximum of \$25,000 in respect of any one event.

8. Rewriting of Records

Cover the cost of clerical labour incurred in Rewriting of Records expended with Our written concurrence, including the information contained in them or on them but excluding the value to You of that information, provided You have insured Your Contents under Section One – Fire and Perils of this Policy.

The most We will pay in respect of any one event for this additional benefit is \$25,000.

9. 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 10% of the Sum Insured for such property or \$500,000, whichever is the lesser.

10. 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;

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.

11. Temporary removal – Contents and Stock in Trade

Cover Contents and Stock in Trade that forms part of the Property Insured while temporarily removed to any other premises within the Territorial Limit.

Provided that:

- a. We will not cover Stock in Trade that is on consignment to other parties.
- b. no cover is provided under this additional benefit for Damage caused by Defined Event 10 – Accidental Damage.
- c. the most We will pay for this additional benefit will be 10% of the Sum Insured or \$100,000, whichever is the lesser.
- d. this additional benefit will not apply to any Property Insured which has been removed for a period greater than 90 days without Our prior written consent.

12. Landscaping

Cover landscaping which includes trees, shrubs, plants and lawns but not roadways and paths.

Provided that this additional benefit does not apply to Damage caused by Defined Events 5. Wind and/or Water or 10. Accidental Damage.

The maximum amount We will pay for any one loss or series of losses arising out of any one event or occurrence will be the amount shown in the Schedule for "Landscaping" or \$2,000, whichever is the greater.

13. Loss of land value

Cover the reduction in land value that results from the requirements of any statute or regulation or any municipal or statutory authority that does not allow rebuilding or only allows partial rebuilding at the situation following Damage covered under this Section.

Provided that:

- a. the amount shall be calculated by subtracting the land value (after rebuilding or after We have agreed that rebuilding is not possible) from the land value before the Damage less any sum paid by any authority to You by way of compensation; and
- b. the maximum amount We will pay for this additional benefit will be 10% of the Sum Insured shown for Buildings at the Situation where the Damage happened or \$100,000, whichever is the lesser.

14. Minimisation of Damage

Cover the removal of property from Your Premises if Your Premises are threatened by fire or any other Defined Event, 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. Restricted transit – Contents and Stock in Trade

Cover Contents and Stock in Trade that forms part of the Property Insured that is temporarily removed from Your Premises but only whilst such is in transit anywhere in the Commonwealth of Australia.

Provided that:

- a. cover is limited to Damage caused by Defined Events 1., 2., 3. or 4;
- b. no cover is provided for Stock in Trade that is on consignment to other parties;
- c. the maximum that We will pay for this additional benefit will be \$10,000 or 5% of the Sum Insured on Contents or Stock in Trade (as the case may be), whichever is the lesser.

16. 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 with 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.
- (ii) curios or works of art for an amount in excess of \$2,000 for any one item or \$10,000 in total unless expressly stated otherwise in the Schedule;
 - e. any locomotive, rolling stock, Watercraft, Hovercraft or Aircraft, including their accessories and/or spare parts;
 - f. Vehicles or trailers, caravans or motor cycles all while registered or licensed to travel on a public road, provided that this exclusion will not apply to:
 - (i) Customers' Vehicles while at or parked immediately adjacent to the Situation;
 - (ii) unregistered forklifts used by You at the Situation;
 - g. livestock, animals, birds or fish;
 - h. standing timber, growing crops and pastures;
 - i. land other than as provided in Additional benefit applicable to this Section 13. Loss of land value.

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.

Defined Event limitation 5.a. Flood is deleted from the Policy.

Specific exclusions applicable to this Section

1. We will not pay for loss or Damage to:
 - a. (i) property undergoing construction, erection, alteration or addition when the value of work exceeds 20% of the Sum Insured on Buildings or \$500,000, whichever is the lesser,
 - (ii) empty Premises undergoing demolition;
 - 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 15. Restricted transit – Contents and Stock in Trade;
 - c. Money;
 - d. (i) jewellery, furs, bullion, precious metals or precious stones for an amount in excess of \$2,000 in total unless expressly stated otherwise in the Schedule;
 2. We will not pay for loss or Damage arising out of:
 - a. any legal liability of any nature (other than as herein provided) including lack of performance, loss of contract or depreciation in the value of land or stock;
 - b. any breach by You or with Your consent, of any law, by-law, local government or other legally constituted public body's regulation dealing with the storage of hazardous goods.
 3. We will not pay for loss or Damage directly or indirectly caused by or in connection with or arising from or occasioned through:
 - a. incorrect siting of Buildings;
 - b. demolition ordered by government or public or local authorities due to failure by You or Your agents to obtain the necessary permits required;
- This exclusion will not apply to structural improvements that are not otherwise excluded in this Section;
- j. bridges, canals, roadways, tunnels, railway tracks (other than those on the Premises occupied or used by You and which are specified on the Schedule as insured), dams, reservoirs (other than tanks) and their contents;
 - k. docks, wharves and piers not forming part of any Building;
 - l. mining property located beneath the surface of the ground unless otherwise expressly stated in this Section;

- c. moths, termites or other insects, vermin, rust or oxidation, mildew, mould, contamination or pollution, wet or dry rot, corrosion, change of colour, dampness of atmosphere or other variation in temperature, evaporation, disease, inherent vice or latent defect, loss of weight, change in flavour, texture or finish, smog, smut, soot or smoke from industrial operations.
4. We will not pay for loss or Damage caused by or occasioned through:
- a. wear and tear, fading, 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. Provided that this exclusion will 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;
 - i. 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;
 - j. access by persons not authorised by You to Your computer systems and records.

Provided that Specific exclusions applicable to this Section 4.a. to 4.h. will not apply to subsequent Damage to Property Insured caused by a Defined Event, despite the fact that this event may in turn

have been caused by any of the circumstances referred to in Specific exclusions applicable to this Section 4.a. to 4.h.

Specific conditions applicable to this Section

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. Hazardous goods

The storage and use of hazardous goods usual to Your trade or Business is allowed in quantities and manner as permitted by law, by-law or local government regulations. If You store or use hazardous goods other than as permitted above, We may reduce or refuse to pay Your claim if such misuse or inappropriate storage causes or exacerbates Damage to the Property Insured.

3. Progress payments

At either Your or Our option, progress payments on account of any loss recoverable under this Section may 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.

4. Sale of salvage

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

5. 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 Additional benefits applicable to this Section 1. to 8. inclusive, 12. and 14, Customers' Goods and Stock of Fuel if shown in the Schedule.

6. 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.

7. 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; or

Part "B" – Consequential Loss of Profits;

Your cover 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 – Fire and Perils, Section Three – Theft, Section Four – Money and Section Six – Glass of this Policy; or
 - b. which is insured under any other policy providing indemnity for the same Defined Events as described in Section One – Fire and Perils, Section Three – Theft, Section Four – Money and Section Six – Glass of this Policy; or
 - c. which is property used but not owned by You at the Situation and which is Damaged by 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 Situation for which a certificate is required to be issued under the terms of any statute or regulation.
3. Damage to other property, which, had it been insured under this Policy, would have resulted in an admissible claim under Section One – Fire and Perils, Section Three – Theft, Section Four – Money, Section Six – Glass or Defined Event 2. 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 Situation 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,

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 Situation 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 Situation; or
 - (ii) vermin or pests or defects in the drains or other sanitary arrangements at the Situation; or
 - (iii) the outbreak of a notifiable human infectious or contagious disease occurring within a 20 kilometre radius of the Situation; or
- b. poisoning directly caused by the consumption of food or drink provided at the Situation; or
- c. murder or suicide occurring in or at the Situation;

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 – Fire and Perils.

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 Situation up to a maximum of 5% of the Sum Insured provided that the claim for the Property Insured is covered under Section Eleven – 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 You 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.

“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.

“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 and Standard Turnover 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. 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 You 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 – Fire and Perils 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 – Fire and Perils 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. 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, clause 1.a. of the Basis of Settlement applicable to Part “B” of this Section is 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.

4. 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.

5. 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 conditions applicable to Part “B” of this Section 9. ‘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”.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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).

11. 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.

- a. stock of general merchandise, raw materials, including the value of work done, containers and packaging materials;
- b. stock of Parts and Accessories, component parts, oils, engine additives and other consumables for Vehicles used by You and raw materials.

It excludes tobacco, cigars and cigarettes and Stock of Fuel.

Defined Events applicable to this Section

1. Theft or attempt at theft from a Building, provided:
 - (i) the Building was securely locked; and
 - (ii) the theft or attempted theft arises from actual or attempted forcible and violent entry to the securely locked Building; and
 - (iii) there is visible evidence of the forcible and violent entry or attempted entry.
2. Theft or any attempt at theft by any person 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.
7. Theft of Customers’ Vehicles while in the open air, if listed in the Schedule as covered.

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. 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.
d. Customers’ Goods other than Vehicles	Indemnity.
e. Customers’ Vehicles that are a Total Loss	Market Value
f. Customers’ Vehicles that are a partial loss.	The cost of repairs as assessed by an assessor appointed by Us.

Property Insured	Basis of Settlement
g. 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.
h. 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.
i. 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 (subject to any qualification in the above table):

Where Property Insured is stolen:

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 Damaged Property 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 on an Indemnity basis shown in the above table, 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 applicable to this Section 6., 7. and 8., 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 applicable to this Section 6., 7. and 8.

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 \$5,000 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 shall not accumulate with any similar cover that may be given under Additional benefit applicable to this Section 4. Temporary protection under 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 shall not accumulate with any similar cover that may be given under Additional benefits applicable to this Section 4. Directors', Partners' and Employers' Personal Property under Policy Section Four – Money.

5. Employees' tools of trade

The repair or replacement of employees' tools of trade which You are legally responsible for, to a maximum of \$10,000 for each employee per event unless another amount is specified in the Schedule.

