



# Allianz Office Pack

Policy Document.

**Allianz** 



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# Introduction

Welcome and thank you for choosing Allianz Office Pack.

## About Allianz

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

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

## Summary of the available covers

Cover Type	Summary of covers (See relevant Section for details, relevant limits, and specific conditions and exclusions that apply)
Section One – Material Damage	This covers Damage to Property Insured at the Situation caused by any sudden or unexpected or unforeseen occurrence which is not otherwise excluded, and provides a number of automatic additional benefits.
Section Two – Business Interruption	This covers consequential loss of income and/or profits from the interruption of or interference with Your insured Business caused by events covered under Sections One, Three or Six and provides a number of automatic additional benefits and Optional Benefits.
Section Three – Theft	This covers loss of or Damage to Property Insured due to Defined Events relating to theft and provides a number of automatic additional benefits.
Section Four – Money	This covers Property Insured against specified loss of or Damage to Money in transit, Money contained in the Premises, Money in Your personal custody and Safes or Strongrooms.
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 two automatic additional benefits.
Section Seven – Liability	This covers You for amounts You are legally liable to pay as compensation for Personal Injury and/or Property Damage and/or Advertising Injury 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 any 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 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 Breakdown of the computers and/or electronic equipment specified in the Schedule. It also provides an automatic additional benefit and a number of Optional Benefits.
Section Eleven – 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.

## 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.

## Understanding Your Policy and its important terms and conditions

To properly understand the significant features, benefits and risks of this insurance You need to carefully read:

- about each of the available types of cover and benefits in the relevant Policy Section (the standard cover provided under each Policy Section can be affected by the following);
- the rest of this “Introduction” section – this sets out how You apply for cover, the basis on which We insure You, the Duty of Disclosure You need to meet before We insure You, Our privacy information, Our dispute resolution procedures and other important information;
- the “General definitions” section – this sets out what We mean by certain words used in the Policy. These words begin with a capital letter throughout this document. Each coverage section may also contain definitions relevant to that section;
- the “General exclusions applicable to all Sections of this Policy” section – this sets out what We mean by certain words used in the Policy. These words begin with a capital letter throughout this document. Each coverage section may also contain definitions relevant to that section;
- the “General conditions applicable to all Sections of this Policy” and “Claims procedure and conditions” sections – these set out certain general rights and obligations that You and We have;

- all of the documents that make up the Policy, including the Policy Schedule and any endorsements or other written changes to the cover We issue You with – these contain specific details relevant to You and can affect the cover.

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

## Applying for cover

When You apply by completing Our application process You need to provide the information We require to determine whether to issue a Policy and if so, on what terms, including (to the extent they are optional):

- the covers and benefits You want (including the property You wish to cover);
- the limits You want ;
- the Period of Insurance You want;
- whether You want any third parties to be noted as having an interest;
- the Excesses that You want to contribute for certain claims;
- whether any standard terms need to be varied (this may be by way of an endorsement).

Where We agree to issue a Policy, 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 must have given in accordance with Your Duty of Disclosure either verbally or in writing.

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

Your Duty of Disclosure and the consequences of nondisclosure, are provided under the heading ‘Your Duty of Disclosure’.

## 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 Policy 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). 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 this insurance 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.

## Premium

Your premium – the base premium We charge is calculated based on a number of factors such as:

- Your risk profile and the ratings We apply to Your profile (e.g. where the property is situated, the type of property being insured, the cover and limits required, other persons being insured and Your insurance history etc);
- certain costs incurred by Us in relation to the Terrorism Insurance Act; and
- Our obligation to pay relevant government taxes and charges. For example, We include an amount that covers stamp duty and GST payable in relation to the Policy. 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.

## 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" on pages 12-13.

## 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 applicable to this section" within each cover Section.

## Cancellation rights under the Policy

### How You may cancel this Policy

- You may cancel this Policy at any time by telephoning Us.
- Where there is more than one contracting insured We will only cancel the Policy when a written agreement to cancel the Policy is received from all contracting insureds named as The Insured or from a person authorised to act as agent of all such persons.

### How We may cancel this Policy

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

## Return premium

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

## Premium funders

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

## 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 other renewal We make, unless We tell You otherwise.

It is important that You check the terms of any renewal before renewing to satisfy Yourself that the details are correct. In particular check the Sum Insured amounts to ensure the levels of cover are appropriate for You or if You are insuring for reinstatement or replacement value, the full replacement value of Your property, to ensure that You are properly covered in the event of a major loss.

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

## Your Duty of Disclosure

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

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

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

### What You do not need to tell Us

You do not need to tell Us about any matter:

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

### Who does the duty apply to?

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

### What happens if the Duty of Disclosure is not complied with?

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

## Privacy Act 1988 – Information

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



We disclose information to third parties who assist Us in the above (e.g. insurers, insurance intermediaries, insurance reference bureaus, related companies, Our advisers, persons involved in claims, external claims data collectors and verifiers, Your agents and other persons where required by law). We also provide this information to financiers and motor vehicle manufacturers if We have a relationship or insurance scheme in place with them under which You purchased Your Policy. We prohibit them from using it for purposes other than those We supplied it for.

Where You provide Us with information about another person for the above purposes, You must tell Us if You haven't got their consent to this. If You wish to gain access to Your personal information (including to correct or update it), have a complaint about a breach of Your privacy or You have any query on how Your personal information is collected or used, or any other query relating to Privacy, contact Us on 13 2664 EST 8am-6pm, Monday to Friday.

## General Insurance Code of Practice

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

## Dispute resolution process – helping You solve any problems

Complaints or disputes are not an everyday occurrence at Allianz. We strive to do things the right way and keep Our customers happy.

Sometimes, complaints or disputes do occur and when this happens, Our objective is to resolve any disagreement as amicably and as quickly as possible. We believe the best way to achieve this is to provide You with an opportunity for an unbiased review of the issue.

### Here is what to do if a complaint or dispute arises

Regardless of whether the complaint or dispute involves Our staff, an agent, loss adjuster, assessor, investigator or the service We provide, simply contact Us on 13 2664 EST 8am-6pm, Monday-Friday, speak to one of Our call centre operators and provide them with the details of the issue concerning You. They will attempt to resolve

the complaint or dispute; if they are unable to do so they will log it and refer it to the appropriate business unit for resolution.

Within Our organisation We have established a complaints and disputes resolution process. This is a free service. It is a system designed to log, track, escalate and monitor complaints received from clients and customers about Our services and products. A staff member involved in the complaints and disputes resolution process will write to You within 15 working days advising the outcome of the review and reasons for their decision. We do not consider a complaint or dispute to be resolved until a proposed resolution or solution has been communicated to You and You have accepted the resolution or solution.

### If You are not satisfied with the outcome of this process

If We are unable to resolve the complaint or dispute, We will offer You the option of referring the matter to the insurance industry's external independent complaints scheme (subject to eligibility). The scheme will only review complaints or disputes if they have gone through Our internal complaints and disputes resolution process.

## 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.

## Contact for assistance or confirmation of cover

If You need to confirm any Policy transaction or clarify any of the information contained in this document or if You have any other queries, please contact Us via the details on the back cover.

# 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.

**“Building(s)”** means 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 additions forming part of the Building complex.

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

**“Contents”** means office Contents of every description not otherwise excluded but does not mean Stock in Trade or Customers’ Goods.

**“Customers’ Goods”** means goods and/or merchandise held by You in trust or on commission for which You are liable.

**“Damage(d)”** means any physical destruction of or Damage to the Property Insured so as to lessen its value or any physical loss.

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

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

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

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

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

- a. 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;

- g. a dam.

**“Money”** means current coin, bank notes, currency notes, cheques, credit card sales/service vouchers, pre-paid travel passes, postal orders, money orders, negotiable and non-negotiable securities and valuable documents, the unused value of postage stamps, revenue stamps, cab charges, credit cards, stored-value cards, travellers cheques and the contents of franking machines.

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

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

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

**“Policy Section”** or **“Section”** means any part of this Policy numbered and described as a Policy Section or Section.

**“Premises”** means within the confines of the Building(s) at the Situation.

**“Property Insured”** means all tangible property, both real and personal shown as insured in 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 Your behalf by which You provided the information upon which We relied to enter this Policy.

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

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

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

“**Stock in Trade**” means stock of doctors, dentists, veterinarians, physiotherapists, radiographers and advertising agencies or stock held for Your own use or as samples, but excluding tobacco, cigars, cigarettes and liquor.

“**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.

“**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.

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

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

## General exclusions applicable to all Sections of this Policy

1. The Policy does not cover loss, destruction, liability, 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, 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) the combustion of nuclear fuel (including any self-sustaining process of nuclear fission); or
- (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;
- (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 Commonwealth of Australia except as specifically stated otherwise in the appropriate Section.

