

SCTP BUSINESS

INSURANCE POLICY



Contents

Welcome to the security of CGU Insurance	1	Definitions	28
About CGU	1	Claims procedure	29
About Steadfast	1		
Important Information	1	Section 3A Theft	30
Your duty of disclosure	1	About this cover section	30
General Insurance Code of Practice	1	Your insurance under this cover section	30
How to resolve a complaint or dispute	1	What We pay	30
How CGU protects Your privacy	2	Extra covers	30
Interest on unallocated Premium	2	Additional benefits	31
Calculating Your Premium	2	Optional extension	33
Taxation information	2	Cover section exclusions	33
Other party's interests	2	Cover section conditions	33
Your cooling-off period	3	Definitions applicable to Section 3A	33
Underinsurance	3	Claims procedure	33
Exclusions and conditions	3		
CGU Business Insurance Policy Terms & Conditions	3	Section 3B Money	34
Our agreement	3	About this cover section	34
General definitions	3	Your insurance under this policy section	34
General exclusions	7	What We pay	34
General conditions	8	Extra covers	34
Claims procedure	11	Additional benefits	35
		Cover section exclusions	36
		Definitions to Section 3B	37
		Claims procedure	37
Section 1 Business Property	12	Section 4 Glass	37
About this cover section	12	About this cover section	37
Your insurance under this cover section	12	Your insurance under this cover section	37
What We pay	12	What We pay	37
Extra covers	14	Extra covers	37
Additional benefits	16	Additional benefits	38
Optional extensions	19	Cover section exclusions	38
Policy section exclusions	19	Definitions	38
Limitations which apply to this cover section	20	Claims procedure	38
Cover section conditions	20		
Definitions	21	Section 5 Public & Products Liability	39
Claims procedure	21	About this cover section	39
		Your insurance under this cover section	39
Section 2 Business Interruption	21	Additional benefit	40
About this cover section	21	Optional extension	40
Your insurance under this cover section	21	Cover section exclusions	40
Part A Insurable Gross Profit basis	21	Cover section conditions	43
Part B Annual Revenue basis	22	Definitions	44
Part C Weekly Revenue basis	22	Claims procedure	46
Common clauses to Parts A, B and C	23		
Extra covers	25	Section 6 Employee Dishonesty	46
Additional benefits	26	About this cover section	46
Optional extensions	27	Your insurance under this policy section	46
Policy section conditions	28		

What We pay	46
Additional benefits	46
Cover section exclusions	47
Cover section conditions	47
Definitions	48
Claims procedure	48
Section 7 Machinery	48
About this cover section	48
Machinery Breakdown cover	48
What We pay	48
Extra covers	49
Additional benefit	49
Cover section exclusions	50
Cover section conditions	51
Optional extension	51
Definitions	52
Claims procedure	52
Section 8 Computer & Electronic Equipment	53
About this cover section	53
Your insurance under this cover section	53
Part A Electronic Equipment Breakdown	53
What We pay	53
Part B Business interruption	54
Extra covers	55
Additional benefits	55
Optional extensions	55
Cover section exclusions	56
Cover section conditions	56
Definitions	57
Claims procedure	58
Section 9 General Property	58
About this cover section	58
Your insurance under this cover section	58
What We pay	58
Optional reduction in cover	58
Additional benefits	59
Optional extensions	59
Cover section exclusions	60
Definitions	60
Claims procedure	61
Section 10 Taxation Investigation	61
Taxation audit costs	61
Cover section exclusions	61
Cover section conditions	62
Definitions	62
Claims procedure	62

Welcome to the security of CGU Insurance

This Booklet is Important

Preparation date: 21 February 2019

About CGU

Insurance Australia Limited trading as CGU Insurance (CGU) is the underwriter of this insurance Policy. Our Australian Business Number is 11 000 016 722. Our Australian Financial Services Licence Number is 227681. In this Policy CGU is called 'We,' 'Us,' or 'Our.'

CGU pays remuneration to insurance intermediaries when We issue, renew or vary a Policy the intermediary has arranged or referred to Us. The type and amount of remuneration varies and may include commission and other payments. If You require more information about remuneration We may pay Your intermediary You should ask Your intermediary.

About Steadfast

Steadfast Group Limited (Steadfast) is a public company. It includes a large network of insurance brokerages which operate in Australia as Steadfast Brokers. This Policy is available exclusively to You through a Steadfast Broker. Steadfast does not issue, guarantee or underwrite this Policy.

Important information about Steadfast's advice

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

Important Information

Your duty of disclosure

Before You enter into an insurance contract, You have a duty to tell Us anything that You know, or could reasonably be expected to know, may affect Our decision to insure You and on what terms.

You have this duty until We agree to insure You.

You have the same duty before You renew, extend, vary or reinstate an insurance contract. You do not need to tell Us anything that:

- reduces the risk We insure You for, or
- is common knowledge, or
- We know or should know as an insurer, or
- We waive Your duty to tell Us about.

If You do not tell Us something

If You do not tell Us anything You are required to, We may cancel Your Policy or reduce the amount We will pay You if You make a claim, or both.

If Your failure to tell Us is fraudulent, We may refuse to pay a claim and treat the Policy as if it never existed.

General Insurance Code of Practice

The purpose of the Code is to raise the standards of practice and service in the general insurance industry. The objectives of the Code are:

- to commit Us to high standards of service
- to promote better, more informed relations between Us and You
- to maintain and promote trust and confidence in the general insurance industry
- to provide fair and effective mechanisms for the resolution of complaints and disputes between Us and You, and
- to promote continuous improvement of the general insurance industry through education and training.

Our commitment to You

We have adopted and support the Code and are committed to complying with it.

Please contact Us if You would like more information about the Code.

How to resolve a complaint or dispute

1. Talk to Us first

If You have a complaint, the first thing You or Your insurance intermediary should do is speak to one of Our staff. If Your complaint relates specifically to a claim, speak with the claims officer managing Your claim. If the staff member or claims officer are unable to resolve the matter for You, You or Your insurance intermediary may speak to a manager.