6. Replacement keys and locks

For:

- a. replacing locks and/or keys of Buildings 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 shall not accumulate with any similar cover that may be given under Additional benefits applicable to this Section 2. Replacement keys and locks under Policy Section Four – Money.

7. Seasonal increases in the Sum Insured

During the periods:

- a. starting 60 days before Christmas Day and ending on the twentieth day following, both days inclusive;
- b. starting 30 days before Easter Sunday and ending on the twentieth 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.

8. Temporary removal – Contents and Stock in Trade

Damage to Contents and Stock in Trade that forms part of the 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.

- 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 the Buildings at the Situation.

9. 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 exclusions applicable to this Section 1.a is modified.

10. 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.

11. 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 shall not accumulate with any similar cover that may be given under Additional benefits applicable to this Section 3 Death following assault under Policy Section Four – Money.

12. 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.

13. Contents in the open

Loss or Damage to securely fixed Contents in the open or within an open sided Building, during theft or attempted theft, to a maximum of \$5,000 during any one Period of Insurance.

14. Theft without forcible and violent entry

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 for any one event.

There is no cover under this additional benefit for Stock In Trade, Stock of Fuel or Customers' Goods.

Optional Benefits applicable to this Section

1. Theft of a Customers' Vehicle with a key

Where the Schedule shows that this Optional Benefit is operative, Specific exclusions applicable to this Section 1.g below will not operate.

An Excess of the greater of \$2,500 or 10% of the Vehicle's Market Value will apply in the event that a Customer's Vehicle is Damaged consequent upon it being stolen using the Vehicle's key.

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; or
 - f. plants, shrubs, landscaping or growing crops, pastures or standing timber;
 - g. Vehicles stolen involving the use of a key or the Vehicle's own key. This exclusion will not apply if the Vehicle's key is obtained by:
 - i. visible, violent and forcible means from within a securely locked Approved Key Cabinet or Approved Safe;
 - ii. violence or force, or threat of violence or force, to You, a Bailee, Your employee or customer.
 - h. Parts and Accessories from Customers' Vehicles unless the Customers' Vehicle itself is stolen;
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;
 5. loss or Damage to Vehicles, other than Customers' Vehicles if shown 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, other than as covered under Defined Event 7.
 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.

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 night safe or automatic teller machine of any Bank at which You normally transact business provided that Our liability for Money in night safes 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 Approved 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; or
- 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 applicable to this Section 2., 6. and 7.

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 shall not accumulate with any similar cover that may be given under Additional benefit applicable to this Section 4. Directors', Partners', and Employees' Personal Property under 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 Approved 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 shall not accumulate with any similar cover that may be given under Additional benefits applicable to this Section 6. Replacement keys and locks under 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 shall not accumulate with any similar cover that may be given under Additional benefits applicable to this Section 11. Death following assault under 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 shall not accumulate with any similar cover that may be given under Additional benefits applicable to this Section 2. Temporary protection under 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 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 will not accumulate with any cover that may be given under Policy Section Three – Theft or Policy Section Eight – Employee Dishonesty.

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

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;

unless stated otherwise in the Schedule.

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

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 benefits applicable to this Section 5. Theft by Your employees;
 4. loss of or Damage to Money carried by professional money carriers, collectors or professional carriers or common carriers;
 5. loss from an unattended Vehicle;
 6. loss from a Approved 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.
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.

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.

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 is Damaged by any sudden, unexpected and unforeseen event (not otherwise excluded) that happens during the Period of Insurance.

Definitions applicable to this Section

“Event” means any one event or series of events arising from any one originating source or cause.

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 only 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 repairs necessary 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 first \$250 of any claim arising out of any one event, or the amount shown in the Schedule as the Excess for this Section, whichever amount is the greater.

Specific exclusions applicable to this Section

We will not pay for:

1. Damage to Property Insured outside the Territorial Limits;
2. Damage caused by or arising directly or indirectly out of or in any way connected with:
 - a. spontaneous combustion, fermentation, heating or any process involving the direct application of heat;
 - b. deterioration and putrefaction of refrigerated goods;
 - c. action of the sea, storm surge, tidal wave, high water, seepage or percolation of water or water entering the Building as a result of structural defects, faulty design or faulty workmanship;
 - d. Flood, other than for Damage to Property Insured from Flood when contained in a Vehicle;
 - e. theft other than,
 - (i) theft resulting from forcible and violent entry evidenced by visible Damage to the securely locked portion of any building or the securely locked portion of any Vehicle containing the Property Insured; or
 - (ii) theft by armed hold-up occurring at the Premises; or
 - (iii) theft from the Premises following assault or violence or threat of immediate assault or violence to You, Your employees or Your customers.
 - 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) shortages in the supply or delivery of materials to or from You,
(iii) loss induced by deception;
 - i. loading or unloading, delivery or dispatch;
 - j. demolition;
 - k. testing, intentional overloading or experiments;
 - l. any process of heat treatment, welding, grinding, cutting, drilling, shaping or the application of tools to the Property Insured

provided this exclusion shall be limited to the item or items immediately affected and shall not extend to other property Damaged as a result of any process of heat treatment, welding, grinding, cutting, drilling, shaping or the application of tools to the Property Insured;

- m. scratching, biting and chewing by any animal or bird;
- 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 upkeeping or making good; or
- q. data processing or media failure or breakdown, or malfunction of a processing system, including operator error or omission, or computer virus.

3. Damage caused to:

- a. Vehicles, caravans, trailers, motorcycles, Watercraft, Hovercraft, Aircraft or aerial devices or the accessories (whether fitted or otherwise) of or to any of these;
- b. Property Insured during the course of and as the result of its processing;
- c. Property Insured in the course of construction, erection, renovation or demolition;
- d.
 - (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;

- e. Property Insured in the open air caused by wind, rainwater or Hail unless such property is designed to function without the protection of walls or roofs;
- f. Property Insured should it be lost or Damaged during use or recovery underground, underwater or in a location from which it cannot be economically recovered;
- g. livestock, animals, birds or fish;
- h. standing timber, growing crops and pastures;
- i. 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 \$5,000 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 in respect of Personal Injury and/or Property Damage first occurring within the Territorial Limits during the Period of Insurance as a result of an Occurrence in connection with Your Business, up to the Limit of Indemnity.

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 any event (including continuous or repeated exposure to substantially the same general conditions) which results in Personal Injury or Property Damage that is neither expected nor intended by You. All events 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.

“Property Damage” means:

- a. physical damage to, physical loss of or physical destruction of tangible property 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.

“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.

“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 effective 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 such principal's vicarious liability for the acts or omissions of The Insured shown in the Schedule or a company referred to in b. or c. above, in the performance of work for such principal subject 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.

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

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.

Optional Benefit

1. Theft of a Customers' Vehicle using a key

Where the Schedule shows that this Optional Benefit is operative, Specific exclusions applicable to this Section 21. Theft of a Customers' Vehicle using a key will not operate and the following Excess applies.

In the event that a Customers' Vehicle is lost or Damaged consequent upon it being stolen using the Vehicle's key, an Excess of the greater of \$2,500 or 10% of the Vehicle's Market Value will apply per Vehicle. This Excess will not apply if the Vehicle's key is obtained by:

- (i) visible, violent and forcible means from within a securely locked Approved Key Cabinet or Approved Safe; or
- (ii) violence or force, or threat of violence or force, to You, a Bailee, Your employee or customer.

In such a case, the normal Property Damage Excess shown on the Schedule still applies.

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

4. Contractual liability

assumed under any contract or agreement.

This exclusion 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.

This exclusion shall not apply in respect of any design, specification or formula in any of Your Products, which was not provided for a 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 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, re-performing, completing, re-completing, correcting or improving any work or service undertaken or provided by You or on Your behalf.

This exclusion will not apply to work or service You had contracted to perform prior to the Occurrence causing the Damage which must be performed, re-performed, completed or recompleted solely by reason of the Occurrence.

In addition to any indemnity provided elsewhere in this Section in respect of resultant Damage, Your Policy is extended to include:

- a. the wholesale cost of parts;
- b. the net labour costs;

required to perform or re-perform the work.

However, there is no cover where the performance, re-performance, completion, re-completion, correction or improvement is in relation to any work undertaken or provided by You or on Your behalf in relation to spraying, re-spraying, painting or re-painting of Vehicles.

The most We will pay under this proviso is \$30,000 for all claims in the aggregate for any one Period of Insurance.

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. However, this exclusion 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 or Property Damage arising directly or indirectly out of or in any way connected with Your actual Participation of such person in any sport, exercise or activity such as but not limited to motor sports, athletics, football or aerial activity.

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

This exclusion 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, of professional advice or service or any error or omission connected therewith.

Provided that this exclusion 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 provided for any 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 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. However, 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) Customers Vehicles within the confines of Your Situation(s) or legally parked within 200 metres of Your Situation(s) (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).
- (v) property belonging to visitors or Your employees; or
- (vi) property other than listed in (i) to (v) 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; or

Our liability under provisos (iii), (iv), (v) and (vi) will be limited to:

- a. \$100,000 any one Vehicle; or
- b. \$250,000 any one Occurrence for property other than Vehicles,

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. Theft of a Customer's Vehicle using a key

arising directly or indirectly out of or in any way connected with the theft, damage or destruction to Vehicles in Your physical or legal control involving or resulting from the use of the Vehicle's key.

This exclusion will not apply if the Vehicle's key is obtained by:

- (i) visible, violent and forcible means from within a securely locked Approved Key Cabinet or Approved Safe;
- (ii) violence or force, or threat of violence or force, to You, a Bailee, Your employee or customer.

22. 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 will not apply to liability for Personal Injury or Property Damage:

- (i) arising beyond the limits of any carriageway or thoroughfare or caused by the loading or unloading of any Vehicle or trailer;
 - (ii) arising from the use of any Vehicle as a Tool of Trade;
 - (iii) arising entirely within the confines of Your Situation(s);
 - (iv) where the Vehicle is a Customer's Vehicle and is being serviced within the confines of Your service workshop and You can demonstrate to Our satisfaction that You have an enforced policy of not allowing non-employees to enter the service workshop.
- b. where such liability is required by virtue of any legislation to be insured under a compensation scheme or a policy of bodily injury insurance.