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

- a. consequential loss of any kind;
- b. legal liability to pay compensation or damages;
- c. Damage caused by faults or defects known to You or any employee or representative whose knowledge in law would be deemed to be Yours and not disclosed to Us at the time this Policy was entered into.

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

#### 4. Terrorism

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

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

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

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

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

#### 5. Electronic Data

##### a. Electronic Data – Part 1

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

- Section One – Material Damage
- Section Two – Business Interruption
- Section Three – Theft
- Section Four – Money
- Section Five – General Property
- Section Six – Glass
- Section Eleven – Tax Audit

(i) These Policy Sections do not insure:

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

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

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

(ii) However, in the event that a peril listed below (being a peril insured by the relevant Policy Sections but for this exclusion) is caused by any of the matters described in paragraph (i) above, then the relevant Policy Sections, subject to all their provisions, will insure:

- physical loss of or Damage or destruction to Property Insured directly caused by such listed peril, and/or
- consequential loss insured by this Policy.

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

Accidental Damage other than non-physical Damage, fire, lightning, thunderbolt, explosion, implosion, earthquake, subterranean fire, volcanic eruption, impact by aircraft or aerial object dropped therefrom, impact by road vehicle or animal, sonic boom, theft of Electronic Data, solely where such theft is a consequence of theft of any computer and/or computer hardware and/or firmware and/or microchip and/or integrated circuit and/or similar device containing such Electronic Data, breakage of glass, the acts of persons taking part in riots or civil commotions or of strikers or of locked-out workers or of persons taking part in labour disturbances, storm and/or tempest and/or rainwater and/or wind and/or hail, water and other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or pipes at the Premises.

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

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

**b. Electronic Data – Part 2**

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

- Section 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 physical Damage and provided that restoration of data and/or business interruption is insured by these Policy Sections.

Electronic Data means facts, concepts and information converted to a form useable for

communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for such equipment.

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

# Claims procedure and conditions

## 1. Claims procedure

- a. As soon as You become aware of anything happening which may result in a claim under this Policy You must, at Your own expense (unless the expense is covered under Claims preparation expenses below):
  - (i) immediately inform the police of any malicious Damage, theft, attempted theft or loss of property,
  - (ii) advise Us as soon as possible, telling Us how the loss, Damage 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,
  - (viii) at all times give Us all the information and assistance We may reasonably require.
- b. You MUST NOT:
  - (i) admit liability for, or offer, or agree to settle any claim without Our prior written consent,
  - (ii) authorise the repair or replacement of anything without Our prior written consent unless for safety reasons or to minimise or prevent further imminent loss, Damage 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 before We will meet any claim under this Policy,
  - (ii) We have the right to recover from any person against whom You may be able to claim any money paid by Us. We will have full discretion in the conduct, settlement or defence of any claim in Your name. The amount recovered will be applied first to reducing the amount by which Your loss exceeds the payment made by Us plus any Excess applied. Any balance remaining after You have been fully compensated for Your loss, up to the amount We have paid to You to settle Your claim (including Our legal fees for recovery), will be retained by Us,
  - (iii) We may take over and conduct, in Your name, the defence or settlement of any claim and We will have full discretion in the conduct of any proceedings in connection with the claim,
  - (iv) We may pay You the Sum Insured or Limit of Indemnity under the applicable Section or any lesser amount for which a claim or claims under that Section may reasonably be settled. After We have paid You, We will no longer be liable for the claim(s) (or future conduct of the claim(s)) except for costs and expenses incurred up until the time We agreed to pay,
- d. If You recover or find any lost or stolen Property Insured for which We have paid a claim, You must:
  - (i) tell Us immediately; and
  - (ii) give Us the recovered or found Property Insured if We request You to do so.
- e. If You advise Us of loss or Damage to Property Insured, as set out in this condition:
  - (i) We may, or anybody We appoint may:
    - (a) enter, take or keep possession of the Buildings where destruction or Damage has happened;
    - (b) take or keep possession of the Property Insured for the purposes of Our investigations; and
    - (c) if We accept liability for the loss, sell such Property Insured or dispose of it in a reasonable manner;

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

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

## 2. Claims preparation expenses

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

## 3. Multiple Excesses

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

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

# General conditions applicable to all Sections of this Policy

## 1. Actions of parties other than The Insured

The acts or omissions of:

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

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

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

## 2. 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.

## 3. 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 Liability 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.

#### **4. Interests of other parties**

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

#### **5. 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.

#### **6. Reinstatement of Sum Insured**

In the event of Damage insured under Section One – Material Damage, Section Two – Business Interruption, Section Three – Theft, Section Four – Money and Section Six – Glass 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.

#### **7. Your representative – authorisation**

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

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

#### **8. 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.

#### **9. 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.



## 10. Other insurance

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

## 11. Reasonable care and maintenance

You must take all reasonable care:

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

## 12. 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.

## 13. Unoccupancy

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

- Section One – Material Damage,
- Section Three – Theft,
- Section Four – Money,
- Section Six – Glass,
- Section Eight – Employee Dishonesty,
- Section Ten – Computer/Electronic Equipment,

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

## 14. 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;
- (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.

## 15. Sale of salvage

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

# Section One – Material Damage

## The cover

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

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

## Definitions applicable to this Section

“Pollution or Contamination” means Damage or loss arising out of the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon any property, land, atmosphere or any watercourse or body of water (including groundwater);

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

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

“Water” includes snow, sleet or hail.

## Basis of settlement applicable to this Section

1. For the Property Insured, the basis of settlement will be as follows:

Property Insured	Basis of Settlement
Building and Contents (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.
Customers’ Goods	Reinstatement or Replacement
Directors’, Partners’ and Employees’ Personal Property	Reinstatement or Replacement
Stock in Trade	The cost of restocking such goods or, if the goods are not restocked, the Indemnity value of the goods at the time of the Damage.

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

### a. Reinstatement or Replacement

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

#### Where Property Insured is lost or wholly destroyed:

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

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

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

Provided that:

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

### b. Indemnity

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

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

### 3. Extra cost of reinstatement

(Applicable to Buildings and Contents).

Where cover is for Reinstatement or Replacement, this Section extends to include the extra cost of reinstatement (including demolition or dismantling) of Damaged Property Insured necessarily incurred to comply with the requirements of any Act of Parliament or regulation made under an Act or any by-law or the regulation of any Municipal or other Statutory Authority. This cover is subject to the following provisions and the terms, conditions and sums insured of this Section.

However:

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

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

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

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

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

Our liability arising from any one occurrence for Damage or expenses 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.

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

### 6. Maximum payment

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

### 7. Claim payment

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

### 8. Cost of complying with regulations

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

### 9. Excess

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

## Additional benefits applicable to this Section

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

Our liability for these additional benefits will be limited to:

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

### 1. Fire extinguishment costs

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

The most We will pay for any one event is \$50,000.

### 2. Temporary protection

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

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

### 3. Professional fees

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

All costs must be incurred following Our written consent.

The most We will pay in respect of any one event is \$50,000 or 10% of the Sum Insured, whichever is the greater.

### 4. Government fees

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

The most We will pay in respect of any one event for this additional benefit is \$10,000.

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

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

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

### 6. Contractual agreements

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

- a. enter into a lease for occupancy of any Building and the terms of the lease contain a disclaimer of liability in favour of the lessor; or
- b. have been required by contractual agreement to release Railways, Local Governments, Governments or semi-Government Authorities from their liability to You for loss or Damage covered by this Policy;

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

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

### 7. Capital additions

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

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

### 8. Temporary removal

cover Property Insured temporarily removed from the Premises to anywhere within the Commonwealth of Australia.

However:

- a. the most We will pay for this additional benefit will be 20% of the Contents Sum Insured;
- b. this additional benefit will not apply to any Property Insured which has been removed from the Premises for a period greater than 90 days without Our prior written consent.

This Additional Benefit applies whether or not You have already have a claim under this Section, for which We have agreed to indemnify You.

### 9. Documents

cover documents (which means agreements, manuscripts, plans, specifications and writings of every description, office and business records including computer systems records), anywhere within the Commonwealth of Australia whilst:

- a. in the actual possession of any of Your partners, directors or authorised employees including whilst held in their private residence;
- b. in the actual possession of any other person with whom the documents have been entrusted to or deposited with in the normal course of business;

but excluding documents in transit by courier or post.

In the event of a claim, We will pay the cost of reinstating, replacing, reproducing or restoring Your documents, including information contained in 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.

The most We will pay for this additional benefit is 30% of the Contents Sum Insured.

### 10. Exploratory costs

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

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

### 11. Landscaping

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

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

The most We will pay under this additional benefit is limited to \$50,000 for any one loss or series of losses arising out of any one event.

### 12. Property at home residence

cover Property Insured whilst in the possession of any of Your partners, directors or employees authorised to hold Property Insured at their private residence.