The manager will usually provide You with a response to Your complaint within 15 days. If the timeframe is impractical for any reason such as the need for more information or further investigation, they will discuss with You alternative timeframes. If You are not satisfied with Our response or We cannot agree with You on alternative timeframes, You can go to step 2.

2. Seek a review

If the matter is still not resolved the manager will refer You or Your insurance intermediary to the relevant dispute handling department or area who will conduct a review of Your dispute and will usually provide You with a response to Your dispute within 15 business days. If the timeframe is impractical, We will discuss with You alternative timeframes. If You are still not satisfied with Our response to Your dispute or We cannot agree on alternative timeframes, You can go to step 3.

3. Seek an external review

You are entitled to seek an external review of Our decision. We will provide You with information about options available to You, including, if appropriate, referring You to the external dispute resolution scheme administered by the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Website: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678 (free call)

In writing to: Australian Financial Complaints Authority,
GPO Box 3, Melbourne VIC 3001

Further information about Our complaint and dispute resolution procedures is available by contacting Us.

How CGU protects Your privacy

We use information provided by Our customers to allow Us to offer Our products and services. This means We may need to collect Your personal information, and sometimes sensitive information about You as well (for example, health information for travel insurance). We will collect this information directly from You where possible, but there may be occasions when We collect this information from someone else.

CGU will only use Your information for the purposes for which it was collected, other related purposes and as permitted or required by law. You may choose not to give Us Your information, but this may affect Our ability to provide You with insurance cover.

We may share this information with companies within Our group, government and law enforcement bodies if required by law and others who provide services to Us or on Our behalf, some of which may be located outside of Australia.

For more details on how We collect, store, use and disclose Your information, please read Our Privacy Policy located at www.cgu.com.au/privacy. Alternatively, contact Us at privacy@cgu.com.au or 13 24 81 and We will send You a copy.

We recommend that You obtain a copy of this policy and read it carefully.

By applying for, using or renewing any of Our products or services, or providing Us with Your information, You agree to this information being collected, held, used and disclosed as set out in this policy.

Our Privacy Policy also contains information about how You can access and seek correction of Your information, complain about a breach of the privacy law, and how We will deal with Your complaint.

Interest on unallocated Premium

If We are unable to issue Your insurance when We receive Your application, We are required to hold Your Premium in a trust account on Your behalf until Your insurance can be issued. We will retain any interest payable by Our bank to meet, among other things, bank fees and other bank costs We incur in operating the account.

Calculating Your Premium

In order to calculate Your Premium, We take various factors into consideration, including the level of cover requested and the property to be insured.

Factors that increase the risk to Us generally increase the Premium (for example, high claims experience or higher Sums Insured) and factors that reduce the risk to Us generally reduce the Premium (for example, low claims experience or lower Sums Insured).

Your Premium also includes amounts that take into account Our actual or estimated obligation to pay any relevant compulsory government charges, taxes or levies (for example stamp duty, GST and fire services levy). Where We are required to pay an estimated amount (for example, for fire services levies) based on criteria set by the State Governments, We allocate to the Policy Our estimate of the amount We will be required to pay. We may under or over 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.

When You apply for this insurance, You will be advised of the Premium payable, when it needs to be paid and how it can be paid. This amount will be clearly set out in Your Schedule, which will be sent to You within 5 days of the issue of this Policy. If You fail to pay, We may reduce any claim payment by the amount of Premium owing and/or cancel the Policy.

You may also be required to pay an Excess in the event of a claim under this Policy. The amount of any Excess will be shown on Your Schedule or set out in this Policy.

Taxation information

This insurance is subject to the Goods and Services Tax (GST). The GST amount will be specified in the Schedule. If You are registered for GST purposes, You may be able to claim an Input Tax Credit in respect of GST We collect from You. Where You are registered for GST purposes, You should calculate Your proposed Sums Insured with reference to the GST status of each item of property to be insured. Depending on the GST status of each property to be insured, the Sums Insured may or may not include a GST component. You should seek expert advice on the application of the GST to Your particular circumstances.

Details about the GST in relation to a payment under this Policy are shown in the "Claims procedure" section in the terms and conditions of this Policy.

Other party's interests

We only cover persons specified in the Policy as entitled to cover for the relevant interest specified. If You want to cover a person's interest that is not specified You need to apply to Us for this.

Your cooling-off period

We will refund all premium paid for cover under Your Policy if You request cancellation within 21 days of its issue (the 'cooling-off period'). To do this, You must advise Us in writing. You will not receive a refund if You have made a claim under Your Policy. You also have cancellation rights as set out under 'Cancelling your policy' in the 'General conditions' of this Policy.

Underinsurance

It is Your responsibility to ensure that the Sums Insured of any property You want insured by this Policy are adequate. Sums Insured should reflect the new replacement value of any property to be insured. If Sums Insured are not adequate, claims may not be paid in full.

You should review the adequacy of Sums Insured periodically during the Period of Insurance and prior to renewal each year. The inadequacy of Sums Insured can present significant issues of financial hardship in the event of a claim. If You are unable to establish the adequacy of Sums Insured, You should seek assistance from Your insurance intermediary.

Exclusions and conditions

General exclusions apply to all cover sections of this Policy. Each cover section also contains exclusions which apply specifically to that cover section. The exclusions explain the circumstances in which We will not cover You. Please refer to the General exclusions and the exclusions in each cover section for full details.

General conditions apply to all cover sections of this Policy. Each cover section also contains conditions which apply specifically to that cover section. The conditions explain the obligations which You must comply with to be able to make a valid claim. Please refer to the General conditions and the conditions in each cover section for full details.

CGU Business Insurance Policy Terms & Conditions

Our agreement

The Policy wording, Schedule (which expression includes any Schedule substituted for the original Schedule) and Endorsements (if any) are to be read together.

In return for You having paid or agreed to pay the Premium to Us, subject to the terms, conditions, exclusions and limitations contained in, or endorsed on or otherwise expressed in this Policy or the Schedule, We will insure You to the extent described in this Policy during the Period of Insurance or any further period for which We may accept payment of the Premium and indemnify You in the manner and to the extent described in this Policy.