23. 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 no 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.

Section Eight – 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 benefits applicable to this Section 1. Retroactive cover.

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:

- 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.
- c. 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;
- d. 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

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 Nine – 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 Specific conditions applicable to this Section 2. Undeclared Property Insured, 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.

The maximum amount We will pay for this additional benefit will be 50% of the normal cost of the repair of the Damaged item.

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 this additional benefit 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; or
 - (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;

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 benefits applicable to this Section 1. Hire of temporary machinery and expediting costs, 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

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 Ten – Computer/Electronic Equipment

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 Premises (unless otherwise stated in the Schedule) that is caused 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 Events applicable to this Section

Part A – Accidental Damage

Where Part A – Accidental Damage is shown as operative in the Schedule, the Defined Event will be:

Any accidental loss of or Damage to the Property Insured including Breakdown.

Part B – Breakdown only

Where Part B – Breakdown only is shown as operative in the Schedule, the Defined Event will be:

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 in accordance with Basis of Settlement clause 3.;
 - 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 and including:
 - (i) the cost of dismantling, re-erection and removal of Debris;
 - (ii) charges for overtime and work on public holidays where necessarily and reasonably incurred; and
 - (iii) express freight within Australia.Provided that:
 - (i) the maximum We will pay for the total costs incurred in (i), (ii) and (iii) above will be 50% of the normal repair cost payable under this Section, and
 - (ii) Our liability inclusive of these additional costs will not exceed the Sum Insured specified in the Schedule.
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 in accordance with Basis of Settlement clause 3.;
 - 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.

3. In all cases Damage that can be repaired must be repaired, however should the item be uneconomical to repair due solely to the nature of the Damage, settlement will be the lesser of:
 - a. the Sum Insured for the Property Insured as stated in the Schedule; and
 - b. (i) for Property Insured less than six (6) years old the cost of replacement of the Property Insured with property of similar function, type, capacity and quality and in a condition equivalent to but not better than the condition of the Property Insured when new; or
(ii) for Property Insured six (6) years or older, the installed value of the Property Insured will be depreciated by 10% per annum for each year of service in excess of six (6) years up to a maximum depreciation of 70%.

Salvage

The value of any salvage will be deducted from any amount payable under this Basis of Settlement.

Depreciation of parts replaced

No deduction will be made for depreciation of parts replaced except for valves, tubes (including picture and x-ray tubes) and light sources. We will deduct an amount for these items that is proportional to their period of use up to the time of replacement compared to their normal service life expected as confirmed by the manufacturer or supplier.

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 for Damage caused by a Defined Event, We will pay, up to the amounts shown for the respective additional benefits, the reasonable and necessary costs that are incurred.

Our liability for these additional benefits will be in addition to the Sum Insured shown in the Schedule.

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 applicable to this Section 5.f. is modified.

3. Temporary Removal

Damage to Property Insured while it is temporarily removed from the Premises anywhere in Australia, provided that there is no cover for Property Insured:

- a. while in storage or while being transported for storage;
- b. during permanent removal from the Premises;
- c. if stolen from an unlocked Vehicle;
- d. while left unattended in the open air;
- e. while in transit as checked baggage or cargo on any Aircraft or other public transport.

4. Additional Computer/Electronic Equipment

We will cover Additional Computer/Electronic Equipment acquired during the Period of Insurance, provided that:

- 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; or
 - (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 is installed or 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 Computer/Electronic Equipment, We may, within three (3) business days of receiving notice of the installation of the Computer/Electronic Equipment from You, give You seven (7) days' notice that We will not insure the Additional Computer/Electronic Equipment. Upon expiry of the period specified in Our refusal 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 they are included 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 at least weekly and the copies are kept off site;
- b. 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 persons not authorised by You;

2. Increased cost of working

The increased cost of working incurred during a period not exceeding three 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.

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

Excess applicable to this Optional Benefit

We will not pay any increased costs under this Optional Benefit during the first 48 hours immediately following the Damage.

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

Where Part "B" Breakdown only is shown as operative in the Schedule We will not pay for:

1. Damage which is insured or insurable under "Part A" of this Section;
2. coin- or card-operated machines, audio compact-disc players, video players and television receivers.

Where Part "A" Accidental Damage or Part "B" Breakdown only is shown as operative in the Schedule We will not pay for:

1. Damage to Property Insured outside the Territorial Limits.
2. Damage caused by:
 - a. spontaneous combustion, fermentation, welding, grinding, cutting, or drilling of the Property Insured; and
 - b. heating of, or any process involving the direct application of heat to the Property Insured;

provided that when Your Schedule shows You have chosen to insure Part A – Accidental Damage, then in respect to Fire Damage caused by these specifically excluded events a. and b., the application of these specific exclusions a. and b. is limited to the items immediately affected;

 - c. deterioration and putrefaction of refrigerated goods;
 - d. action of the sea or tidal wave;
 - e. theft other than theft resulting from forcible and violent entry evidenced by visible Damage to the securely locked portion of any building or the securely locked Vehicle containing the Property Insured;

Where You have selected "Part B – Breakdown only" under this Section, We will not pay for Damage caused by theft.

 - f. fraud or dishonest acts, embezzlement, forgery, erasure, counterfeiting and fraudulent misappropriation by electronic means or otherwise;
 - (i) unexplained inventory shortages or disappearances;
 - (ii) shortage in the supply or delivery of materials to or from You;
 - (iii) loss induced by deception;
 - g. loading or unloading, delivery or dispatch;
 - h. demolition;
 - i. testing, intentional overloading or experiments;
 - j. any process of shaping or the application of tools to the Property Insured,
 - k. scratching, biting and chewing by any animal or bird;
 - l. faulty packing or storage;
 - m. inherent defect or disease;
 - n. moths, termites or other insects, vermin, rust or oxidation, mildew, mould, contamination or

pollution, wet or dry rot, corrosion, change of colour, dampness, variations in temperature, evaporation, disease, inherent vice, latent defect, change in flavour, texture or finish, or smut or smoke from industrial operations;

- o. wear and tear, fading, scratching or marring, chipping or denting, gradual deterioration, developing flaws, normal upkeeping or making good.
3. Damage caused to:
 - a. Property Insured during the course of and as the result of its processing;
 - b. Property Insured in the course of construction, erection, renovation or demolition;
 - c. (i) glass or items of a brittle nature;
(ii) mobile phones;
 - d. Property Insured in the open air caused by wind, rainwater or hail;
 - e. Property Insured should it be lost or Damaged during use underground, underwater or in a location from which it cannot be recovered economically.
4. Damage to Property Insured caused by Breakdown due to atmospheric moisture or temperature unless directly resulting from Damage to or malfunction of air-conditioning equipment.
5. the cost of:
 - a. replacement of Damaged, worn or spent batteries, belts, chains, tapes, ribbons, filters, fuses, electric heating elements, electrical contacts, x-ray tubes or picture tubes;
 - 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.
6. Breakdown occurring to an insured item during any period when it is out of Your possession on hire, rental or lease.

7. 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.
8. Breakdown due to access by persons not authorised by You to Your computer systems and records.
9. 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.
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 machinery or electronic equipment.
12. the costs for repairing or replacing if the manufacturer, supplier, agent or any other person is responsible under the terms of a maintenance agreement.
13. Damage caused by Flood at the Situation.

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

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 the reinstatement or replacement cost of the Property Insured 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.

Section Eleven – 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.

“**Property Insured**” means Stock in Trade.

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

- a. starting from the time the loading of the Property Insured onto the Conveyance at the warehouse or place of storage, commences; and
 - b. continuing during its uninterrupted transportation on the Conveyance; and
 - c. 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 the transit is otherwise terminated before delivery of the goods as provided for in c. (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:

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:

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:

Any event (not otherwise excluded in this Section under “Specific exclusions applicable to this Section”, under “General exclusions applicable to all Sections of this Policy”), or an endorsement. If you have this cover Damage includes 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;
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.

Limit of Indemnity

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 loss, Damage or expense arising directly or indirectly out of or in any way connected with:

1. Perils exclusions

- a. Your wilful misconduct;
- b. ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the Property Insured;
- c. 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);
- d. inherent vice or nature of the Property Insured;
- e. delay, (including delays caused by a Defined Event, other than expenses payable for general average and salvage charges), loss of market, depreciation or deterioration;
- f. insolvency or financial default of the owners, managers, charterers, or operators of the Conveyance;
- g. (i) unseaworthiness of the vessel or craft; or
(ii) 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;

- h. capture, seizure, arrest, restraint or detainment (piracy excepted), and the consequences thereof or any attempted threat;
- i. 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;
- j. theft unless there has been visible proof of forcible and violent entry;

- k. any unexplained shortage or disappearance;
- l. any loss from an unattended Vehicle:
 - (i) left overnight unless within securely locked premises;
 - (ii) otherwise unless securely locked;

2. Property exclusions

We will not pay any claim in relation to:

- a. 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;
- b. goods carried by You for payment or reward.

Specific conditions applicable to this Section

1. Claims procedure

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.

2. Pairs and sets

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;

3. No cover for carrier

cover will not be provided for the benefit of the carrier or other Bailee;

4. Waiver

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;

5. Action within reasonable time

You will act within a reasonable time with regard to all circumstances within Your control;

6. Records

You will keep an accurate record of sales turnover and allow Us reasonable access to inspect those records;

7. Constructive total loss

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.

Section Twelve

– 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 Sum Insured shown in the Schedule for this Section during any one Period of Insurance.