However:

- a. the most We will pay for this additional benefit will be 10% of the Contents Sum Insured or \$25,000, whichever is the lesser.
- b. while Property Insured is in transit to and from the private residence, cover is limited to Damage arising out of:
  - (i) fire,
  - (ii) lightning or thunderbolt,
  - (iii) explosion,
  - (iv) earthquake,

- (v) impact by aircraft or other aerial devices or articles dropped from them,
- (vi) the acts of persons taking part in riots, civil commotions, or labour disturbances or strikers or locked out workers,
- (vii) malicious Damage,
- (viii) wind or rainwater,
- (ix) water bursting, overflowing, discharging or leaking from water tanks, pipes or apparatus,
- (x) sprinkler leakage, or
- (xi) impact by a vehicle.

### 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 20% of the Sum Insured shown for Buildings at the Situation where the Damage happened or \$100,000, whichever is the lesser.

### 14. Discharge of mortgages

cover the legal costs associated with the discharge of a mortgage on a Building following settlement of a claim on a total loss basis. Provided that this additional benefit is limited to \$30,000 for any one event.

### 15. Catastrophe escalation cost

provide cover if:

- a. any of Your Buildings are destroyed or Damaged by any event insured against by this Section, and
- b. We classify such destruction or Damage as a total loss; and
- c. the event giving rise to the destruction or Damage has resulted in any competent authority declaring a state of emergency affecting the area in which Your Building is situated;

We will:

- d. increase the Sum Insured applicable to such Buildings under this Section by up to 20% provided that Your Building is rebuilt, and

- e. increase the amounts payable under the 'Capital additions' (relating to Buildings only) and 'Temporary protection' additional benefits applicable to this Section by 20%;

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

Provided that:

- (i) We shall not pay more than the increased building costs which are actually incurred by You.
- (ii) We will not pay any amount under this additional benefit until You have incurred costs exceeding the Sum Insured applicable to such Building under this Section.

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

## 16. Removal of Debris

cover the following reasonable costs:

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

These costs must be incurred with Our written consent.

The most we will pay for any one event is \$100,000 or 10% of the Sum Insured whichever is the greater.

## 17. Rewriting of records

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

In addition to any amount shown in the Schedule the most We will pay in respect to any one event is \$50,000.

## 18. External property

cover for Buildings that the insured owns but does not occupy at the Premises for theft of plant plumbing or wiring services that are not part of that Building but which are securely attached (by means other than the connection to a power point) to the Building structure.

This additional benefit is limited to \$10,000 for any one event or Period of Insurance.

## 19. New premises temporary protection

cover for loss or Damage to any new Premises provided that:

- a. Insured first occupies the new Premises during Period of Insurance,
- b. the Business carried on at or from new Premises is the same as shown in schedule,
- c. property at new Premises is same nature as Building and or Contents and Stock in Trade located at Premises and would have been covered if located at Premise,
- d. Buildings at new Premises are constructed of the same material as the Buildings at any Premises and have the same or superior protection systems as those at Premises.

However:

- a. the most We will pay for this additional benefit will be 50% of the Sum Insured for any one event;
- b. the maximum period this additional benefit will apply is 60 days.

## 20. Floating stock

cover to Stock in Trade shown in schedule for temporary transfer of stock between Premises provided that:

- a. there are at least two Premises specified in Schedule and Sum Insured has been separately shown for Stock in Trade at each premises including affected Premises.
- b. Stock in Trade is transferred between Premises as usual Business practice, excluded if Stock in Trade temporarily located at that Premises for a period that exceeds 90 days and where Insurer has not agreed in writing to an extended period.

## 21. Seasonal stock extension

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

- a. from 60 days before Christmas Day to the twentieth, day following, both days inclusive;
- b. from 30 days before Easter Sunday to the twentieth, day following, both days inclusive;
- c. bank holidays or gazetted public holidays, unless stated otherwise in the Schedule.

## 22. Green Insurance benefit

cover for the additional costs of repairing or replacing the Buildings and or Contents with materials or equipment that will improve the energy or water efficiency of the property.

The most we will pay in respect of any one event for this additional benefit is 10% of the repair or replacement costs or \$10 000, whichever is the lesser.

## 23. Minimisation of Damage

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

## 24. Playing surfaces

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

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

This additional benefit is in addition to the sum insured.

## 25. Tree and branch Impact

cover the Property Insured if it is damaged due to impact from trees or branches of trees, the most we will pay is the reasonable costs to remove and dispose of the tree or branches that caused damage.

## 26. Deterioration of refrigerated Stock in Trade

We will indemnify You for loss of or Damage to perishable Stock in Trade whilst contained in cold storage spaces cooled by refrigeration machinery owned by You which occurs during the Period of Insurance and which is caused by or as a result of:

- a. Damage to the refrigeration machinery
- b. failure of controls or protective devices within the refrigeration machinery but this does not include loss caused by the manual operation or manual setting of controls or protective devices.
- c. accidental escape of refrigerant into the cold chamber

- d. sudden leakage of refrigerant from the refrigeration machinery or pipe systems forming part of the refrigeration machinery, or
- e. sudden and unforeseen failure of the public power supply.

The most we will pay for any one event and for all claims in the aggregate this benefit during any one period of insurance is \$5,000.

What You are not covered for under this optional benefit

- a. any loss or damage due to shrinkage, inherent defects or diseases
- b. loss or Damage caused by improper storage, collapse of the packing material or storage structure
- c. loss or Damage caused by refrigeration machinery that was faulty at the time of the loss or Damage or which had not been adequately maintained
- d. penalties or delay or detention or consequential loss or Damage or liability of any nature whatsoever, and
- e. loss or Damage following loss of public power supply due to:
  - i. the deliberate act of any public power supply authority unless performed for the sole purpose of safeguarding life or protecting a part of the supply system
  - ii. the decision by any public power supply authority to restrict or withhold supply excepting a scheme of rationing necessitated by damage to any part of the supply system
  - iii. shortage of power generation fuel or water.

## Optional benefits applicable to this Section

### 1. Flood

When 'Flood' is shown in the current Schedule, We will cover loss or Damage to Property Insured caused by Flood.

## Specific exclusions applicable to this Section

1. We will not pay for loss or Damage to:
  - a. property undergoing construction, erection, alteration or addition when the value of work exceeds 10% of the Sum Insured for Buildings or \$500,000, whichever is the lesser;
  - b. property while in transit other than:
    - (i) during the incidental movement of the property within Situations occupied by You, and/or

- (ii) as provided under “Additional benefits applicable to this Section”, 8. Temporary removal, 9. “Documents” and 12. Property at home residence.
  - c. Money, cheques, promissory notes and any other negotiable instrument of every description;
  - d. jewellery, furs, bullion, precious metals or precious stones unless they are in the Premises at the Situation at the time in the Damage, and then limited to an amount not exceeding \$10,000 in total unless expressly stated otherwise in the Schedule;
  - e. curios, antiques or works of art unless they are in the Premises at the Situation at the time of the Damage, and then limited to an amount not exceeding \$25,000 in total unless expressly stated otherwise in the Schedule;
  - f. any locomotive, rolling stock, watercraft, or aircraft, including their accessories and/or spare parts;
  - g. motor vehicles, caravans, trailers, motorcycles, watercraft, aircraft or aerial devices or the accessories to any of these;
  - h. livestock, animals, birds or fish;
  - i. standing timber, growing crops and pastures;
  - j. land other than as provided under “Additional benefits applicable to this Section” 13. Loss of land value. This exclusion will not apply to structural improvements that are not otherwise excluded in this Section;
  - k. bridges, canals, roadways, tunnels, railway tracks (other than on the Premises occupied or used by You), dams, reservoirs (other than tanks) and their contents;
  - l. signs, caused by wind or Water;
  - m. Property Insured in the open air caused by wind, rainwater or hail unless such property comprises or forms part of a structure designed to function without the protection of walls or roof caused by wind or Water;
  - n. pressure equipment arising out of failure by You or Your employees or agents to comply with the Australian Standard, or other legal requirements applicable to pressure equipment;
  - o. glass (as defined in Section Six – Glass), other than breakage by fire, lightning, explosion, implosion, earthquake, impact by vehicles or animals, aircraft and other aerial devices and/or articles dropped from them, riots or civil commotion, malicious damage, wind or Water.
2. We will not pay for loss or Damage caused directly or indirectly by or in connection with or arising from or occasioned through:
- a. any legal liability of any nature;
  - b. the incorrect siting of Buildings;
  - c. demolition ordered by Government or Public or Local Authorities due to failure by You or Your agents to obtain the necessary permits required;
  - d. (i) unexplained inventory shortages or disappearances, or  
(ii) shortages in the supply or delivery of materials to or from You;
  - e. loss or Damage as a result of trickery;
  - f. spontaneous combustion, heating or any process involving the direct application of heat, provided that this specific exclusion will be limited to the item(s) immediately affected and will not extend to other Property Insured Damaged as a result of the spontaneous combustion;
  - g. deterioration, fermentation and putrefaction of refrigerated goods;
  - h. consequential loss of any kind, including loss resulting from delay or lack of performance, loss of contract or depreciation in value of any undamaged Property Insured;
  - i. Pollution or Contamination except loss or destruction of or Damage to Property Insured at Your Premises caused by:
    - (i) Pollution or Contamination at the Premises which itself results from fire, lightning, explosion, aircraft or other aerial devices or articles dropped from them, riot, civil commotion, strikers, locked-out workers, people taking part in labour disturbances, malicious Damage, earthquake, storm, bursting, overflowing, discharging or leaking of water tanks, apparatus or pipes, sprinkler leakage or impact by any vehicle or animal,
    - (ii) any of the perils listed in (i) above which itself results from Pollution or Contamination.
  - j. loading or unloading, delivery or dispatch;