You are insured for those items, including variations and extensions, for which a Sum Insured or Limit of indemnity is shown in the Schedule or which are otherwise indicated in the Schedule as being operative. However:

1. the Sum Insured under any item is as shown in the Schedule or as otherwise expressed in the Policy
2. where the insurance is varied or extended by any extra cover, additional benefit, optional extension, special clause, variation or Endorsement, the insurance provided by such extra cover, additional benefit, optional extension, special clause, variation or Endorsement is subject to the terms, conditions, exclusions and limitations of the Policy in so far as they can apply. The Policy, Schedule and Endorsements together form the insurance contract.

General definitions

In this Policy the following general definitions will apply to all sections unless otherwise defined in the cover sections. Where they appear in the Policy, they are shown with a capital letter. The singular shall include the plural and vice versa. Where a term is defined in the General definitions and the Definitions section of a cover section, the definition given in the Definitions section of the cover section will take priority where that term is used in the cover section.

Aircraft means any craft or object designed to travel through air or space, other than a model aircraft or unmanned inflatable balloons used for advertising or promotional purposes.

Animals means multi-celled organisms other than humans or plants.

Automatic Teller Machine, or **ATM** means a burglar resistant unit designed for the safe storage and disbursement of bank notes which resist fire and attack by hand-held or power operated tools.

Buildings means the buildings at the Premises. Buildings include:

- a) sheds with a concrete floor and fixed to foundations at the Premises

- b) customised and modified shipping containers or transportable buildings permanently located at the Premises used as workshops, lunchrooms or storage which are permanently fixed to the ground with electrical or plumbing services as necessary at the Premises
- c) shipping containers in which the stock Your Business distributes is delivered to Your Premises or from which merchandise is either being loaded into, unloaded from or stored in before dispatch, provided the container doors are secured and locked when unattended
- d) shipping containers located permanently on Your Premises in which the Stock or Contents of Your Business is stored provided the container doors are secured and locked when unattended
- e) walls, foundations, permanently fixed water and fuel tanks, storage tanks and sheds, awnings, exterior lights, masts, antennae and aerials, fixed external signs, flagpoles, floodlights, gates, fences, car parks, sealed driveways and paths
- f) verandas, carports, shelters, awnings, gangways, staircases and all outbuildings
- g) fixtures and fittings owned by the owner of the building for which You are responsible under the terms of a lease or similar agreement
- h) underground and above ground services including aprons, supply mains and meters that are Your property or You are responsible for and which extend from the buildings to the public main
- i) external fixed items including swimming pools, saunas and spas, and air conditioning units
- j) wharves, piers and jetties.

Buildings does not include:

- a) plant and machinery
- b) Stock
- c) Contents
- d) property undergoing erection, construction, alteration or addition (including the partial dismantling of existing structures), where the total contract value of all work to be carried out at any one Premises exceeds \$500,000 or twenty per cent (20%) of the total Sum Insured on Buildings and Contents, whichever is the lesser provided that this limit shall apply only to the portion of the Property Insured which is the subject of any such work and not to any other portion of the Property Insured
- e) land, unsealed driveways and paths, topsoil and fill, dams, bridges, canals, tunnels, railway tracks and roadways.

Business means the business as described in the Schedule (and, where applicable, as further accepted by Us in writing at the time this insurance was negotiated).

Business Hours means when You or any of Your Employees are at the Premises for the purpose of conducting Your Business.

Business Property means Buildings, Contents, Stock and items listed on the current Schedule and used in Your Business.

Computer Equipment means general purpose machine, commonly consisting of digital circuitry, that accepts (inputs), stores, manipulates, and generates (outputs) data as numbers, text, graphics, voice, video files, or electrical signals, in accordance with instructions called a program including but not limited to Electronic Data processing equipment comprising a central processing unit, video display units, printers, hard disks, floppy disk drives, micro diskettes including read and write heads, electro or mechanical motors and passive components but does not include software.

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

Consequential Loss means loss of use, loss of earning capacity and any other consequential loss of any kind, including loss, damage, cost or expense caused directly or indirectly by or resulting from:

- a) delay or interruption of the Business
- b) lack of power, light, heat, steam or refrigeration, or
- c) any other indirect result or consequence of a breakdown.

Contents means all property at the Premises, belonging to You or for which You are responsible. Contents includes:

- a) machinery, unregistered forklifts and hoists, communication systems, fixtures and fittings
- b) plant permanently fixed to Your Buildings
- c) documents of title and any other documents of aesthetic, historic, scientific or social value for past, present or future generations
- d) computer systems records, manuscripts, other documents, deeds, specifications, plans, drawings, designs, business books and other records of every description
- e) paintings, works of art and curios
- f) Stock but not if it is shown as a separate item under the Business Property cover section on the Schedule;
- g) goods sold but not delivered and goods held by You on consignment or commission
- h) property not owned by You but on Your Premises for service, repair, alteration or safe keeping
- i) property of Your welfare, sports and social clubs
- j) unused stationary and printing books
- k) where You are a tenant of a leased or rented premises:
 - i. property owner's fixtures and fittings, window blinds, floor coverings and Glass for which You are liable under the terms of a lease or similar agreement, and
 - ii. fixtures and fittings installed by You for use in the Business including window blinds, cool rooms, awnings, CCTV and other security systems, exterior lights, masts, antennae and aerials, fixed internal or external signs and air conditioning units including external compressors and pipes at the Premises

- l) Money up to \$500
- m) computers, word processors, printers, scanners and other peripheral equipment and other electronic equipment or electronic data processing systems
- n) digital or analogue telecommunication transmission and receiving equipment, lighting facilities, televisions, audio visual amplification or surveillance equipment and office machines
- o) current patterns, models, moulds, dies and casts used in the Business but limited, unless repaired or replaced, to the value stated in Your financial records at the time of damage
- p) shipping containers not owned by You but temporarily in your possession for the delivery, unloading, loading and/or dispatch of goods and merchandise to or from the Premises, but only to the extent permitted by law that You are not indemnified against loss, destruction or damage under any other policy of insurance.