Definitions applicable to this Section

“**Audit**” means the investigation of Your Business’ current and prior years’ financial affairs by an Australian statutory authority following lodgement of Your return and the making of an assessment (including a self-assessment) regarding Your obligation to pay:

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 the Auditor:

- a. has given written notice to You to that effect,
- b. notifies You that they have 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. has issued an assessment or amended assessment as to Your liability to pay an amount under any relevant legislation.

“**Auditor**” means an officer of a statutory authority who is properly authorised to conduct the Audit.

“**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. for any routine enquiries or enquiries made by an Auditor which are not identified as being either preliminary to or relating to an Audit;
3. for Professional Fees incurred:
 - a. prior to the commencement of the Audit;
 - b. after the Audit has been completed;
 - c. due to Your improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by an Auditor. 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;
 - d. from Audits or investigations under customs legislation;
 - e. from Audits which You were notified of or knew of prior to the Period of Insurance;
 - f. 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;
 - g. from any fraudulent act or omission committed by You or on Your behalf or by Your employee(s);
 - h. 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;

- i. 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.

solicitors arising from our instructions of them. 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

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 statutory authority, You must notify the statutory authority 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 the relevant statutory authority.

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. Conduct during the Audit

You agree to:

- a. keep Us fully informed of all material matters in relation to the Audit;
- b. send Us copies of all correspondence in relation to the Audit 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 the Audit; and
- d. permit Us, when necessary, to instruct Your accountants and solicitors in matters relating to the Audit. When we do this, the Professional Fees will include the fees payable to Your accountants and

Section Thirteen – Professional Indemnity

Important Notice: 'Claims Made' Cover

This Section provides a 'claims made' cover and will only respond to Claims first made against You during the Period of Insurance.

To the extent permitted by law, we will not pay for any Claim that You notify Us of after the Period of Insurance has expired.

The Cover

Where this Section is shown as insured on the Schedule, We will indemnify You for all sums which You are legally liable to pay, arising out of a Breach of Professional Duty, as compensation for any Claim first made during the Period of Insurance.

We will also pay for the Costs and Expenses that We incur or that You incur with Our written permission.

Definitions applicable to this Section

"Breach of Professional Duty" means a breach of a duty owed by You or Your Employee in a professional capacity, arising out of any advice, act, error or omission in the conduct of Your Business.

"Claim" means a:

- a. written or verbal demand for compensation made against You; or
- b. civil proceeding seeking compensation or damages; or
- c. criminal proceeding commenced by a summons or charge.

"Costs and Expenses" means all legal and other costs and expenses reasonably incurred in the investigation, defence or settlement of any Claim covered by this Section of Your Policy.

"Employee" means:

- a. any person currently or formerly employed by You;
- b. Your current and former directors and/or principals, but excludes independent contractors, any employees of independent contractors, any contract worker or any temporary worker.

Limit of Indemnity

The Limit of Indemnity is the amount stated in the Schedule. This is the maximum We will pay for any one Claim made during the Period of Insurance under this Section. The Limit of Indemnity is inclusive of all Costs and Expenses and any costs and expenses awarded against You.

The Aggregate Limit of Indemnity is the maximum We will pay for all Claims made during the Period of Insurance under this Section. The Aggregate Limit of Indemnity is equal to the Limit of Indemnity or such other amount if stated in the Schedule.

Excess

You must bear the Excess shown in the Schedule for this Section.

Additional benefits applicable to this Section

To the extent that the Limit of Indemnity is not otherwise exhausted, We will also indemnify you for:

1. Australian Competition and Consumer Law

any Claim, first made during the Period of Insurance, made under the terms of the Competition and Consumer Act 2010 (Cth), Trade Practices Act or any Fair Trading legislation enacted by the states or territories of Australia arising out of the conduct of Your Business.

Provided that we will not pay for:

- a. Claims arising from the penal or criminal provisions of any of those statutes;
- b. Claims made because of intentionally misleading or deceptive conduct by you or any person for whom You are responsible.

An Excess will apply as specified in the Schedule.

2. Dishonesty of Employees, consultants, contractors or agents

sums which You shall become legally liable to pay as compensation for a Claim, first made during the Period of Insurance, arising out of any dishonest, fraudulent, criminal, illegal, malicious, reckless, wilful, misleading or deceptive advice, act, omission or conduct of any Employee which You first discover during the Period of Insurance, provided that:

- a. We shall not be liable to indemnify:
 - i. You, if You condoned or were an accessory to;
 - ii. any person who committed or who was an accessory to;
 - iii. any firm of which any one or more partners committed, or were accessories to;
 - iv. any company of which any one or more officers committed, or were accessories to;

the relevant dishonest, fraudulent, criminal, illegal, malicious, reckless, wilful misleading or deceptive advice, act omission or conduct;

- b. We will not indemnify any consultant, contractor or agent;
- c. We will not pay for loss of Money;
- d. We will not pay more than \$250,000 during any one Period of Insurance.

Specific exclusions applicable to this Section 10 – Dishonest acts, will not apply to this additional benefit.

3. Additional parties

a Claim first made during the Period of Insurance:

- a. against a principal, partner, director or Employee in relation to their previous business, for their conduct carried out for another entity in relation to the same type of activities covered under business as Your Business,
- b. against a predecessor entity of Your Business;

provided the Claim does not arise from circumstances which constitute a Claim under any other professional indemnity insurance policy or which could have been notified under such a policy under section 40(3) of the Insurance Contracts Act 1984 (Cth) or any equivalent replacement section if amended.

If an Insured or anyone entitled to cover under this Policy, dies or becomes legally incompetent or individually insolvent, We will include the estate, legal representative or assigns of the Insured, or the party entitled to cover, to the same extent as cover would otherwise be available.

For any activity in which You are engaged in a joint venture, We will only indemnify You for Your share.

4. Defamation

any Claim, first made during the Period of Insurance, made against You arising from unintentional defamation.

Specific exclusions applicable to this Section

We will not pay for any Claim:

1. 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.

2. Assumed duty or obligation

arising directly or indirectly out of any liability, duty or obligation assumed under any contract or agreement but this exclusion does not apply to liability that would have been implied by law in the absence of such contract or agreement.

3. Assault

in regard to assault or battery committed by You or at Your direction unless committed for the purpose of preventing or eliminating danger to persons or property.

4. Criminal matters

in regard to the penal or criminal provisions of any law or statute.

5. Dishonest acts

- a. any actual or alleged dishonest, fraudulent, criminal, illegal or malicious advice, act or omission by You or Your Employees, consultants, contractors or agents; or
- b. any advice, error, act or omission by You or Your Employees, consultants, contractors, or agents committed or alleged to have been committed with a reckless disregard for the consequences thereof; or
- c. any wilful breach of any statute, contract or duty by You or Your Employees, consultants, contractors or agents.

6. Employer's liability

for

- a. personal injury to; any Employee or
- b. Damage to property of, or loss of use of property of any Employee.

7. Faulty workmanship

in regard to the cost of or expenses incurred in performing, re-performing, completing, re-completing, correcting or improving any work or service undertaken or provided by You or on Your behalf.

8. Fines and penalties

arising from the penal or criminal provisions of any of statute, nor will we pay for fines or penalties or any portion of a judgment or award that represents aggravated, punitive or exemplary damages or damages resulting from the multiplication of compensatory damages.

9. Insurer or insurance intermediary insolvency

in regard to the insolvency of any insurance company (other than Us), underwriting agency or any other insurance intermediary.

10. Jurisdiction

in regard to brought in a court of law or arbitral tribunal outside of Australia.

11. Molestation

in regard to the sexual molestation of, interference with or harassment of any person (whether a minor or an adult) by You, any officer, any Employee or any person performing volunteer services for or on Your behalf.

12. Outside financing arrangements

in regard to any financing or credit arrangement (whether by way of loan, lease, hire purchase or otherwise) in respect of any property unless:

- a. You are or were the owner or Bailee of such property; and
- b. the arrangement is or was in relation to the sale of such property by You.

13. Prior or pending Claims

- a. made, threatened or intimated against You prior to the Period of Insurance;
- b. directly or indirectly based upon, attributable to, or in consequence of any fact or circumstance:
 - i. of which written notice has been given, or could reasonably have been given, under any previous policy; or
 - ii. of which You first became aware prior to the Period of Insurance and which You knew or ought reasonably to have known might give rise to a Claim of the kind covered under this Section.

14. Privacy

arising directly or indirectly out of or in any way connected with the invasion of rights of privacy.

15. Property in physical or legal control

arising directly or indirectly out of or in any way connected with property which is owned by or leased or rented to You or property in Your physical or legal control.

16. Prosecution/imprisonment

arising directly or indirectly out of or in any way connected with false arrest, false imprisonment, wrongful detention, malicious prosecution or humiliation.

17. Public office/other activities

arising directly or indirectly out of or in any way connected with any conduct while engaged in the performance of duties for an outside body or organisation.

18. Related and family members

brought or maintained by or on behalf of:

- a. You or Your family members; or
- b. any directors, principals, shareholders or proprietors or their family members.

19. Territorial Limit

arising directly or indirectly out of or in any way connected with a Breach of Professional Duty committed or alleged to have been committed by You outside of Australia.

20. Trading debts

arising directly or indirectly out of or in any way connected with any trading debt incurred by You or any guarantee given by You for a debt.

21. Vehicles and Watercraft

arising directly or indirectly out of or in any way connected with the ownership, operation or use by You or on Your behalf of any Vehicle or Watercraft, except in the conduct of Your Business.

22. Workers' Compensation and CTP

arising from liability ordinarily insured or insurable under any statutory workers compensation insurance, compulsory third party motor vehicle insurance.

23. Wrongful entry/eviction

arising directly or indirectly out of or in any way connected with wrongful entry or eviction.

Specific conditions applicable to this Section

1. Multiple Claims

All causally connected or interrelated advices, acts, errors or omissions shall be deemed to jointly constitute a single advice, act, error or omission.