- k. demolition, where the cost of demolition is greater than \$10,000;
  - l. adjusting, testing or servicing operations;
  - m. any process of heat treatment, welding, grinding, cutting, drilling, shaping or the application of tools but limited only to the Property Insured undergoing treatment;
  - n. the failure of water, gas, electric or fuel supply;
  - o. recovery or repossession of the Property Insured for any reason;
  - p. data processing or media failure, breakdown or malfunction of the processing system, including operator error or omission;
  - q. any process of cleaning, dyeing, repairing or restoring.
3. We will not pay for loss or Damage caused by or occasioned through:
- a. wear and tear, fading, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good;
  - b. error or omission in design, plan or specification or failure of design;
  - c. normal settling, seepage, shrinkage, or expansion of Buildings or foundations, walls, pavements, roads and other structural improvements, creeping or heaving or vibration;
  - d. faulty materials or faulty workmanship;
  - e. total or partial cessation of work or the retarding or interruption of work or the retarding or interruption or cessation of any process or operation as the direct result of strikes, labour disturbances or locked out workers. This does not apply to the interruption or cessation or partial cessation of any work, process or operation resulting from Damage to Property Insured at the Premises caused by strikes, people involved in labour disturbances or locked-out workers;
  - f. erosion, subsidence, earth movement or collapse resulting therefrom;
  - g. fusion of electric motors;
  - h. mechanical, hydraulic, electrical or electronic breakdown, failure, malfunction or derangement of any machine or electrical or electronic device or temperature controlling equipment;

However, exclusions 3.a. to 3.h. will not apply to subsequent Damage to Property Insured caused by any sudden or unexpected or unforeseen occurrence, despite the fact that this occurrence may in turn have been caused by any of the circumstances referred to in exclusions 3.a. to 3.h.

- i. access by people not authorised by You to Your computer systems and records;
- j. the actions of moths, termites or other insects, birds or vermin;
- k. any of the following:
  - (i) mildew, mould, wet or dry rot,
  - (ii) rust, oxidation or corrosion;
- l. change of colour, dampness of atmosphere or other variation in temperature, evaporation;
- m. disease;
- n. inherent vice or latent defect;
- o. loss of weight;
- p. change in flavour, texture or finish;
- q. smog, smut, soot or smoke from industrial operations;
- r. fraud or dishonest acts, embezzlement, forgery, erasure, counterfeiting and fraudulent misappropriation by electronic means or otherwise;
- s. theft other than:
  - (i) as provided under “Additional benefits applicable to this Section”, 18. External Property;
- t. (i) Flood,
 

Provided that exclusion t. (i) Flood will not apply if the Optional benefit applicable to this Section – 1. Flood is shown in the current Schedule.

  - (ii) action of the Sea, Storm Surge, tidal wave, high Water, seepage or percolation of Water or Water entering the Premises as a result of structural defects, faulty design or workmanship, unless Damage is caused by or results from an earthquake or seismological disturbance.

## Specific conditions applicable to this Section

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

### 1. Designation of property

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

### 2. Progress payments

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

### 3. 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.

### 4. 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.

### 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 10% of the Sum Insured. Every Situation insured is separately subject to this clause.

This clause does not apply to any of the additional benefits.

# Section Two – Business Interruption

## The cover

Where this Section is shown as insured on the Schedule, We will pay You, in accordance with the basis of settlement, for consequential loss resulting from interruption of or interference with the Business that occurs during the Period of Insurance that is caused by:

- a. an insured event covered under Section 1 – Material Damage or a Defined Event insured under Section 3 – Theft or Section 6 – Glass; or
- b. explosion of any boiler, pressure vessel, compressor or economizer on the Premises for which a certificate is required to be issued under the terms of any statute or regulation; or
- c. Damage to Your Property Insured under any other Policy that provides the same insurance cover as Section 1 – Material Damage, Section 3 – Theft or Section 6 – Glass, where liability for the Damage has been admitted by Your insurer.

Where it is noted on the Schedule that cover is for **“Additional increase in cost of working”** only, claims will be settled in accordance with clause 2. of the basis of settlement – Additional increase in cost of working.

Where the application of an Excess prevents Your claiming for the Damage, this will not limit Your ability to claim under this Section of the Policy.

## Definitions applicable to this Section

**“Annual Gross Revenue”** means the Gross Revenue earned during the twelve months immediately before the date of the Damage.

Both the Standard Gross Revenue and Annual Gross Revenue will be adjusted as necessary to provide for the trend or other variations affecting the Business, either before or after the Damage, or which would have affected the Business but for the Damage occurring, so that the adjusted figures will represent as nearly as reasonably practicable the Business results that would have been achieved during the relative period after the Damage.

**“Gross Revenue”** means the money paid or payable to You for services provided (and Stock in Trade, if any, sold) in the course of the Business at the Premises.

**“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.

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

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

## Basis of settlement applicable to this Section

We will pay to You:

### 1. Gross Revenue

the actual loss of Gross Revenue and Increase in cost of working and the amount payable as indemnity will be:

- a. in respect of Reduction in Gross Revenue:

the amount by which the Gross Revenue during the Indemnity Period shall, as a result of the Damage, fall short of the Standard Gross Revenue,

- 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 loss of Gross Revenue that, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the amount of the reduction in Gross Revenue so avoided;

less any sum saved during the Indemnity Period in respect of the charges and expenses of the Business payable out of Gross Revenue that cease or are reduced in consequence of the Damage and any Uninsured Working Expenses.

### 2. 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 as a result of the Damage for the purpose of avoiding or diminishing reduction in Gross Revenue and/or resuming and/or maintaining normal Business operations and/or services.

Our liability under this Section will not exceed the Sum Insured stated against each item in the Schedule.

## Additional benefits applicable to this Section

### 1. Claims preparation expenses

In addition to the amount payable under item 1. Gross Revenue of the basis of settlement, We will pay the costs of reasonable professional fees as may be payable by You, and other reasonable expenses necessarily incurred

by You and not otherwise recoverable, for preparation of claims under this Section.

We will pay \$25,000 for any one claim in addition to any amount shown in the Schedule for Claims preparation expenses.

## 2. Computer

This Section extends to include loss (not otherwise recoverable) resulting from interruption of or interference with the Business occasioned by Damage as detailed in a., b. or c. of The cover to computer installations, including ancillary equipment and data processing media utilised by You anywhere in Australia.

## 3. Additional premises

If You acquire or use during the Period of Insurance any other premises within the Commonwealth of Australia 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 thirty (30) days, and You pay Us the additional premium We require to cover the premises.

## 4. Other property

This Section extends to include loss due to interruption or interference to the Business due to Damage to other property, which had it been insured under this Policy, would have resulted in an admissible claim under Section 1 – Material Damage, Section 3 – Theft or Section 6 – Glass which occurs:

- a. within a 50km radius of Your Premises which prevents the use of or access to the Premises;
- b. at any electricity station or substation, gas works or water works of a public supply undertaking from which You obtain electric current, gas or water. Where the public supply undertaking is not at or immediately adjacent to Your Premises the interruption of supply must extend for longer than 48 hours for this additional benefit to apply.
- c. in any commercial complex of which the Premises forms a part or in which the Premises are contained, that prevents or hinders the use of or access to the Premises which results in cessation or diminution of trade, including any cessation or diminution of trade due to temporary falling away of potential custom;
- d. 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.

## 5. Fines, damages and penalties

This Section also extends to include liability for:

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

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

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

## 6. Closure by authority, poisoning, murder or suicide

This Section extends to include loss due to interruption or interference to the Business due to:

- a. closure or evacuation of the whole or part of the Premises by order of a competent public authority as a result of:
  - (i) infectious or contagious disease manifested by any person while at the Premises,
  - (ii) vermin or pests or defects in the drains or other sanitary arrangements at the Premises,
  - (iii) the outbreak of a notifiable human infectious or contagious disease occurring within a 20km radius of the Premises.
- b. poisoning directly caused by the consumption of food or drink provided on the Premises;
- c. murder or suicide occurring in or at the Premises.