Contents does not include:

- a) Buildings
- b) Specified Items
- c) growing crops, trees or plants other than pot-plants
- d) Animals, livestock, fish, birds unless insured as Stock of a pet shop or restaurant and any other living organism except laboratory cultures
- e) Vehicles or motorcycles all while registered or licensed to travel on a public road, provided that this exclusion will not apply to:
 - i. mobile plant and equipment (excluding cars, sedans, panel vans, and trucks) not otherwise insured
 - ii. Vehicles or motorcycles that are Stock in trade of the Business
- f) jewellery, furs, bullion, articles containing gold and silver which are not Stock and which exceed \$10,000 any one item
- g) Watercraft, Aircraft or any accessories, equipment or spare parts whilst contained in or on these items unless they are Stock and are on Your Premises at the time of any loss or damage.

Customer's Goods means:

- a) goods that belong to Your customers that are in Your physical or legal control because the Business repairs, services, maintains, or stores those goods before or after it repairs, services, maintains the goods
- b) goods that have been purchased by a customer but are in Your physical or legal control awaiting delivery or under a 'sales or return' consignment agreement.

Electronic Data means any facts, concepts and/or information converted to a form usable for communications and/or displays and/or distribution and or processing by electronic and/or electromechanical data processing and/or electronically controlled equipment which includes but is not limited to programs and/or software and/or other coded instructions for such equipment.

Electronic Equipment means any of the following equipment provided it is owned, leased, operated or controlled by You and used in Your Business:

- a) any electronic machine, device or instrument used for research, diagnosis or medical treatment
- b) telecommunication transmission and receiving equipment

- c) lighting facilities, audio visual, amplification and surveillance equipment
- d) office machines owned by You or for which You are legally responsible
- e) computer equipment.

Employee means any person while employed by You in the Business who You compensate by salary, wages, or commission and have the right at all times to govern, control and direct in the performance of their work.

Employee includes:

- a) volunteers, and
- b) students on work experience.

Employee does not include:

- a) any broker, factor, consignee or contractor
- b) any member of Your Family unless that person is also an employee, or
- c) any partner, director or trustee unless that person is also Your employee.

Endorsement means documentary evidence of an alteration to the Policy which forms part of the Policy.

Event or **Events** means one incident or all incidents of a series consequent on, or attributable to, one source or original cause.

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

Family means:

- a) Your spouse, Your partner or Your de-facto who lives with You
- b) Your parents and parents-in-law who lives with You
- c) Your children and children of Your spouse, partner or defacto (not being Your children) who live with You
- d) Your brothers and sisters who live with You.

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.

Fungus or **Fungi** means a group of simple plants that have no chlorophyll. They include but are not limited to mould, mildew, and yeast. Fungi also includes spores.

Glass means:

- a) fixed glass forming part of or fixed to the exterior of the Building including glass fixed in external windows, doors, showcases or skylights and signs, or
- b) fixed internal glass including fixed glass in internal partitions, windows and doors, furniture, counters, shelving and showcases, fixed and hanging mirrors, fixed washbasins, sinks, toilet pans and cisterns, contained within the Building.

Goods and Services Tax (GST), Input Tax Credit (ITC), Business Activity Statement (BAS), and Acquisition have the same meaning given to those expressions in *A New Tax System (Goods and Services Tax) Act 1999* and related legislation as amended from time to time.

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.

Insured, You, Your means for all Policy sections other than the Public & Products Liability cover, any person, company or legal entity shown on the Schedule as the Insured.

Limit means the maximum amount We will pay under any cover section of the Policy and may be expressed 'per accident', 'per occurrence', 'per annum' etc.

Media means material on which Electronic Data is recorded or stored, such as magnetic tapes, hard drives, cartridges, dongles, CDs, DVDs, USBs, flash drives, memory cards or floppy disks.

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

Obsolete Stock means Stock which can no longer be sold for its full value. For example, but not limited to, Stock which is out of-season fashion, superseded computers or perishable goods beyond their used by date.

Occurrence means an Event, including continuous or repeated exposure to substantially the same general conditions.

Period of Cover or Period of Insurance means the time the Policy commenced to the time the Policy expires as indicated by the dates shown on the current Schedule. Unless stated otherwise, cover shall expire at 4.00pm local time at the place where You arranged the Policy.

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

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

Premises means the premises stated in the current Schedule at which and from which You operate your Business. The premises includes Buildings and land within the legal boundaries.

Premium means the amount(s) shown in the Schedule that You have to pay inclusive of all charges for the cover We provide under the Policy.

Property Insured means the property used in your Business as described on the Schedule in respect of each cover section. It includes Buildings, Contents, Stock and items listed on the current Schedule.

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

Safe or Strongroom means a burglar-resistant structure constructed of masonry and steel which has been designed to resist fire and attack by hand-held or power-operated tools and has been specifically designed for the storage of Money and valuables. A Safe is not:

- a) a cash tin
- b) a locked drawer in a filing cabinet or desk, or
- c) a burglar resistant container weighing less than 20 kilograms that is not fixed by expanding masonry anchor bolts to the wall or floor of the Premises.

Schedule means the most current Schedule or any future renewal Schedule, including any Endorsements issued by Us in connection with this Policy.

Seasonal Increase Period means any period of time during the Period of Insurance that has turnover, sales or level of Stock at least twenty per cent (20%) higher than the average turnover, sales or level of Stock at other times during the Period of Insurance.

The total number of days We will allow as Seasonal Increase Periods is 126 days in total during any one Period of Insurance. You do not have to tell Us what the dates of the periods are, but if You claim under a cover section which has the seasonal increase cover, then Your financial records over at least the previous 2 years must substantiate the period as a Seasonal Increase Period. If the Business has operated less than 2 years, We will use the financial records of Your Business from the date of commencement until the date of the loss or damage to substantiate Your claim.

You can nominate different Seasonal Increase Periods or higher percentage increases of Stock. If You do they will be shown on Your Schedule and You must pay any additional Premium that applies.

Specified Items means each item of property that is specifically described on the Schedule under Section 1: Business Property, Section 3A Theft, Section 7: Machinery, Section 8: Computer & Electronic Equipment or Section 9: General Property cover sections.