If a single Breach of Professional Duty, advice, act, error or omission gives rise to more than one Claim, all such Claims shall jointly constitute one Claim for the purposes of this Section and only one Excess and one Limit of Indemnity shall be applicable for such Claim.

2. Claims Reporting

You must notify Us in writing of any Claim made against You during the Period of Insurance and as soon as practically possible after the Claim is made.

3. Defence/Settlement

You agree not to settle any Claim, incur any Costs and Expenses, make any admission, offer or payment or otherwise assume any contractual obligation for any Claim without Our written consent. Such consent shall not be unreasonably withheld. We will not pay for any settlement, Costs and Expenses, admission, offer, payment or assumed obligation to which We have not consented.

We shall be entitled at any time to conduct in Your name the defence or settlement of any Claim and any recovery action.

We may, if We believe that any Claim will not exceed the Excess, instruct You to conduct the defence of the Claim. In such situation, We will still indemnify You in accordance with this Section for any balance after such Excess has been paid by You.

4. Confidentiality

You, Your directors and Your officers must not disclose, either personally or through any person or entity acting on Your or their behalf or at Your or their direction, to any third party:

- a. the existence of Your Policy; or
- b. the nature of the liability indemnified; or
- c. the Limit of Indemnity; or
- d. the amount of premium paid.

However, You and Your directors or officers may disclose the above matters to the extent that:

- e. You or Your directors or officers are required to do so by law; or
- f. We consent to the disclosure in writing.

5. Dispute as to Contest/Settlement

If We recommend settlement for any Claim and You do not agree that such Claim should be settled, You may elect to contest such Claim. If You make such election, Our liability for such Claim shall not exceed the amount for which the Claim could have been so settled plus the Costs and Expenses incurred with Our written consent up to the date of such election.

We shall not require You to contest any Claim unless a senior counsel (appointed by Us) advises that such Claim should be contested. In determining such advice the senior counsel shall take into consideration the economic viability of such a course, the damages and costs likely to be recovered by the claimant, the prospects of a successful defence and the likely Costs and Expenses. The cost of the senior counsel's advice is to be treated as being part of the Costs and Expenses.

Section Fourteen – Customers' Vehicles

The cover

We will pay You in accordance with the Basis of Settlement for:

- Accidental Damage to Customers' Vehicles, regardless of whether You are legally liable; and
- Your legal liability arising from the use of Customers' Vehicles

while being driven by You or Your employees in the conduct of Your Business during the Period of Insurance.

Definitions applicable to this Section

"Accidental Damage" means:

- a. Damage, including Damage caused by fire, Flood, storm or earthquake; or
- b. loss by theft and unfound; or
- c. Malicious Damage

"Limit of Indemnity" means the amount(s) specified in the Schedule as the Sum Insured which will be the maximum amount that We will pay for any one loss or series of losses arising out of an event or series of events unless otherwise specified.

"Malicious Damage" means intentional Damage done to Your Customer's Vehicle by someone else without Your consent.

"Property Insured" means Customers' Vehicles.

Basis of Settlement applicable to this Section

For:

1. **Accidental Damage to Customers' Vehicles, We will at Our option:**
 - a. on partial loss of Customers' Vehicles:
 - i. replace, reinstate or repair the Vehicle;
 - ii. pay You the cost of repairs as determined by an assessor appointed by Us.
 - b. on Total Loss of Customers' Vehicles:
 - i. pay You the Market Value or the Limit of Indemnity, whichever is the lesser.
2. **Legal liability arising from the use of Customers' Vehicles:**
 - a. for Damage to other people's property, We will pay:

- i. an amount sufficient to cover Your legal liability; and
 - ii. legal costs incurred in relation to the claim with Our written consent
- b. for supplementary bodily injury (CTP gap liability):

We will also cover You, or a currently licensed driver driving Your Customer's Vehicle with Your consent, for legal liability for death or bodily injury caused by or arising out of the use of Your Customer's Vehicle during the Period of Insurance, if Your Customer's Vehicle is registered for use on a public road and the liability is incurred, as a result of one or more of the following events:

- i. You or the currently licensed driver driving or being in charge of Your Customer's Vehicle;
- ii. goods being carried by or falling from Your Customer's Vehicle;
- iii. loading or unloading Your Customer's Vehicle.

We will also cover the legal liability of a passenger travelling in or getting into or out of Your Customer's Vehicle with Your permission, or the permission of a currently licensed driver driving or in charge of Your Customer's Vehicle with Your consent.

We will not pay:

- a. if the event or series of related events that gives rise to the legal liability or any part of it is covered or indemnified in any way by any:
 - i. statutory or compulsory insurance policy or any statutory or compulsory insurance; or
 - ii. compensation scheme or fund, even if the amount recoverable is nil.
- b. any amount of a claim over that recoverable under any:
 - i. statutory or compulsory insurance policy or any statutory or compulsory insurance; or
 - ii. compensation scheme or fund.
- c. if the legal liability would have been covered or indemnified in any way if Your customer had not failed to:
 - i. insure their Vehicle;

- ii. register their Vehicle; or
 - iii. comply with the requirements of any statutory or compulsory insurance policy or any statutory or compulsory insurance or compensation scheme or fund.
- d. for legal liability to any:
 - i. person driving or in charge of Your Customer's Vehicle;
 - ii. of Your employees; or
 - iii. member of Your family.
- e. for legal liability in respect of any psychological or psychiatric injury (other than to the extent that it is directly caused by or arises from serious physical bodily injury of the person who suffers the psychological or psychiatric injury).
- f. unless You or the person claiming under this Section have notified Us of a claim under this Section within 6 months of You or that person first becoming aware of an intention to make a claim against You or that person.
- g. for legal liability caused by or arising from an intentional act by You or any other person.
- h. any amount of exemplary, punitive or aggravated damages.

Provided the maximum amount We will pay for Damage to other people's property and/or supplementary bodily injury (CTP Gap liability), including legal costs, arising from a single event or series of related events is \$20,000,000.

Excess

There are different types of Excess which may apply. The Excess amount(s) are shown in the Schedule.

These are:

1. Basic excess

The basic excess is the first amount that must be paid for each claim and is shown in the Schedule.

2. Age excess

If Your Customer's Vehicle was being driven by or was in the charge of a driver under the age of 25, in addition to the basic excess, the age excess shown in the Schedule must be paid.

3. Inexperienced driver excess

If Your Customer's Vehicle was being driven by or was in the charge of a driver aged 25 years or over but who has held an Australian driver's licence for less than 2 years, in addition to the basic excess, the inexperienced driver excess shown in the Schedule must be paid.

4. Faultless excess

The basic, age and /or inexperienced driver excess don't need to be paid if:

- a. in Our opinion, the accident which gave rise to the claim was not Your fault and You have supplied the name and address of the person responsible; and
- b. the Damaged Customer's Vehicle is a sedan, station wagon, utility or goods carrying vehicle under 2-tonne gross vehicle mass.

5. Certain damage

The age excess or inexperienced driver excess does not have to be paid for a claim for:

- a. windscreen or window glass damage only;
- b. theft;
- c. Hail, storm or Flood damage;
- d. Malicious Damage; or
- e. Damage to Your Customer's Vehicle while parked.

Additional benefits applicable to this Section

The following cover is:

- a. in addition to the lesser of the Limit of Indemnity or Market Value payable under the Basis of Settlement for Accidental Damage to Customers' Vehicles; and
- b. only available where a claim that is covered under this Section is payable; and
- c. only available if the loss or Damage exceeds the Excess payable.

1. Replacement vehicle

Where Your Customer's Vehicle is a sedan, station wagon, utility or goods carrying vehicle under 2 – tonne gross vehicle mass and is declared a Total Loss within one (1) year of its first registration We will at Our option (and with the consent of any financier where applicable) replace Your Customer's Vehicle with a new Vehicle of the same make, model, series and accessories (subject to local availability). If a replacement Vehicle is not currently available, We will pay either the Market Value or Limit of Indemnity, whichever is the lesser, less any applicable Excesses.

2. Sign writing

We will pay for any Accidental Damage to sign writing and artwork of Your Customer's Vehicle where reinstatement is required up to a maximum of \$1,000 each event.

3. Taxi fare

We will pay up to \$50 for a taxi fare paid for transport required immediately following Accidental Damage rendering Your Customer's Vehicle un-driveable and for which We admit a claim for.

4. Towing

Following Accidental Damage to Your Customer's Vehicle, We will pay the reasonable cost of protection, removal and towing of Your Customer's Vehicle to the nearest repairer, place of safety or any other place which We agree to.

5. Vehicle return

Where Your Customer's Vehicle is a sedan, station wagon, utility or goods carrying vehicle under 2 – tonne gross vehicle mass and is unable to be driven following Accidental Damage, We will pay up to a maximum of \$500 each event to return Your Customer's Vehicle to its normal place of garaging or Your Situation.

Specific exclusions applicable to this Section

We will not pay for:

1. Fines, penalties, punitive damages

any fines, penalties, or aggravated, exemplary or punitive damages and/or any additional damages resulting from the multiplication of compensatory damages.

2. Intentional damage

loss, Damage or liability intentionally caused by You or a person acting with Your express or implied consent.

3. Loss of use

loss, Damage or liability suffered because Your customer cannot use their Vehicle.

4. Old damage

the costs of repairing pre-existing damage, or the costs of fixing faulty repairs which were done before the commencement of the Policy.

5. Own Situation

loss, Damage or liability in relation to Customers' Vehicles in or on any Situation owned or occupied by You or under Your control.

6. Safeguard of vehicle

loss of or further Damage to Your Customer's Vehicle following a loss or accident, unless reasonable steps were taken to protect or safeguard Your Customer's Vehicle.

7. Hail

loss or Damage to Customers' Vehicles caused by Hail.

8. Tyres

Damage to tyres or wheel rims caused by braking, road punctures, cuts or bursts.