However, there is no cover under additional benefit 6.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 additional benefit 6 is \$200,000 during any one Period of Insurance.

## 7. Registered Motor Vehicles

This Section extends to include loss due to interruption or interference to the Business due to:

Interruption of Your Business that is caused by Damage to registered motor vehicles including, but not limited to motorcycles, caravans and trailers that are owned and/or operated by You but only while at Your Premises.

## 8. Roads, bridges & Railway lines

This Section extends to include loss due to interruption or interference to the Business that is caused by Insured Damage that occurs in Australia to the following property:

Roads, bridges and railway lines over which Stock, components and materials are conveyed to and from the Premises.

## Optional Benefits applicable to this Section

When the applicable Optional Benefit is shown as covered in 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 Optional Benefit for:

### 1. Loss of rent

Loss of rent receivable in respect of the Buildings shown on the Schedule 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 Damage 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 Damage.

### 2. 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.

## Specific conditions applicable to this Section

### 1. 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 this Section will apply separately to each department affected by the Damage.

### 2. Alterations and forfeiture

We will not pay any claim under this Section if the Business is dissolved, wound up or carried on by either a liquidator, administrator or a receiver or is permanently discontinued or You, being a natural person, are declared bankrupt.

### 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 revenue so earned will be brought into account when calculating the Gross Revenue.

#### 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.

#### 6. 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 "Annual Gross Revenue" and "Standard Gross Revenue" shall have their meanings altered to reflect the period the Business has been trading to the date of the Damage, converted to a 12 month equivalent figure.

#### 7. Underinsurance

If the Sum Insured for Gross Revenue at the commencement of each Period of Insurance is less than the sum produced by applying the Gross Revenue to 80% of the Annual Gross Revenue, (or its proportionately increased multiple of it, where the Indemnity Period exceeds 12 months) the amount payable under this Section will be proportionately reduced.

This condition will not apply if the amount of the claim does not exceed 10% of the Sum Insured for this Section.

## Section Three – Theft

### The cover

Where this Section is shown as insured on the Schedule, We will cover the Property Insured against loss or Damage due to a Defined Event. The most We will pay is the Sum Insured for Contents, Stock in Trade and Customers' Goods under Section One – Material Damage or \$500,000 whichever is the lesser. All claims will be settled in accordance with the basis of settlement.

### Defined Event applicable to this Section

Theft from the Premises.

### Basis of settlement applicable to this Section

The basis of settlement following the happening of a Defined Event to the Property Insured will be Reinstatement or Replacement unless otherwise shown in the Schedule.

For the purpose of this Section, the term Reinstatement or Replacement means the cost necessary to replace, repair or rebuild the Property Insured to a condition substantially the same as but not better or more extensive than its condition when new.

However:

- a. other than for additional benefits 6., 8. and 9., We will not 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 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.

### 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:

- (i) limited to the relevant amount shown in the Schedule; or

(ii) if no amount is shown in the Schedule, the amount shown below, subject to the extent that the Sum Insured is not otherwise exhausted.

### **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.

### **2. Temporary protection**

Temporary protection of Property Insured pending repair or replacement following Damage by a Defined Event, to a maximum of \$15,000 for any one event.

### **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 \$50,000 for any one event, however We will not cover the cost of obtaining any information to be rewritten or recorded.

### **4. Documents**

Documents (which means deeds, wills, agreements, manuscripts, plans, specifications and writings of every description, office and business records including computer systems records), anywhere within the Commonwealth of Australia whilst:

- a. in the actual possession of any of Your partners, directors or authorised employees including whilst held in their private residence;
- b. in the actual possession of any other person with whom the documents have been entrusted to or deposited within the normal course of business;

but excluding:

- a. documents in transit by courier or post;
- b. theft whilst in an unattended vehicle, unless there was forcible and violent entry into the vehicle.

In the event of a claim, We will pay the cost of reinstating, replacing, reproducing or restoring Your documents, including information contained in 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. The most We will pay for this additional benefit is up to a limit of 30% of the Contents Sum Insured.

### **5. Directors', Partners' and Employees' Personal Property**

To the extent the Directors', Partners' and Employees' Personal Property is not otherwise insured, to a maximum of \$5,000 for any one person and \$25,000 for any one event. This benefit can apply without a claim being admitted under the Theft section.

### **6. Replacement keys and locks**

For:

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

up to a maximum of \$10,000 in any one Period of Insurance. This benefit can apply without a claim being admitted under the Theft section.

### **7. Temporary removal**

Property Insured while temporarily removed from Your Premises to anywhere within the Commonwealth of Australia.

Provided that:

- a. We will not cover the following property:
  - (i) Stock in Trade, Customers' Goods and/or merchandise,
  - (ii) tobacco, cigarettes, cigars and liquor,
  - (iii) registered motor vehicles.
- b. the most We will pay for this additional benefit will be 30% of the Sum Insured for Contents, Stock in Trade and Customers' Goods under Section One – Material Damage or \$100,000, whichever is the lesser.
- c. this additional benefit will not apply to Property Insured which has been removed for a period greater than 90 days.

### **8. Property at home residence**

Cover Property Insured whilst in the possession of any of Your partners, directors or employees authorised to hold Property Insured at their private residence.

However:

- a. the most We will pay for this additional benefit will be 10% of the Sum Insured for Contents or \$25,000, whichever is the lesser.
- b. cover is only provided for office and electronic equipment.
- c. We will not provide cover for Property Insured whilst in transit.
- d. the additional benefit will not apply to any other premises where the physical security and protection do not meet the minimum security requirements of deadlocked doors and key locked windows.

## 9. Death following assault

Death within 12 months as a direct result of injury to 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 9. Death following assault shall not accumulate with any similar cover that may be given under additional benefit 2. of Section Four – Money.

## 10. Seasonal increases in the Sum Insured

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

- a. from 60 days before Christmas Day to the twentieth day following, both days inclusive;
- b. from 30 days before Easter Sunday to the twentieth day following, both days inclusive;
- c. bank holidays or gazetted public holidays, unless stated otherwise in the Schedule.

## 11. Damage to Safes or Strongrooms

Cover for loss of or damage to safes or strongrooms caused by unauthorised people attempting to gain entry to a safe or strongroom.

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

If you have chosen cover for Money under Section Four – Money and You are entitled to claim for damage to the safe or strongroom, we will not pay any claim under this Additional benefit.

## 12. Employee Dishonesty

Cover for theft, fraud or dishonesty by your employees provided that:

- a. the maximum amount payable will not exceed \$10,000;
- b. the loss is discovered within 45 days of its occurrence.

however we will not pay any claim under this additional benefit if we have paid a claim under Policy section Eight – Employee Dishonesty.

## 13. New Premises – Temporary Cover

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

- a. this temporary cover is limited to a period of 60 consecutive days from the day that You first use the new premises;
- b. this temporary cover is not available to Property that cannot be correctly designated to one of the Categories that are shown as insured in the Schedule;
- c. this temporary cover is only available to Property that is of a similar type to that insured by this Cover Section;
- d. for each specific Category of Property shown in the Schedule this temporary cover is limited to 50% of the Sum Insured for that Category; or
- e. if more than one Premises are shown in the Schedule then this 50% limitation will apply to the lowest Sum Insured that applies to a specific Category of Property;
- f. the new premises have building and security features that are similar to those at one of the Premises shown in the Schedule, having the same occupation;
- g. You provide Us with full details of the new premises within 60 days of You first using the new premises; and
- h. You pay the Premium that We require for this new premises.

## 14. Green Insurance benefit

Cover the additional costs of repairing or replacing the Buildings and or Contents with materials or equipment that will improve the energy or water efficiency of the property.

The most we will pay in respect of any one event for this additional benefit is 10% of the repair or replacement costs or \$10 000 whichever is lessor.

## 15. Illegal use of Corporate Financial Transaction Card

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

Provided that We will not pay:

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



## 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, patterns, models, moulds, plans, or designs in excess of \$500;
  - b. 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;
  - c. curios or works of art for an amount in excess of \$10,000 for any one item;
  - d. live animals, birds or fish or any other living creature; or
  - e. plants, shrubs, landscaping or growing crops, pastures or standing timber;unless expressly stated in the Schedule;
2. loss or Damage arising directly or indirectly out of or in any way connected with theft or any attempt at theft committed by:
  - a. any member of Your family or a director;
  - b. any persons while lawfully on the Premises;
  - c. the collusion of or the fraudulent embezzlement by or the fraudulent misappropriation by You or any person employed by You;
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 arising during or in consequence of earthquake or subterranean fire, unless You are able to prove that the Damage happened independently of these events;
6. loss or Damage arising directly or indirectly out of or in any way connected with Your relaxing or changing any security precaution that affects its effectiveness without Our consent;
7. loss or Damage to motor vehicles, unless expressly stated in the Schedule;
8. loss or Damage to Property Insured in the open air;

9. 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;
10. loss or Damage arising directly or indirectly out of or in any way connected with the dishonest manipulation of any database or computer system;
11. loss or Damage to Property Insured while in a vehicle unless loss or Damage caused by forcible and violent entry into the vehicle.