Stock means:

- a) products and materials You intend to sell
- b) raw or consumable materials or products used by You in the Business, and
- c) Your products while being made, repaired or altered.

Stock also includes:

- a) Customer's Goods, and
- b) live Animals provided Your Business is a pet shop or restaurant.

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

Sum Insured means the maximum amount that will be paid under each cover section of cover selected. The Sum Insured will vary depending on your requirements in relation to each cover section of the Policy.

Terrorism means an act including but not limited to the use or threat of force or violence 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) which from its nature or context is committed for or in connection with any political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public or any section of the public in fear.

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

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

We, Us, Our means Insurance Australia Limited trading as CGU Insurance, the insurer of this Policy.

General exclusions

The following general exclusions apply to all cover sections of this Policy.

1. War, terrorism, radioactivity

a) War

We will not pay for any loss or damage occasioned by or through or in consequence directly or indirectly of any of the following occurrences:

- i. war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) civil war, or
- ii. mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power.

b) Terrorism

- i. We will not pay for any death, injury, illness, loss, damage, liability, cost or expense of any nature directly or indirectly caused by, resulting from, or in connection with, any act of Terrorism regardless of any other contributing cause or event.
- ii. We will not pay for any death, injury, illness, loss, damage, liability, cost or expense of any nature directly or indirectly caused by, resulting from, or in connection with, any action taken in controlling, preventing, suppressing or in any way relating to the matters set out in paragraph b.) i.) of this exclusion.

However, this exclusion 1. b) will not apply to Section 3A Theft, Section 3B Money, Section 4 Glass, or Section 9 General Property.

c) Radioactive contamination

We will not pay for any:

- i. loss or damage to property eligible for insurance by the relevant nuclear insurance pool and/or association, or
- ii. loss, cost, damage, liability or expense directly or indirectly caused by or contributed to by or arising from:
 1. ionising radiation from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 2. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 3. any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter, or
 4. the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter.

Provided that this exclusion 1.c) shall not apply to liability arising from radio-isotopes, radium or radium compounds when used away from the place where such are made or produced and when used exclusively incidental to ordinary industrial, educational, medical or research pursuits as part of Your Business.

This Policy also excludes any loss, destruction, damage, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, or contributed to by, resulting from, or arising out of, or in connection with any action taken in controlling, preventing, suppressing, retaliating against, or responding to or in any way relating to the above.

2. Business in liquidation or ceases to trade

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

3. Geographical limitations

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

4. Unoccupancy

Unless We otherwise agree in writing, We will not pay for any loss or damage to Your Property Insured if the Occurrence happens after Your Premises has been unoccupied for more than 90 consecutive days. This exclusion does not apply to damage caused by:

- a) lightning, earthquake, volcanic eruption, tsunami or subterranean fire

- b) impact by road Vehicle or their loads, Animals, trees or branches, meteorite, Aircraft or other aerial devices or articles dropped from them, sonic boom or space debris, falling communication masts, towers, antennae or dishes, falling building or structures or parts thereof which do not belong to You, or
- c) riots, civil commotions and strikes.

This exclusion will not apply if the Premises are partly occupied.

5. Intentional acts

This Policy does not cover loss or damage caused by an intentional act by You or another party committed with Your knowledge and consent and which You were capable of preventing.

6. Known defects

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

7. Electronic Data exclusion

We do not cover any loss or damage of whatsoever kind arising directly or indirectly out of:

- a) the loss, corruption, destruction or alternation of or damage to Electronic Data, coding programme or software, or
- b) the unavailability of Electronic Data, or the malfunction or reduction in the functionality, availability or operation of hardware, software or embedded chips, or
- c) any Consequential Loss arising therefrom.

However, We will provide cover for losses to Electronic Data and rewriting of records if they are otherwise covered by a cover section of this Policy which is in force and there is physical loss or damage arising out of the following perils: fire, lightning, thunderbolt, explosion, implosion, earthquake, subterranean fire, volcanic eruption, impact, Aircraft and/ or other aerial device, 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 which do not assume the proportions of or amount to an uprising, storm and/or tempest and/or rainwater and/or wind and/or hail, water and/or other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or appliance and/or pipes.

If the Theft cover section of the Policy is current and otherwise covers the loss of Electronic Data We will also provide cover for losses to Electronic Data arising out of theft of any computer and/or computer hardware and/or firmware and/or microchip and/or integrated circuit and/or device containing such Electronic Data.

If the Computer & Electronic Equipment cover section of the Policy is current and Electronic Data and Electronic Data media is insured We will also provide cover for direct physical losses to Electronic Data arising out of vibration, power surge, low voltage, mechanical, electrical and electronic breakdown, but not breakdown occurring as a result of any virus, worm, trojan horse, hacking, or any unauthorised access.

8. Acquisition of Companies

The Policy does not cover:

- a) any company or other legal entity acquired during the Period of Insurance; or
- b) any property or liability associated with such company or any other legal entity or business undertaking or operation,

unless You notify Us in writing within 30 days of the date of acquisition and the business is of a similar Business to that stated in the Schedule. We will provide cover subject to Your acceptance of Our terms and undertaking to pay any additional Premium We may require. Our liability shall not exceed the relevant Sum Insured or, Limit applicable under the relevant Policy sections making up Your Policy.

9. Consequential Loss

We will not cover Consequential Loss of any kind other than as explicitly provided under the Business Interruption cover section of the Policy and 'Business Interruption' is shown in the Schedule.

General conditions

The following general conditions apply to all cover sections of this Policy unless expressly stated otherwise.

1. Breach of condition or warranty

Breach of a condition or warranty without Your knowledge or consent or error in name, description or situation of property will not prejudice Your rights under this Policy provided notice in writing is given to Us when such breach or error comes to Your knowledge and You pay or agree to pay any additional Premium We require from the date of such breach or error.

2. Accountancy records

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

3. Bankruptcy or insolvency

In the event that You should become bankrupt or insolvent, We shall not be relieved of any obligation under the Policy to make payment of any claims because of such bankruptcy or insolvency.

In case of execution against You of any final judgment covered by this Policy being returned 'unsatisfied' by reason of such bankruptcy or insolvency, then an action may be maintained by the injured party or their representative against Us in the same manner, and to the same extent as You but not for any amount in excess of the Sum Insured or Limit applicable under this Policy.