9. Wear and tear and breakdown

loss or Damage caused by wear and tear, rust, corrosion, depreciation, or mechanical, structural, electrical or computer failures, malfunctions or non-performance.

10. Driving under the influence of drugs/alcohol

if the Damage, loss, injury or liability is caused while Your Customers' Vehicle is being driven by any person impaired by or under the influence of any drug or alcohol, or by any person with a percentage of drug or alcohol in their breath or blood in excess of that allowed by law.

However, if You can prove You did not know that the driver of Your Customers' Vehicle was so affected, We will provide cover but not for the driver of Your Customers' Vehicle.

This exclusion shall not apply if it contravenes the law of the State or Territory in which this Policy was issued.

11. Illegal purpose

if a Customers' Vehicle is used for any illegal purpose with Your or the Customer's consent.

12. Motor sports events

if a Customers' Vehicle is used in connection with a race, trial, test, contest or other sports event by You or Your employees or by a person or persons with You or Your employees' consent.

13. Submitting to test

if the driver of a Customers' Vehicle refuses a request from a person with legal authority to take a breath, blood or other test to determine the percentage of drugs or alcohol in the person's breath or blood.

However, if You and the customer can prove You did not know that the driver of a Customers' Vehicle refused to submit to the test, We will provide cover but not for the driver of Your Customers' Vehicle.

This exclusion shall not apply if it contravenes the law of the State or Territory in which this Policy was issued.

14. Tests

if a Customers' Vehicle is being tested other than in connection with service or repair under your instruction by a person who is qualified to carry out the service or repair or who is acting under the supervision of such a person.

15. Unlicensed drivers

if the loss, Damage or liability is caused while a Customers' Vehicle is being driven (with Your consent) by any person who is not licensed under any relevant law to drive such a Vehicle.

16. Unregistered vehicles

if a Customers' Vehicle is unregistered at the time of the event giving rise to the claim.

17. Unroadworthy condition

if a Customers' Vehicle is used in an unroadworthy or unsafe condition. However, We will provide cover if the loss, Damage or liability was not caused by or contributed to by the unroadworthy or unsafe condition.

18. Vehicle used on rails

if a Customers' Vehicle is used on rails or tracks at the time of accident.

Section Fifteen – Business Vehicles

Cover options

The following cover options are available under this Section:

Part A – Comprehensive; and

Part B – Third Party Property Damage.

Definitions applicable to this Section

Some of the words in this Section have special meanings wherever they appear. These words and their meanings are defined below.

“Agreed Value” means the amount which We agree to insure Your Vehicle for as shown in Your Schedule.

“Declined Driver” means a driver, noted in Your Schedule as a Declined Driver who is not insured under this Policy.

“Nominated Driver” means a driver, noted in Your Schedule as a Nominated Driver You have advised Us will drive Your Vehicle.

[Note: If during the currency of the Policy, any person under 25 years of age becomes a Nominated Driver You must inform Us immediately.]

“Substitute Vehicle” means a Vehicle similar to Your Vehicle which has been hired or borrowed because Your Vehicle is being repaired, serviced or is not driveable because of a mechanical breakdown.

“Your Vehicle” means any vehicle shown on Your Schedule including:

- a. its standard tools, modifications, and accessories as supplied by the manufacturer;
- b. its fitted or non-standard extras, modifications and accessories which You have given Us details of which We have accepted; and
- c. equipment and apparatus fixed to it such as:
 - i. radio receivers, roof racks, telephones, compact disc players, radios, tape recorders, tape players and air conditioning,
 - ii. tarpaulins, gates and chains.

Your Vehicle does not include:

- a. mobile phones which are capable of operation when removed from the Vehicle unless they are in the Vehicle’s car kit at the time of loss or damage; or
- b. radar detectors; or
- c. any goods being carried by the Vehicle.

Part A – Comprehensive

Your Schedule will show if Your Vehicle is insured for Comprehensive cover.

The cover

Cover for accidental Damage to Your Vehicle

We will cover You for accidental Damage to Your Vehicle.

At Our option We will:

- a. repair Your Vehicle; or
- b. pay You the reasonable cost of repairing Your Vehicle; or
- c. pay You the Market Value of Your Vehicle when the Schedule shows that Your Vehicle is insured for a Market Value; or
- d. pay You the Agreed Value of Your Vehicle when the Schedule shows that Your Vehicle is insured for an Agreed Value,

whichever is the lesser.

We will adjust Your claims payment in accordance with the GST provision shown under General conditions applicable to all Sections of this Policy 13. GST Notice on page 18.

Replacement of new vehicle after a Total Loss

Where Your Vehicle is a sedan, station wagon, utility or goods carrying vehicle under 2 – tonne gross vehicle mass, and was purchased new by You and becomes a Total Loss within two years of the starting date of the original registration, We will replace Your Vehicle with a new vehicle of the same make, model and series. We will also pay for the on-road costs (including 12 months registration and compulsory third party insurance) of the new vehicle if You pay Us any refund amount obtained from Your registration and compulsory third party insurance.

If a replacement vehicle is not currently available, We will pay You the Market Value of Your Vehicle.

If We replace Your Vehicle, this Policy will continue to cover Your new replacement vehicle until the end of the Period of Insurance. We will not require You to pay any additional premium for this cover.

Cover for damage to other people’s property (legal liability)

We will cover Your legal liability to pay compensation for Damage to someone else’s property caused by a Vehicle accident during the Period of Insurance which is partly or fully Your fault.

This cover will only apply if Your legal liability for the Damage to someone else's property arises out of the use of:

- a. Your Vehicle; and/or
- b. a caravan or trailer towed by Your Vehicle.

We will also cover the above legal liability of the following persons as if they were You in accordance with this Part A:

- a. any person who is driving, using or in charge of Your Vehicle with Your permission;
- b. a passenger travelling in Your Vehicle or who is getting into or out of Your Vehicle; and
- c. Your employer, principal or partner arising from Your use of Your Vehicle.

We will not cover legal liability:

- a. when the loss or damage occurs to Your own property, Your spouse's or defacto's property or to property which is in Your possession, custody or control; or
- b. which is insurable under any statutory or compulsory insurance policy or any statutory or compulsory insurance or compensation scheme or fund covering such legal liability; or
- c. where Your Vehicle is not registered for use on public roadways.

No cover for legal liability after a Total Loss

On the date We confirm that We will pay Your claim for the Total Loss of Your Vehicle, all cover under the Policy in respect of that vehicle will cease.

Additional cover for supplementary bodily injury (CTP gap liability)

We will also cover You, or a currently licensed driver of Your Vehicle driving Your Vehicle with Your consent, for legal liability for death or bodily injury caused by or arising out of the use of Your Vehicle, if Your Vehicle is registered for use on a public road when the liability is incurred, from one or more of the following events:

- a. driving or being in charge of Your Vehicle or a Substitute Vehicle;
- b. goods being carried by or falling from Your Vehicle or a Substitute Vehicle; or
- c. loading or unloading Your Vehicle or a Substitute Vehicle.

We will also cover the legal liability of a passenger travelling in or getting into or out of Your Vehicle with Your permission, or the permission of a currently licensed driver driving or in charge of Your Vehicle with Your consent.

We will not pay:

1. if the event or series of related events that gives rise to the legal liability or any part of it is covered or indemnified in any way by any:
 - a. statutory or compulsory insurance policy or any statutory or compulsory insurance; or
 - b. compensation scheme or fund, even if the amount recoverable is nil.
2. any amount of a claim over that recoverable under any:
 - a. statutory or compulsory insurance policy or any statutory or compulsory insurance; or
 - b. compensation scheme or fund.
3. if the legal liability would have been covered or indemnified in any way if You had not failed to:
 - a. insure Your Vehicle;
 - b. register Your Vehicle; or
 - c. comply with the requirements of any statutory or compulsory insurance policy or any statutory or compulsory insurance or compensation scheme or fund.
4. for legal liability to any:
 - a. person driving or in charge of Your Vehicle;
 - b. of Your employees'; or
 - c. member of Your family.
5. for legal liability in respect of any psychological or psychiatric injury (other than to the extent that it is directly caused by or arises from serious physical bodily injury of the person who suffers the psychological or psychiatric injury).
6. unless You or the person claiming under this Section have notified Us of a claim under this Section within 6 months of You or that person first becoming aware of an intention to make a claim against You or that person.
7. for legal liability caused by or arising from an intentional act by You or any other person.
8. any amount of exemplary, punitive or aggravated damages and any damages resulting from the multiplication of compensatory damages.
9. if Your Vehicle is outside of Australia at the time of loss or damage.

Maximum amount payable

The maximum amount We will pay in total for all claims under this Section for Damage to other people's property and/or supplementary bodily injury cover arising from a single event or series of related events is \$20,000,000.

Additional benefits applicable to Part A of this Section

Unless We have stated differently under one of the additional benefits listed below, any payment We may make under this Section will be paid in addition to any amount payable for the Damage to Your Vehicle or any amount payable under legal liability.

1. Substitute Vehicle

We will cover You for legal liability up to the maximum Policy Section limit of \$20,000,000, for Damage to someone else's property while using a Substitute Vehicle. Only one Substitute Vehicle can be used at a time.

We will not cover:

- a. Your legal liability when We have already accepted a claim for the Total Loss of Your Vehicle; or
- b. Your legal liability when the Substitute Vehicle is unregistered; or
- c. accidental Damage to the Substitute Vehicle.

2. Legal costs

Provided We agree in writing, We will also pay for all legal costs and expenses in defending any court proceedings which may arise from accidental Damage or liability covered by Part A of this Section.

We will not pay for any legal costs and expenses relating to any criminal or traffic proceedings.

3. Rental car following Theft

(Applicable only when Your Vehicle is a sedan, station wagon, utility or goods carrying vehicle under 2 – tonne gross vehicle mass). If Your Vehicle is stolen, We will arrange for You to be provided with a rental car:

- a. until Your Vehicle is recovered undamaged and You have been told of its location, or
- b. until Your Vehicle is recovered Damaged and the Damage is repaired, or
- c. until We settle Your claim by paying You the Agreed Value or Market Value, or
- d. for a maximum of 14 days,

whichever happens first.