## Specific conditions applicable to this Section

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

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

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

# Section Four – Money

## The cover

Where this Section is shown as insured on the Schedule, We will cover You against loss or Damage, not otherwise excluded, to Money as specified below which occurs during the Period of Insurance. We will also cover Damage to Safes or Strongrooms as specified below. All claims will be settled in accordance with the basis of settlement.

## Definition applicable to this Section

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

## When cover is provided

You have the option of selecting from a number of covers. Your Schedule will show which covers You have selected and the applicable Sum Insured.

1. **Money in transit**, which covers:
  - a. Money in transit to or from the Premises while in Your personal custody or the custody of people that You have authorised;
  - b. Money while contained in the night safe of any bank at which You normally transact business provided that Our liability for Money in night safes will cease at bank closing time on the next bank business day following deposit;
  - c. Money drawn as wages and/or salaries and carried by You and/or people 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 on the Premises.
2. **Money contained in the Premises**, which covers Money:
  - a. during Business Hours;
  - b. outside Business Hours;
  - c. only while contained in a securely locked Safe or securely locked Strongroom.
3. **Money in Your personal custody**, which covers Money in Your personal custody or the custody of people 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 or Strongrooms**, which covers loss or Damage caused by unauthorised people attempting to gain entry to the Safe or Strongroom.

## Basis of settlement applicable to this Section

We will pay You the amount of Money lost or Damaged, less the Excess as stated below, under the heading Excess.

Other than with respect to additional benefit 1. and 2. applicable to this Section 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 Safes, Strongrooms or cash carrying bags, the Basis of Settlement will be:

- a. 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.
- b. 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 bags to a condition substantially the same as, but not better or more extensive than, its condition when new.
- c. 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**

### **1. Travellers' Money**

Cover under this Section is extended to include loss, of Money belonging to You, occurring while such Money is in Your personal custody or in the custody of Your employee while travelling outside the Commonwealth of Australia in connection with Your Business.

The most We will pay under this additional benefit is \$5,000 in one event and \$10,000 in any one Period of Insurance.

### **2. Death following assault**

Death within 12 months as a direct result of injury caused to 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 2. Death following assault shall not accumulate with any similar cover that may be given under additional benefit 9. of Section Three – Theft.

### **3. Counterfeit money**

Cover under this section is extended to include loss sustained by the Insured due to unintentional acceptance of counterfeit Australian currency notes. The most We will pay for this benefit is \$500 in any one Period of Insurance.

### **4. Seasonal money extension**

increase the Sum Insured for covers 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.

### **5. Bank and public holiday extension**

increase the Sums Insured for covers 1., 2.a. and 2.c. by the lesser of 100% or \$75,000 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 5. will not apply to the calculation of any amount payable under additional benefits 1. to 4. inclusive.

### **6. Employee dishonesty**

We will pay You for loss of Business Property by theft or dishonesty by any of Your employees occurring during the Period of Cover, which is discovered within forty five days of its occurrence. Exclusion 3, of 'What You are not covered for under this section', so far as it relates to loss or damage due to theft or attempted theft committed by an employee, does not apply to this additional benefit.

Our liability under this additional benefit is limited to \$5,000 for any one occurrence. If You are also insured under the Money cover section and/or the Employee Dishonesty cover section, the benefits payable for employee dishonesty shall not be cumulative and shall be limited to \$5,000 in the aggregate per occurrence.

### **7. Directors and employees personal property**

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

Cover is limited to \$5,000 any one person and \$10,000 overall in respect of any one loss.

### **8. Loss of or damage to Safes, Strongrooms and cash carrying bags**

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

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

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

### **9. Locks, keys and combinations**

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

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

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

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

## 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 7 working days of the occurrence;
3. loss or Damage by or through the collusion of or the fraudulent embezzlement or fraudulent misappropriation by You, a member of Your family or any person employed by You;
4. loss of or Damage to Money carried by professional money carriers, collectors or professional carriers or common carriers;
5. loss from an unattended motor vehicle;
6. loss from a Safe or Strongroom opened by a key or by use of details of a combination, either of which has been left on Your Premises while closed for Business;
7. loss arising out of the payment of Money for, or in consideration of, a cheque or negotiable instrument which is subsequently dishonoured;
8. loss or Damage as a result of trickery.

## Section Five – General Property

### The cover

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

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

### Basis of settlement applicable to this Section

The basis of settlement will be:

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

We will not pay more than \$2,500 for any item not specifically listed in the Schedule.

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

### Excess

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

### Additional benefit applicable to this Section

1. Theft of Other Equipment

cover for theft of any insured Property not belonging to you but in your physical or legal control for the purposes of your business anywhere in the world.

## Specific exclusions applicable to this Section

We will not pay for:

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

# Section Six – Glass

## The cover

Where this Section is shown as insured on the Schedule, We will pay You in accordance with the basis of settlement if any Glass is Damaged at the Situation by a Defined Event which occurs 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

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

### 1. External Glass

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

1. Damage to window or door frames, tiled shop fronts and Stock in Trade;
2. the cost of temporary shuttering and security, signwriting, ornamentation, reflective materials and alarm tapes.

Our liability for these additional benefits will be limited to a maximum of \$5,000 for any one event.

### 2. Destruction of in Trade Stock or Contents

We will pay for destruction of, or damage to Your Stock in Trade or Contents, caused by broken Glass following the Breakage of Glass where such Breakage constitutes an admissible claim under this section. Our liability under this additional benefit during any one Period of Cover is limited to:

- (i) the value at cost, of the Stock or contents destroyed or damaged, less any amount realised from the sale or salvage or;
- (ii) the sum of \$5,000, whichever is the lesser.

### 3. Malicious damage

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

## 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 shade houses, fibreglass houses or glasshouses.

# Section Seven – Liability

## The cover

Where this Section is shown as insured on the Schedule, We will insure You for all amounts which You become legally liable to pay as compensation (excluding punitive, exemplary and aggravated damages) for:

- Personal Injury; or
- Property Damage; or
- Advertising Injury

occurring within the Territorial Limits as a result of an Occurrence in connection with Your Business, up to the Limit of Indemnity stated in the Schedule.

## Definitions applicable to this Section

**"Advertising Injury"** means:

- a. infringement of copyright of or passing off of a title or slogan;
- b. unfair competition, piracy or idea misappropriation contrary to an implied contract; or
- c. invasion of privacy;
- d. defamation;
- e. breach of misleading or deceptive conduct;

committed or alleged to have been committed during the Period of Insurance in any advertisement, publicity article, broadcast or telecast arising out of any advertising activities conducted by or on behalf of You, in the course of advertising Your Products.

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

**"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.

**"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.

**"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. The limit of Indemnity applicable to Advertising Injury is the amount stated in the schedule as the Limit of Indemnity for Public Liability.

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

**"Occurrence"** means an event including continuous or repeated exposure to substantially the same general conditions which results in Personal Injury, Property Damage or Advertising Injury neither expected nor intended by You. With respect to Personal Injury or Property Damage, all events of a series consequent upon or attributable to one source or original cause shall be deemed to be one Occurrence.

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

**"Personal Injury"** means:

- a. 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 unless arising out of Advertising Injury;

which occurs during the Period of Insurance.

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

**"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.

**"Property Damage"** means:

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

**"Territorial Limits"** means:

- a. anywhere within Australia or its external territories;
- b. elsewhere in the world but only in respect of:
  - (i) travelling executives or salesmen who are normally resident in Australia;
  - (ii) Your Products exported to anywhere in the world except the United States of America or Canada or any country, territory or protectorate to which the laws of the United States of America or Canada apply.

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

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

**"Vehicle"** means any type of machine on wheels or on self laid tracks made or intended to be propelled by other than manual or animal power and any trailer or other attachment made or intended to be drawn by any such machine.

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

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

**"Workers' Compensation Law"** means any law relating to compensation for injury to Workers or employees.

**"You", "Your", "Yours"** means:

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

However:

- (i) any such acquisition or incorporation must be notified to Us within 90 days;
  - (ii) the newly acquired or incorporated company must conduct the same type of business as Your Business, and
  - (iii) the newly acquired or incorporated company must be incorporated within Australia or its external territories;
- d.
    - (i) any director, executive officer, employee or partner of The Insured shown in the Schedule or a company referred to in b. or c. above, but only while acting within the scope of their duties in such capacity, and
    - (ii) any shareholder of a company referred to in a., b. or c. above, but only while acting within the scope of their capacity as shareholders of such company;
  - e. any principal in respect of the liability of such principal arising out of the performance by The Insured shown in the Schedule or a company referred to in b. or c. above, of any contract or agreement for the performance of work for such principal but only to the extent required by such contract or agreement, and limited always to the extent of cover and Limit of Indemnity provided in this Policy;
  - f. any office bearer or member of a social and/or sporting club formed with the consent of any of the parties in a., b., c. or d. above.