4. Cancelling Your Policy

How You may cancel this Policy

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

How We may cancel

We may only cancel a Policy where allowed by the *Insurance Contracts Act 1984 (Cth)* if the law says We can. Such cancellation shall take effect at the earlier of the following times:

- a) the time when another policy of insurance between You and Us or some other insurer, being a policy that is intended by You to replace this Policy, is entered into, or
- b) at 4.00pm on the 30th business day after the day on which notification was given by Us.

We will cancel Your Policy by telling you so in writing.

The Premium

Except as otherwise expressly provided in this Policy, if this Policy is cancelled We will subtract from any Premium You have paid to Us, an amount to cover the period that We have already insured You for (along with GST and any relevant government charges where this is allowed). We will then return any balance of the Premium to You.

Premium funders

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

Paying by instalments

If We agree that You can pay Your Premium in a number of payments instead of all at once, this is paying by instalments.

If You are paying the Premium by instalments:

- a) and an instalment is overdue for a period of at least 14 days, any claim arising from an event occurring after the due date of the instalment may be refused
- b) and an instalment is overdue for a period of at least 1 month, We may cancel the Policy, and
- c) all outstanding instalments and instalments due for the relevant Period of Insurance will be deducted from any total loss settlement.

5. Claim preparation expenses

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

This is provided that before You incur these claim preparation costs, You obtain Our written approval to incur these costs which consent shall not be unreasonably withheld. This benefit is in addition to the Sum Insured.

6. Designation of property

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

Provided always that this General condition shall not apply to the Theft cover section with respect to tobacco, products containing tobacco, cigars, cigarettes and alcohol which are not Stock for the purpose of that cover section unless they are specified on the current Schedule.

7. Excess

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

8. Goods and Services Tax (GST)

The amount of Premium payable by You for this Policy includes an amount on account of the GST on the Premium. When We pay a claim, Your GST status will determine the amount We pay.

When You are:

- a) not registered for GST, the amount We pay is the Sum Insured/Limit of indemnity or the other Limits of insurance cover including GST
- b) registered for GST, We will pay the Sum Insured/Limit of indemnity or the other Limits of insurance excluding any GST. Any payments We make will be reduced by any relevant GST component, including but not limited to, any Input Tax Credit (ITC) to which You are entitled for any acquisition which is relevant to Your claim, or which You would have been entitled were You to have made a relevant acquisition.

You must advise Us of Your correct entitlement to an ITC on your Premium and the correct entitlement to an ITC on each item of Property Insured.

Any GST liability arising from Your incorrect advice is payable by You.

9. Inspections

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

10. Policy law

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

11. Non-imputation

Where this insurance is arranged in the joint names of more than one Insured, as described in the definitions of You, it is hereby declared and agreed that:

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

12. Other persons or organisations

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

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

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

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

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

13. Our maximum liability

Except as otherwise stated elsewhere in this Policy, the maximum amount We will pay will not exceed the amount stated in the Schedule as the Sum Insured, the Limit of indemnity and sub-limits for those sections selected.

The Sum Insured or Limit of indemnity shall apply in addition to, and shall not be reduced by, the amount of any applicable Excess.

14. Progress payments

We may make progress payments on claims at intervals to be agreed by Us following receipt of an interim report from Our loss adjuster or representative. We will not unreasonably withhold any progress payments we agree to pay.

15. Reasonable care

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

- a) if You discover Your products may be defective and the defect may cause a claim under the Public & Products Liability cover section, You must at Your expense take reasonable steps to restrict, trace, recall, modify, replace or repair the products

- b) maintain and look after other person's or organisation's property and buildings used or occupied by You, in accordance with Your agreement with them
- c) if Your Business includes digging below ground at sites away from Your Premises the location of underground services must be obtained from the owners of the services prior to undertaking any digging
- d) comply with all laws and safety requirements imposed by any authority or by local, state or commonwealth legislation, regulations or by-laws.

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

16. Reinstatement of Sum Insured

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

- a) there is no written request from You or written notice by Us to the contrary
- b) the section is an operative section of the Policy, and
- c) You pay the Premium which We require for the reinstatement.

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

17. Rewards

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

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

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

18. 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.

19. Single occurrence

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

20. Waiver of subrogation rights

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

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

21. Delay of cover

We will not provide any cover, for a period of 48 hours from the time of the commencement of Your Policy, for damage or loss caused by:

- a) bushfire or grassfire, or
- b) a named cyclone.

This exclusion does not apply, however, if this insurance commences directly after:

- a) another insurance policy covering the same property expired, without a break in cover
- b) You have entered into a contract of sale to purchase the property, or
- c) You have entered into a contract to lease the property.

Claims procedure

What You must do after loss, damage or accident:

- a) protect yourself from any danger present
- b) assist other people within Your capabilities if required
- c) take reasonable steps to prevent further loss, damage or liability
- d) notify the police immediately if any of Your property is lost, stolen, or maliciously damaged and provide the police with all assistance to apprehend the offending party

- e) advise Us of the claim as soon as practicable and then supply Us with full written details by completing Our claim form. You or someone acting on Your behalf must complete a claim form within a reasonable time of an Occurrence. If You do not, We may reduce the amount We pay if the delay causes increased costs or prevents Us investigating the claim
- f) any invoices, bills, demands letters or notices You receive from other people involved in the loss, damage or accident must be sent to Us as soon as possible.

What You must not do after a loss, damage or accident:

- a) You must not admit fault or agree to pay for damage without Our consent. Do not make an offer, settle, or attempt to settle any claim against You. If You do We may not pay all or part of the claim
- b) You must not incur any costs or expenses or authorise repairs (other than necessary temporary repairs) without Our agreement.

Where We make a payment under this Policy for the acquisition of goods, services or other supply, We will reduce the amount of the payment by the amount of any Input Tax Credit that You are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999, in relation to that acquisition, whether or not that acquisition is actually made.