The maximum daily rental charge We will pay is \$75.

We will not pay for:

- a. a rental car unless its hire has been arranged by Us or approved by Us.
- b. the cost of fuel used during the rental period, or
- c. any accidental Damage to the rental car.

If a rental or loan car is not available, We will pay You a daily travel allowance of \$30.

4. Towing

Following an accident or theft of Your Vehicle covered by Part A of this Section, after which Your Vehicle is unsafe, unroadworthy or not driveable, We will pay the reasonable cost of protection, removal and towing of Your Vehicle to the nearest repairer, place of safety or any other place which We agree to.

5. Vehicle being transported by ship

If Your Vehicle is being transported by ship within Australian waters during the Period of Insurance, We will pay Your contribution for any general average and salvage charges if such maritime conditions apply.

6. Emergency repairs

We will reimburse You for the cost of emergency repairs which may be necessary to enable You to drive Your Vehicle home after it is involved in an accident covered by Part A of this Section.

The maximum We will pay in respect of any one accident is \$350.

7. Personal effects and clothing

We will also pay for personal effects and clothing belonging to You, Your spouse or dependent children which are:

- a. Damaged in a collision involving Your Vehicle,
- b. stolen from Your locked vehicle, or
- c. stolen at the same time as Your Vehicle, and the Damage or theft of Your Vehicle is covered by Part A of this Section.

We may choose to pay the amount of the loss or damage, or repair or replace the personal effect or item of clothing.

The maximum We will pay in respect of any one accident or theft is \$200.

8. Transportation costs

If Your Vehicle cannot be safely driven home after being involved in an accident covered under Part A of this Section, We will reimburse You for the cost of:

- a. travel necessary to return You, Your spouse, Your de facto and/or dependent children to Your home, and/or
- b. transportation to collect Your Vehicle when it has been repaired.

The maximum We will pay in respect of any one accident giving rise to a claim is \$500.

9. Signwriting

We will pay for the replacement cost of any signwriting or fixed advertising signs attached to and forming part of Your Vehicle which have been Damaged arising from an accident to or theft of Your Vehicle covered under Part A of this Section.

The maximum We will pay in respect of any one accident or theft giving rise to a claim is \$2,000.

10. Finance payout – Total Loss

(Applicable only when Your Vehicle is a sedan, station wagon, utility or goods carrying vehicle under 2 – tonne gross vehicle mass). Where Your Vehicle is subject to any secured finance and suffers a Total Loss covered under Part A of this Section, We will cover You for the difference between the residual value under the contract and the Agreed Value or Market Value less any payments and interest in arrears at the time of the loss, and any discount in respect of finance charges and/or interest for the unexpired term of the secured finance agreement. We will pay the finance provider but We will not pay if We are not required to do so by the finance provider.

The maximum additional amount We will pay is 15% of the Agreed Value or Market Value of Your Vehicle or \$5,000, whichever is the lesser.

11. Removal of debris

If at the time of an accident covered by Part A of this Section Your Vehicle is carrying goods, We will pay up to \$1,000 to clean up and remove any debris.

12. Re-keying and re-coding

If the keys to Your Vehicle are stolen during the Period of Insurance We will pay for the replacement of Your Vehicle's keys and the necessary recoding of Your Vehicle's locks.

The maximum amount We will pay is the amount by which the cost to re-key and/or recode Your Vehicle exceeds the basic Excess payable for the claim, up to a maximum amount of \$500 for any one claim.

This benefit will only apply if:

- a. the theft of Your keys has been reported to the police, and
- b. the keys have not been stolen by a family member, invitee or person who resides with You, and
- c. You are not entitled to cover under any other policy.

Cover under this benefit does not entitle You to a claim for a rental vehicle or any other additional benefit.

Optional Benefits applicable to Part A of this Section

(Some of the following options are not available in all States or Territories).

Your Schedule will show which, if any, of the following options apply. Depending on the options selected, Your premium may have been increased or reduced.

1. Removal of basic Excess for windscreen claims

When Your Schedule shows that the removal of basic Excess for windscreen claims option applies, if the windscreen or window glass in Your Vehicle is accidentally broken We will not apply an Excess to Your claim.

This option only applies:

- a. if the fracture extends through the entire thickness of the glass or, in the case of laminated windscreens, a fracture extends through all layers of the windscreen;
- b. to one claim during the Period of Insurance; and
- c. if the broken windscreen or window glass is the only damage to Your Vehicle.

Your no claim bonus entitlement is not affected if Your claim relates to the cost of repairing or replacing the windscreen or window glass in Your Vehicle if it is accidentally broken.

How You earn a no claim bonus

If You have a claim free Period of Insurance You will accumulate a discount off Your Vehicle insurance premium up to a maximum amount and subject to any minimum premium which may apply. This maximum amount will vary according to the State or Territory in which Your Vehicle is garaged/kept. You may be required to provide documentary evidence of Your current no claim bonus entitlement.

Part B – Third party property damage

Your Schedule will show if Your Vehicle is insured for Third party property damage cover.

The cover

Cover for damage to other people's property (legal liability)

We will cover Your legal liability to pay compensation for Damage to someone else's property caused by a Vehicle accident during the Period of Insurance which is partly or fully Your fault.

This cover will apply if Your legal liability for Damage to someone else's property arises out of the use of:

- a. Your Vehicle; and/or
- b. a caravan or trailer towed by Your Vehicle.

We will also cover the above legal liability of the following persons as if they were You:

- a. any person who is driving, using or in charge of Your Vehicle with Your permission;
- b. a passenger travelling in Your Vehicle or who is getting into or out of Your Vehicle; and
- c. Your employer, principal or partner arising out of Your use of the vehicle.

We will not cover legal liability:

- a. when the loss or damage occurs to Your own property, or Your spouse's or defacto's property or to property which is in Your possession, custody or control; or
- b. which is insurable under any statutory or compulsory insurance policy or any statutory or compulsory insurance or compensation scheme or fund covering such legal liability; or
- c. where Your Vehicle is not registered for use on public roadways.

Additional cover for supplementary bodily injury (CTP gap liability)

We will also cover You, or a currently licensed driver of Your Vehicle driving Your Vehicle with Your consent, for legal liability arising for death or bodily injury caused by or arising out of the use of Your Vehicle, if Your Vehicle is registered for use on a public road when the liability is incurred, from one or more of the following events:

- a. driving or being in charge of Your Vehicle or a Substitute Vehicle;
- b. goods being carried by or falling from Your Vehicle or a Substitute Vehicle; or
- c. loading or unloading Your Vehicle or a Substitute Vehicle.

We will also cover the legal liability of a passenger travelling in or getting into or out of Your Vehicle with Your permission, or the permission of a currently licensed driver driving or in charge of Your Vehicle with Your consent.

We will not pay:

1. if the event or series of related events that gives rise to the legal liability or any part of it is covered or indemnified in any way by any:
 - a. statutory or compulsory insurance policy or any statutory or compulsory insurance; or

- b. compensation scheme or fund, even if the amount recoverable is nil.

2. any amount of a claim over that recoverable under any:

- a. statutory or compulsory insurance policy or any statutory or compulsory insurance; or
 - b. compensation scheme or fund.

3. if the legal liability would have been covered or indemnified in any way if You had not failed to:

- a. insure Your Vehicle;
 - b. register Your Vehicle; or
 - c. comply with the requirements of any statutory or compulsory insurance policy or any statutory or compulsory insurance or compensation scheme or fund.

4. for legal liability to any:

- a. person driving or in charge of Your Vehicle;
 - b. of Your employees; or
 - c. member of Your family.

5. for legal liability in respect of any psychological or psychiatric injury (other than to the extent that it is directly caused by or arises from serious physical bodily injury of the person who suffers the psychological or psychiatric injury).

6. unless You or the person claiming under this Section have notified Us of a claim under this Section within 6 months of You or that person first becoming aware of an intention to make a claim against You or that person.

7. for legal liability caused by or arising from an intentional act by You or any other person.

8. any amount of exemplary, punitive or aggravated damages and any damages resulting from the multiplication of compensatory damages.

9. if Your Vehicle is outside of Australia at the time of loss or damage.

Maximum amount payable

The maximum amount We will pay in total for all claims under Part B of this Section for Damage to other people's property and/or supplementary bodily injury cover arising from a single event or series of related events is \$20,000,000.

Additional benefits applicable to Part B of this Section

1. Substitute Vehicle

We will cover You for legal liability up to the maximum Policy Section limit of \$20,000,000, for Damage to someone else's property while using a Substitute Vehicle. Only one Substitute Vehicle can be used at a time.

We will not cover:

- a. Your legal liability when We have already accepted a claim for the Total Loss of Your Vehicle, or
- b. Your legal liability when the Substitute Vehicle is unregistered, or
- c. accidental loss or damage to the Substitute Vehicle.

2. Legal costs

Provided We agree in writing, We will also pay for all legal costs and expenses in defending any court proceedings arising from liability covered by Part B of this Section.

We will not pay for any legal costs and expenses relating to any criminal or traffic proceedings.

Uninsured motorists extension

We will cover You for Damage to Your Vehicle arising from an accident during the Period of Insurance caused by the driver of an uninsured vehicle up to a maximum amount of \$5,000 including the cost of protection, removal and towing.

You may only claim under this extension if You:

1. did not contribute to the cause of the accident; and
2. can provide Us with the name and address of the person responsible for the accident, and
3. can provide the registration number of the other vehicle.

Excess applying to Part A and Part B

There are different types of Excess which may apply to You or the driver of Your Vehicle at the time of the claim. The excess amount(s) are shown in the in the Schedule.