**"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 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).

However:

- (i) if a payment exceeding the Limit of Indemnity has 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 form part of the Limit of Indemnity and will not be additional to it.

## Specific exclusions applicable to this Section

This Section does not cover any actual or alleged liability:

### 1. Advertising Injury

for Advertising Injury:

- a. where the acts committed or alleged to have been committed prior to the inception date of this Policy.
- b. resulting from statements made at Your direction with knowledge that such statements are false.
- c. resulting from failure of performance of contract but this exclusion shall not apply to claims for unauthorised appropriation of advertising ideas contrary to an implied contract.
- d. resulting from any incorrect description of Products or services.
- e. resulting from any mistake in advertised price of Products or services.
- f. resulting from failure of Your Products or services to conform with advertised performance, quality, fitness or durability.
- g. incurred by You or Your principal occupation or business is advertising, broadcasting, publishing or telecasting.

### 2. 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;
- b. any of Your Products which are incorporated into the structure, machinery or controls;

of any Aircraft or Hovercraft.

### 3. Asbestos

for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity, notwithstanding any provision to the contrary within this Policy or any endorsement thereto.

#### **4. 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 the assault and/or battery is committed for the purpose of preventing Personal Injury or Property Damage or eliminating danger.

#### **5. 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.

#### **6. 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.

#### **7. Defect in design**

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

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

#### **8. 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.

#### **9. 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 the alteration of or addition to Buildings owned and/or occupied by You where the cost of such alterations or additions does not exceed \$500,000.

#### **10. Faulty workmanship**

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

#### **11. Loss of use**

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

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

This exclusion (11.b.) does not apply to the loss of use of other tangible property resulting from the sudden and accidental physical Damage to or destruction of Your Products after such Products have been put to use by any person or organisation other than You.

#### **12. 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.

#### **13. Participation**

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

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

This exclusion 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.

#### **14. 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.

#### **15. 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 15.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.

#### **16. 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.

#### **17. Product liability**

arising directly or indirectly out of or in any way connected with Your Products other than refreshments and promotional materials supplied free of charge at the Situation.

#### **18. 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.

#### **19. 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 19. does not apply to:

- a. rendering of or failure to render medical advice by Medical Persons employed by You to provide first aid and other medical services on Your Premises, other than where Your Business involves the provision of professional medical services or advice (which includes dental and veterinary services and advice) and the provision or sale of medication or other medical equipment, prosthetics, aids or devices of any description; or
- b. Personal Injury or Property Damage where such professional advice is not given for a fee.

#### **20. 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 20. will not apply to liability for Property Damage to:

- (i) buildings which are leased or rented to You;
- (ii) buildings, including their contents, not owned, leased or rented to You but temporarily occupied by You for the purpose of carrying out work in connection with Your Business, but We will not pay for Property Damage to that part of the property on which You are or have been working which arises out of such work;
- (iii) Vehicles (not belonging to or used by You or on Your behalf) in Your physical or legal control where such Property Damage occurs while any such Vehicles are in a car park which is not owned or operated for reward by You as part of Your Business;

- (iv) property belonging to visitors or Your employees; or
- (v) other property in Your physical or legal control (except for that part of any property that is undergoing any process or is being worked upon where Property Damage arises out of such process or work) for which You have not assumed any responsibility to obtain insurance.

Our liability under this proviso (v) will be limited to \$250,000 in the aggregate in respect of any one Period of Insurance, unless a higher amount is shown in the Schedule.

## 21. 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.

## 22. 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.

## 23. Treatment or dispensing

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

- a. the treatment of humans or animals for any physical or mental deficiency, injury or disease; or
- b. the dispensing of drugs, medicines, pharmaceutical supplies, or artificial aids, Personal Injury or Property Damage arising from the treatment of those humans or animals or caused through the dispensing of drugs, medicines, pharmaceutical supplies, or artificial aids.

## 24. 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 24.a. will not apply to:

- (i) liability for Personal Injury or Property Damage arising beyond the limits of any carriageway or thoroughfare or caused by the loading or unloading of any Vehicle or trailer;
- (ii) liability for Personal Injury and/or Property Damage arising from the use of any Vehicle as a Tool of Trade;

- b. where such liability is required by virtue of any legislation to be insured under a Policy of bodily injury insurance required by law.

## 25. Watercraft

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

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

of any Watercraft, the hull of which exceeds 8 metres in length.

## Specific conditions applicable to this Section

### 1. Applicable law

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

### 2. Cross liability

Where You are comprised of more than one entity, the term "You" will be considered as applying to each entity in the same manner as though a separate Policy had been issued to each entity, provided that Our Limit of

Indemnity and liability to make supplementary payments will apply as though there were not separate policies issued to each entity.

### 3. Discharge of liabilities

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

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

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

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

### 4. Premium adjustment

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

### 5. Reasonable care and maintenance

You must:

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

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

## Section Eight – Employee Dishonesty (Fidelity Guarantee)

### The cover

Where this Section is shown as insured on the Schedule, We will pay You in accordance with the basis of settlement for any loss of Property Insured (including Money) occasioned by or arising out of the happening of 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.

### Definition 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.

### 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.

However:

- 1a. 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.
- 2a. for Property Insured other than Money, after payment for or replacement of any lost property, that property, if recovered will belong to Us subject to Your right to reclaim it upon repayment of any amount paid by Us;
- b. for Money, any recovery made either by You or by Us after settlement of the claim will first be applied to any uninsured loss borne by You.

## Excess

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

## Additional benefits applicable to this Section

Consequent upon a claim being admitted, 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 fraud 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.

## 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. any consequential loss (for example loss of use of the Property Insured) or other loss of any kind not specifically referred to in this Section.
6. a. total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data,  
b. error in creating, amending, entering, deleting or using Electronic Data, or  
c. total or partial inability or failure to receive, send, access or use Electronic Data for any time or at all,

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

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

## Specific conditions applicable to this Section

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

### 1. Checks and precautions

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

### 2. Change in Business arrangements

You must inform Us immediately in writing and obtain Our written consent if there has been any change in:

- a. the method of conducting the Business to make the facts differ in some material degree from those described in the Proposal for this insurance or any supporting documentation;
- b. 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.

### 5. Counter-signatories for financial transactions

All cheques and other financial transactions in excess of \$1,000 must be counter-signed by Your authorised officer who must, independently of the Employee(s) drawing the cheque or handling the financial transaction, verify the efficacy of the supporting documentation for the cheque or financial transaction.

It is a further condition of cover provided in this Section that arrangements be in place with Your financial service provider to not honour cheques or financial transactions in excess of \$1,000 that have not been counter-signed by Your authorised officer.

# Section Nine – Machinery Breakdown

## The cover

Where this Section is shown as insured on the Schedule, We will pay You in accordance with the basis of settlement for a Defined Event occurring during the Period of Insurance to the Property Insured as defined in this Section.

## Definitions applicable to this Section

**“Additional Machinery”** means any machinery (other than of 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 for any one loss 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 and/or Blanket Machinery comprising of:

- a. electrical, electronic and mechanical machinery including their interconnecting cabling and piping, and/or
  - b. boilers and pressure vessels,
- but excluding:
- any item exceeding \$100,000 new replacement value,
  - 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,
  - research, electro-medical and diagnostic equipment,
  - refrigeration or display cabinet housing,
  - 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 on the Schedule,
  - vehicles or mobile or portable machinery,
  - electronic equipment (including television receivers, video or DVD players and the like) other than electronic scales, electronic cash registers, check-out scanners, or control equipment used exclusively and solely with an insured item,

- domestic items in residential quarters,
- vending or amusement machines or any coin-operated machine,
- lawn maintenance equipment,
- lifts and escalators,
- hand dryers,
- portable hand-held tools other than vacuum cleaners,
- reticulating electrical wiring, liquid or gas piping.

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

## Defined Events applicable to this Section

1. Breakdown.
2. Breakdown of Additional Machinery at the Situation for 90 days after the earlier of the date it is installed or the date it is first used. The Additional Machinery must have worked satisfactorily for 8 hours and have been handed over after commissioning.

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

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 25% 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 Damage to Property Insured is not repaired:
  - a. for Property Insured that could not be repaired, the actual value of the Property Insured immediately before the Damage;



- b. for Property Insured that could be repaired but has been replaced, the estimated cost that would have been incurred for necessary repairs to return the Damaged Property Insured to its former state of serviceability.