For the purpose of the application of any Limit, Sum Insured or Excess, all loss or damage that occurs during any period of 72 consecutive hours which is caused by an earthquake, seismological disturbance, subterranean fire, volcanic eruption, tsunami, bushfire or atmospheric disturbance, whether such cause is continuous or sporadic in its sweep or scope, shall be considered as one Event. Each period shall be deemed to have commenced on the first happening of any such loss or damage that does not occur within any prior period.

Section 1

Business Property

About this cover section

This cover section of the Policy covers physical loss of or damage to Your Property Insured during the Period of Cover. It does not cover the theft or breakdown of Your Property Insured.

Your insurance under this cover section

Provided 'Business Property' is shown under 'What's Covered' in the Schedule, We will cover You up to the Sum Insured or Limit of Indemnity for accidental loss or damage to Your Property Insured at the Premises during the Period of Cover.

What We pay

The maximum We will pay for any one claim, other than a claim for a Specified Item, under this cover section is the Sum Insured shown on the Schedule or the Limit of Indemnity adjusted in accordance with this cover section, whichever is the higher.

The maximum We will pay for each Specified Item is the Sum Insured shown in the Schedule for that item.

For Contents that are works of art, antiques or curios We will only pay the value of the item up to a maximum of \$10,000 for each item unless they are a Specified Item.

For any item of Contents or for any Specified Item that is part of a pair or set, the limit applies to the pair or set.

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

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

Building(s), Specified Items or Stock

1. Reinstatement or replacement value

Unless the Schedule shows Buildings and Contents are insured for 'indemnity' then, when Buildings, Specified Items, Contents or Stock are lost or destroyed We will at our option:

- a) rebuild the Buildings at the Premises shown on Your Schedule or, at Your option, at another site
- b) replace Contents, Stock or Specified Items with similar property
- c) pay You the amount shown on the proof of purchase for Specified Items unless the Specified Items are works of art, antiques or curios
- d) pay You the amount of a valuation by the Auctioneers and Valuers Association of Australia for Specified Items of works of art, antiques and curios, or
- e) pay the cost of rebuilding, or replacing the Buildings, Specified Items, Stock or Contents.

Reinstatement or replacement is subject to the following conditions:

- a) You must commence to rebuild, replace or repair within a reasonable time of the loss or damage, after Our consent has been obtained. If You do not, We will pay no more than the cost that would have been incurred if the work of rebuilding, replacement or reinstatement had been commenced and carried out within a reasonable period of time
- b) Property Insured may be rebuilt or erected at another location and in a manner suitable to You provided You pay any additional costs to build or erect elsewhere
- c) when any Property Insured is damaged, but not destroyed, We will not pay more than the amount that would have been payable if that Property Insured had been destroyed
- d) We will only pay to return the Property Insured to a condition substantially the same as, but not better or more extensive than, its condition when new, using building materials readily available and in common use in the Commonwealth of Australia.

2. Indemnity value

If the basis of settlement is shown in the Schedule for Building and Contents as 'indemnity', then, for any loss or damage to Buildings or Contents, We will at Our option:

- a) pay the cost to repair or replace the Property Insured less an equitable amount for age, wear, tear, depreciation and the general condition and remaining useful life of the individual item or components that are lost or damaged
- b) pay You the Market Value of the Building or Contents at the time of its loss or damage.

Where Your Schedule shows the basis of settlement as 'indemnity', the Cover section condition 5. Underinsurance/ loss or damage of the Policy is amended to read:

In the event of loss or damage to Property Insured We shall be liable for no greater proportion of the loss or damage than the Sum Insured of the Building or Contents at the Premises bears to 80% of the current value of the Property Insured, provided that Our liability shall not exceed the Sum Insured stated against each item in the Schedule.

3. Branded goods

In the event of a claim, any salvage of branded goods or merchandise owned by You or held by You in trust or on commission and any goods sold but not delivered shall not be disposed of by sale without Your consent. If such salvage is not disposed of by sale, then the goods may be retained by You and disposed of as You see fit provided a reasonable salvage value which equates to the Market Value of the goods is agreed with Us and deducted from the amount of Your claim.

4. Extra cost of reinstatement

Where 'Reinstatement or replacement' basis of settlement and 'Extra cost of reinstatement' is shown in the Schedule, We will also pay the extra costs of reinstatement (including demolition or dismantling) of damaged Property Insured which are necessarily incurred to comply with the requirements of any Act of Parliament or regulation made under an Act or by-law or the regulation of any municipal or statutory authority other than those relating to the heritage status of a Building.

5. Extra costs of reinstatement: Heritage building

If 'Reinstatement or replacement' basis of settlement and 'Extra cost of reinstatement' is shown in the Schedule for loss or damage to any Building that is subject to any heritage listing or protection and You choose to rebuild, replace or repair the Building at the same location, We will pay the extra costs of repairing, replacing, or reinstating the Building that are related to obtaining special materials or employing specialised labour to match or reproduce unique or distinctive ornamental or architectural features of the Building to comply with standards imposed by any lawful heritage protection authority.

We will not pay more than the cost necessary to rebuild, replace or repair any such heritage listed building to a reasonably equivalent appearance and capacity using original design and suitable modern equivalent materials, if the original materials are not available.

6. Conditions which apply to extra costs of reinstatement

Where 'Extra cost of reinstatement' is shown in the Schedule, the following conditions apply:

- a) the work of reinstatement, must be commenced and carried out within a reasonable period, failing which We will not pay more than the amount which would have been payable under the Policy if the work of reinstatement had been commenced and carried out within a reasonable period
- b) the amount recoverable shall not include the additional costs incurred with complying with any such Act, regulation or by-law or requirement with which You have been required to comply prior to the happening of the damage
- c) 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.

Our total liability under this clause 'Extra cost of reinstatement' will be limited to:

- i. the Sum Insured shown in the current Schedule for 'Extra cost of reinstatement' which shall be in addition to the Sum Insured, or
- ii. the balance of the Limit of Indemnity for this cover section,

whichever is the greater.

Cover section condition 5. Underinsurance/loss or damage will not be applied to the amount payable under this clause.