These are:

1. Basic excess

The basic excess is the first amount You must pay for each claim and is shown in the Schedule.

2. Age excess

If Your Vehicle was being driven by or was in the charge of a driver under the age of 25, in addition to the basic excess, You must pay the age excess shown in the Schedule.

3. Inexperienced driver excess

If Your Vehicle was being driven by or was in the charge of a driver aged 25 years or over but who has held an Australian driver's licence for less than 2 years, in addition to the basic Excess, You must pay the inexperienced driver Excess shown in the Schedule.

When You do not have to pay an Excess

You will not have to pay any Excess if:

- a. the driver of Your Vehicle at the time of the accident did not contribute to the cause of the accident; or
 - b. Your Vehicle was Damaged while parked,
- and for both a. and b. above providing there was another at fault vehicle involved, and You supply Us with:
- a. the name, address and licence number of the responsible party, and
 - b. the registration number of the other vehicle(s) involved in the accident.

Nor will You have to pay any young driver (age), undeclared young driver or inexperienced driver Excess if You are claiming for any of the following:

- a. windscreen or window glass Damage only;
- b. theft;
- c. Hail, storm or Flood damage;
- d. malicious Damage; or
- e. damage to Your Vehicle while parked.

Specific exclusions applicable to this Section

We will not pay Your claim if, at the time of any accidental Damage or liability which results in a claim, Your Vehicle, or a Substitute Vehicle (or any trailer or caravan attached to the vehicle), was:

1. Unlicensed driver

being driven by any person, including You, who was not licensed to drive Your Vehicle. We will not refuse Your claim if You can prove that You did not know that the driver was unlicensed.

2. Declined Driver

being driven by a person nominated in Your Schedule as a Declined Driver.

3. Driver under the influence

being driven by You, or any other person:

- a. under the influence of any drug or intoxicating alcohol; or

- b. who, as a result of the accident, is convicted of driving under the influence of intoxicating liquor; or
- c. who had a percentage of alcohol in their breath or blood in excess of the percentage permitted by law in the State or Territory where the accident occurred; or
- d. who refused to submit to any test to determine the level of alcohol or drugs in the blood when reasonably requested by the police.

We will not refuse Your claim if You can satisfy Us You had no reason to suspect that the driver was affected by alcohol or any drug.

4. Overloaded vehicle

being used to:

- a. carry a number of passengers; or
- b. carry or tow a load;

greater than that for which Your Vehicle was constructed.

We will not refuse Your claim if You can prove that the accidental Damage or liability was not caused or contributed to by its greater load or number of passengers.

5. Unsafe vehicle

being used in an unsafe or unroadworthy condition.

We will not refuse Your claim if You can prove that the accidental loss, Damage or liability was not caused or contributed to by the unsafe or unroadworthy condition of Your Vehicle.

6. Carrying passengers for hire, fare or reward

being used to carry passengers for hire, fare or reward except under a private pooling arrangement. If Your fulltime employer pays You a travelling allowance, We will not consider such an allowance as hire, fare or reward.

7. Motor sport

being used for any motor sport, time trial or was being tested in preparation for any motor sport or time trial.

8. Motor trade

being used in connection with the motor trade for experiments, tests, trials or demonstration purposes.

In addition to Specific exclusions applicable to this Section, 1 to 8 above, We will not pay for:

9. Wear

wear and tear, rust or corrosion of Your Vehicle.

10. Loss of use

any loss suffered due to loss of use of Your Vehicle.

11. Breakdown

mechanical or electrical breakdowns, failures or breakages to Your Vehicle.

12. Tyres

Damage to the tyres caused by application of the brakes or by road punctures, cuts or bursts.

13. Safeguarding vehicle

accidental Damage to Your Vehicle after an accident, theft or breakdown unless You have taken reasonable steps to protect or safeguard it.

14. Renting a vehicle

- a. any costs associated with the loan of a vehicle; or
- b. the cost of renting a vehicle;

except for those circumstances detailed in:

- Additional benefits applicable to Part A of this Section, Rental car following Theft on page 78, or
- Additional benefits applicable to Part A of this Section 8. Transportation costs on page 78.

15. Failure of computer or similar equipment

loss or damage to any machinery, equipment, part, accessory or other property which:

- a. is a computer or which contains or comprises any computer technology (including computer chip or control logic); and
- b. 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);
- c. arises directly or indirectly from the importation of any software virus whether the importation was malicious, negligent or accidental.

16. Use of the vehicle

loss or damage which occurs while Your Vehicle is being used for any purpose which differs from the description of use stated in Your Schedule.

17. Dangerous Goods

loss or damage which occurs while Your Vehicle is being used for commercial bulk transportation of any goods or substance that is classified as “Dangerous Goods” under the Australian Dangerous Goods Code.

Specific conditions applicable to this Section

1. Changes to Your insurance details – what You must tell Us

You must tell Us immediately if during the Period of Insurance:

- a. the Nominated Drivers of Your Vehicle change; or
- b. the place where Your Vehicle is regularly garaged/ kept changes; or
- c. Your Vehicle is modified in a manner that affects its value or performance in any way.

When We receive this information, We may:

- a. alter the terms and conditions of Your Policy, or
- b. charge You additional premium, or
- c. decide not to offer to renew Your Policy.

Before We agree to renew Your Policy You must tell Us if, during the current Period of Insurance, You or any person who is a regular driver of Your Vehicle has:

- a. been convicted of or had any fines or penalties imposed for any driving related alcohol or drug offences or are currently awaiting a court hearing or have charges pending for such offences, or
- b. had a driver’s licence cancelled or suspended or been restricted or disqualified from holding a driver’s licence for any period, or
- c. been responsible for causing any Vehicle accident, or
- d. had any Vehicle damaged or stolen.

2. If You replace Your Vehicle

If You permanently replace Your Vehicle, We will provide temporary cover for the replacement vehicle from the date of purchase to a maximum of 14 days. If cover is to continue on the replacement vehicle:

- a. You must give Us full written details of the replacement vehicle during the 14 day temporary cover period; and
- b. You must obtain Our agreement to cover Your replacement vehicle; and
- c. You must pay any extra premium We require.

The cover is subject to You advising Us immediately if:

- a. the value of the replacement vehicle exceeds \$100,000;
- b. the replacement vehicle is not similar to other vehicles insured under this Section;
- c. the replacement vehicle is intended to be used for any other purpose other than the purposes shown in the Schedule.

Cover on the replaced vehicle ceases from the date of purchase of the replacement vehicle. The cover for the replacement vehicle will be limited to the cover provided for Your Vehicle.

What happens after You make a claim

1. No claim bonus

Your no claim bonus entitlement will not be affected if:

- a. the driver of Your Vehicle at the time of the accident did not contribute to the cause of the accident; or
- b. Your Vehicle was Damaged while parked, and You supply Us with:
 - i. the name, address and licence number of the responsible party, and
 - ii. the registration plate number of the other vehicle(s) involved in the accident;
- c. Your claim relates to the cost of repairing or replacing the windscreen or window glass in Your Vehicle if it is accidentally broken.

2. Deciding who is at fault

We will be solely responsible for deciding whether You contributed to the cause of an accident.

3. Choice of Repairer

Allianz can assist You in selecting a suitable repairer to repair the damage to Your Vehicle; however You also have the right to choose Your own repairer. In both instances We will work closely with the repairer to strive to achieve the best repair outcome for You however We may require a second quotation from a repairer chosen by Us. We will then choose (subject to any relevant policy limits) to:

- authorise the repairs at Your repairer of choice;
- pay You the reasonable cost of repairing Your vehicle; or
- move Your vehicle to a repairer We both agree will repair Your vehicle. In the instance that We both agree to move Your vehicle We will provide You with a rental car for up to 3 days in addition to any other benefit provided under Your policy

4. Authorising repairs

- a. Where You have Comprehensive cover You may only authorise emergency repairs as detailed on page 78 under “Emergency repairs”. You cannot authorise further repairs to Your Vehicle without Our prior consent.
- b. Before We make a decision regarding Your claim and repairs to Your Vehicle, We may need to inspect Your Vehicle. A motor vehicle assessor will be appointed by Us. A motor vehicle assessor will make the necessary arrangements with You.

5. Spare parts, extras and accessories

If We are unable to repair the part We use new, recycled or reconditioned parts that meet the requirements of Australian Design Rules (ADR). If such parts are not available or appropriate, parts from alternative distribution channels may be used.

We will not pay any amount greater than the maker’s last list price in Australia (together with a reasonable charge for fitting) for the supply of any spare part, extra or accessory. In the event that any spare part, extra or accessory cannot be obtained immediately, We may choose to pay You the value of the spare part, extra or accessory (together with a reasonable charge for fitting) rather than supply the spare part, extra or accessory.

6. Sublet repairs

If Your Vehicle requires Us to engage the services of a specific specialist repairer and/or supplier We may sublet that component to such repairer or supplier.

7. Guarantee and warranty

We guarantee materials and workmanship on repairs We authorise for as long as You own or lease Your Vehicle. This guarantee is not transferable.

8. Salvage of vehicle when it is a Total Loss

If Your Vehicle is a Total Loss and We have agreed to pay the Market Value or the Sum Insured for Your Vehicle:

- a. the wreckage of Your Vehicle will become Our property, and
- b. We will keep the proceeds of any salvage sale.

9. Payment of unpaid premium when Your vehicle is a Total Loss

If Your Vehicle is a Total Loss and We agree to pay the Market Value or the Sum Insured for Your Vehicle:

- a. the amount of any unpaid premium for the Period of Insurance will be deducted from the amount payable to You, and
- b. if We are replacing Your Vehicle, You must pay Us the balance of any unpaid premium or instalments for the Period of Insurance.

10. No return of premium after a Total Loss

If Your Vehicle is a Total Loss and We have agreed to pay the Market Value or the Agreed Value for Your Vehicle, no return of premium will be made for any unused portion of the premium.

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

allianz.com.au

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