We will not pay more than the Sum Insured shown in the Schedule for:

- a. each item of Specified Machinery,
  - b. the limit for any one loss for any one item for Blanket Machinery,
- 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:

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

### 2. Insulating oil and refrigerant gas or liquid

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

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

The most amount We will pay for these additional benefits 1. and 2. will be the lesser of \$25,000 or 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, subject 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 90 days after it occurs;
- c. You must pay Us any additional premium which We may require, calculated from the date of installation or initial operation;
- d. within three (3) business days of receiving notice from You, We may give You seven (7) days notice that We will not insure the Additional Machinery. Upon the expiry of that 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:

### 1. Deterioration of stock

deterioration of perishable stock, whether Your own or that 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.

### 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 of vehicles, aircraft or watercraft, earthquake, subterranean fire, volcanic eruption, land slip, subsidence, riot, strike, lockout, civil commotion, malicious Damage, 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 belts, ropes, wires, chains, rubber tyres, dies or exchangeable tools, engraved cylinders, objects made of glass or porcelain, ceramics, refractory linings, felt sieves or fabrics, jointings or packings (including lubrication, oil, fuel, catalysts or refrigerants) unless specially 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 or well casings unless specifically shown in the Schedule;

6. the cost of any:
  - a. alterations, additions, improvements or overhauls;
  - b. temporary repairs unless those temporary repairs form part of the final repairs and do not increase the final repair costs;
7. Damage to Property Insured for which successful initial commissioning has not been completed;
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 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. consequential loss of any kind (for example loss of use of the Property Insured) or any other type of loss not specifically covered in this Section;
14. loss of or Damage to computers and/or ancillary equipment including, but not limited to, electronic data processors, printers, modems, servers, disc drives, visual display units, telecommunication equipment or software.

### Specific conditions applicable to this Section

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

#### 1. Inspection

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

#### 2. Undeclared Property Insured

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

- a. in the Proposal; or
  - b. in a subsequent written declaration to Us;
- must be the actual total of the Property Insured items

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

### 3. Claims procedure

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

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

## Section Ten – Computer/Electronic Equipment

### The cover

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

### Definitions applicable to this Section

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

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

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

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

### Defined Event applicable to this Section

Breakdown of computer and/or electronic equipment.

### Basis of settlement applicable to this Section

When the Property Insured is Damaged, the following basis of settlement will apply:

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

- b. Damaged, but the Damage is repairable, We will restore the Damaged portion to a condition substantially the same as but not better or more extensive than its condition when new, provided that the work is carried out within a reasonable period.
2. Where an equivalent make and model or all parts necessary for repairs are not obtainable from the manufacturer or its agent at listed prices and the Property Insured is:
- a. Damaged beyond repair, We will replace the Property Insured with the nearest equivalent replacement based on make, model and configuration of Your existing systems and programs;
  - b. Damaged, but the Damage would have been repairable had all parts necessary for repairs been obtainable from the manufacturer or its agent at listed prices, We will pay an amount equal to the cost of repair to the nearest equivalent of current manufacture had all the parts been obtainable from the manufacturer or its agent.
- d. within three (3) business days of receiving notice from You, We may give You seven (7) days notice that We will not insure the Additional Computer/Electronic Equipment. Upon the expiry of that notice the Additional Computer/Electronic Equipment will no longer be covered.

## Optional Benefits applicable to this Section

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

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

### 1. Restoration of data

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

- a. the data is backed up daily and precautions existing or agreed to for its safeguarding and retention are maintained and observed at all times;
- b. except as provided in Optional Benefit 1.d. below, We will not pay more than the Sum Insured shown in the Schedule for this Optional Benefit;
- c. We will not pay for any loss or Damage to records caused by access to Your computer systems and records by people not authorised by You;
- d. We will pay no more than \$1,000 or the Sum Insured shown in the Schedule for this Optional Benefit, whichever is the lesser, for any loss or Damage to Your records, data, or software caused by computer virus, being an executable program or computer code segment that is self-replicating, requires a host program or executable disc segment in which it can be contained, and which destroys or alters the host program or other computer code or data, causing undesired program or computer system operation.

### 2. Increased cost of working

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

- a. the cost is proved to have been necessarily and reasonably incurred during the period, over and above the normal expenses You would have incurred during the period in respect of the operation

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

## Excess

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

## Additional benefit applicable to this Section

### Additional Computer/Electronic Equipment

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

- a. Our limit of liability under this additional benefit will not exceed the lesser of:
  - (i) 25% of the total Sum Insured stated in the Schedule for Specified Computer/Electronic Equipment;
  - (ii) \$20,000.
- b. You must give Us notice in writing of the installation or operation of Additional Computer/Electronic Equipment within 90 days after it occurs;
- c. You must pay Us any additional premium which We may require, calculated from the date of installation or initial operation;

of the item;

- b. We will not pay for more than the costs actually incurred by You; and
- c. We will not pay more than the Sum Insured shown in the Schedule for this Optional Benefit.

#### **Additional benefit applicable to this Optional Benefit**

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

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

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

#### **Excess applicable to this Optional Benefit**

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

#### **Specific exclusions applicable to this Optional Benefit**

We will not pay for:

1. any expenses incurred during:
  - a. periods of interruption due to alterations, improvements or additions to The insured items;
  - b. periods of interruption due to the need for cleansing, adjustment, inspection, maintenance or overhaul.
2. more than four (4) weeks extension of interruption due to delays in the repair or restoration of items of foreign manufacture where such delays result from one or more of the following:
  - a. restrictions, measures or regulations imposed by any government authority;
  - b. the time required to obtain replacement component parts or complete items overseas;
  - c. the time required to transport parts or complete items between the Situation and the overseas place of repair or restoration;
  - d. the time required to engage and transport overseas specialists or consultants to attend local repairs.

3. any increase in cost of working occurring as a result of loss or Damage to Your records, data, or software caused by computer virus, 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.

#### **Specific condition applicable to this Optional Benefit**

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

### **Specific exclusions applicable to this Section**

We will not pay for:

1. Breakdown caused by atmospheric moisture or temperature unless directly resulting from Damage to or malfunction of air-conditioning equipment.
2. the cost of:
  - a. replacement of Damaged, worn or spent batteries, belts, chains, tapes, ribbons, filters, fuses, electric heating elements or electrical contacts;
  - b. replacement of component parts worn through normal use or operation, unless Damaged because of loss or Damage insured by the Policy;
  - c. preventative maintenance work;
  - d. alterations, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or as a separate operation;
  - e. replacement or restoration following gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);
  - f. temporary repairs unless such repairs constitute part of the final repairs and do not increase the total repair costs.
3. Breakdown occurring to an insured item during any period when it is out of Your possession on hire, rental, lease or loan.
4. Breakdown which is covered under a service or warranty agreement except where the amount paid under such an agreement is less than the total cost of

repair. In this event We will, subject to any exclusion and Excess which may apply, indemnify You for the difference.

5. Breakdown due to access by people not authorised by You to Your computer systems and records.
6. loss or Damage arising:
  - a. out of the machinery being subjected to tests involving abnormal stresses or arising out of machinery being intentionally overloaded; or
  - b. prior to successful initial commissioning or during test or experimentation.
7. loss or Damage due to faults or defects known to You.
8. loss or Damage due to failure to comply with statutory requirements relating to safeguarding or operation of the machinery or electronic equipment.
9. the costs for repairing or replacing if the manufacturer, supplier, agent or any other person is responsible under the terms of a maintenance agreement.
10. consequential loss of any kind (for example loss of use of the Property Insured) or any other type of loss not specifically covered in this Section.

## Specific conditions applicable to this Section

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

### 1. Maintained and serviced

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. We will not be liable if You do not comply with this condition.

### 2. Underinsurance

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

# Section Eleven – Tax Audit

## The cover

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

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

## Definitions applicable to this Section

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

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

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

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

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

“Professional Fees” means:

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

## Excess

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

## Specific exclusions applicable to this Section

We will not pay:

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

- f. from any fraudulent act or omission committed by You or on Your behalf or by Your employee(s),
  - g. which are ordinarily associated with the maintenance and upkeep of Your Business accounts, returns, taxation and financial records and the preparation prior to lodgement of Your accounts, returns, taxation and financial records as required by any relevant legislation,
  - h. incurred more than twelve (12) months after the commencement of the Audit, unless You can show that completion of the Audit has been delayed as a result of the conduct of the Auditor;
4. if the return in relation to which the Audit is proposed to be conducted was not reviewed by an accountant prior to dispatch;
  5. if You have not maintained all records that You are required to maintain or should or would maintain in the ordinary course of Your Business.

## Specific conditions applicable to this Section

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

### 1. Errors

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

### 2. Tax returns

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

### 3. Income disclosure

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

### 4. Claims

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

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

- b. send Us copies of all correspondence in relation to Your claim within five (5) working days of receiving them;
- c. instruct Your accountants and solicitors to provide Us with all relevant documents and information in relation to Your claim; and
- d. permit Us, when necessary, to instruct Your accountants and solicitors in matters relating to Your claim and for the cost of these instructions to form part of Your claim. This does not mean We will take over or represent You in the Audit or investigation.

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



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