7. Loss of floor space

Where Buildings insured under this cover section are damaged or destroyed and reinstatement of such damage is limited or restricted by:

- a) any Act of Parliament or regulations, or
- b) any by-law or regulation of any municipal or other statutory authority, resulting in either case in the reduction of the floor space ratio index (plot ratio) of the site, then We shall pay in addition to the amount payable on reinstatement of such Buildings the difference between:
 - i. the actual costs of rebuilding the Building with the reduced floor space, and

- ii. the estimated cost of reinstatement at the time of damage had the reduced floor space ratio index (plot ratio) not applied.

This is provided that Our total liability for reinstatement or replacement, 'Extra cost of reinstatement' and under this 'Loss of floor space' clause shall not exceed the Sum Insured in respect of the Buildings which are the subject of the claim.

8. Output replacement

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

- a) where any Property Insured is to be replaced with any item or items which have the same or a lesser total function, capability or output, then the basis of settlement is the new installed cost of such replacement item or items as would give the same total function, capability or output as the Property Insured.
- b) where any Property Insured is to be replaced with an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is no greater than the replacement value of that Property Insured, then the basis of settlement is the new installed cost of the item or items so replaced, or
- c) where any Property Insured is to be replaced by an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is greater than the replacement value of the Property Insured, then the basis of settlement is the lesser of the reinstatement value or that proportion of the new installed cost of the replacement item or items which the output of the Property Insured damaged bears to the output of the replacement item or items provided always that the amount payable shall not be of lesser value than the estimated cost which would have been payable if such damaged property could have been replaced by an item or items that would have given the same total function, capability or output as the damaged Property Insured. If the reinstatement value of the damaged Property Insured is not ascertainable then the basis of settlement is the new installed cost of the replacement item or items.

9. Stock

If Stock is lost or damaged, We will, at Our option:

- a) pay the Market Value of the Stock at the time of the loss or damage
- b) pay You the Market Value of Obsolete Stock or its purchase price (net of GST), whichever is the lesser, but no more than the original cost to You
- c) replace or repair the Stock with property or materials equal to or of a similar standard and specification as the Stock at the time it was lost or damaged, or
- d) pay the cost of repair or replacement of the lost or damaged Stock.

10. Undamaged portions of Building(s)

When a damaged Building has to be rebuilt at a location other than the Premises because the requirements of any lawful authority prevent the reinstatement of the Building, then the Building including the foundations and services shall be deemed to be destroyed.

Provided that, if the presence of such undamaged portion of the Building increase the value of the original site, the increased sale value shall be regarded as salvage and the amount thereof shall be payable to Us by You upon completion of the sale of the site or shall be deducted from the total amount otherwise payable by Us under this section, whichever shall first occur.

Should the site not be sold, then the increased site value, shall be agreed between You and Us and deducted from the total amount payable by Us under this section. To the extent permitted by law, in the event we do not or cannot agree to the amount of the increased site value, We and You shall submit to a conciliation process agreed with You and Us.

Extra covers

Subject to the exclusions and conditions in this cover section, when damage to Property Insured is covered by this cover section, We will pay for the following costs that are incurred as a result of that damage.

In addition to any specific limitations on costs covered by these Extra covers, the following limitations apply:

Clauses 1 to 4 inclusive: any amounts payable under these Extra covers, while they may be referable to the Sum Insured, they do not form part of, and are in addition to the Sum Insured and Limit of Indemnity.

Clauses 5 to 15 inclusive: any amounts payable under these Extra covers, while they may be referable to the Sum Insured, they are in addition to the Sum Insured but form part of and are not in addition to the Limit of Indemnity. If the Limit of Indemnity is exhausted no amount is payable under these Extra covers.

Extra covers in addition to the Sum Insured and Limit of Indemnity

1. Capital additions

If Buildings or Contents are insured and:

- a) Buildings, or part of them, are in the process of being constructed, erected, altered or added to, or
- b) Contents, excluding Stock, are in the process of being installed or modified,

by way of capital improvements at the time of the loss or damage We will pay up to an additional:

- a) \$500,000, or
- b) twenty per cent (20%) of the total Sum Insured for Buildings and Contents,

whichever is the lesser amount.

2. Catastrophe inflation protection

If We agree to pay a claim for damage to your Building that is a direct result of a Catastrophe, We will:

- a) increase the Sum Insured applicable to such Buildings under this cover section by up to twenty per cent (20%) provided that Your Building is rebuilt, and

- b) increase the amounts payable under Extra covers 1. 'Capital additions' (relating to Buildings only) and Additional benefit 10. 'Prevention of imminent damage' of this cover section by twenty per cent (20%),

to cover any Increase in Building Costs for labour and materials and any other additional costs which may apply after the Catastrophe.

We shall not pay:

- a) more than the Increase in Building Costs which are actually incurred by You, and
- b) any amount under this Extra cover until You have incurred costs exceeding the Sum Insured applicable to such Building under this cover section.

'Increase in Building Costs' means the difference between the cost of reinstatement actually incurred in accordance with the basis of settlement provisions of this cover section and the cost of reinstatement that would have applied had the Catastrophe not occurred.

We will not pay any claim under this Extra cover if You choose not to rebuild the Buildings (or any part of them) at the Premises shown on Your Schedule. We will not increase the Sum Insured to pay for damage to any Property Insured other than Buildings.

We will not pay any claim under this Extra cover if Your Schedule shows the basis of settlement for Buildings as 'indemnity'.

3. Floating stock

Where We pay a claim for loss of or damage to Stock at the Premises, We will pay more than the Stock Sum Insured at that Premises to account for the temporary transfer of Stock between Premises provided that:

- a) there are at least two Premises specified on the Schedule and a Sum Insured has been separately specified on the Schedule for Stock at each Premises insured under this cover section, including the affected Premises, and
- b) you transfer the Stock between these two Premises as a usual business practice.

We will not pay a claim under this Extra cover where Stock levels in excess of the Sum Insured at a Premises have been temporarily located at that Premises for a period exceeding 90 days and where We have not agreed in writing to an extended period.

We will not pay more than the total of the Stock Sum Insured for all Premises.

For example, assume that You operate from two retail Premises, each with a Stock Sum Insured of \$50,000 shown for each Premises on the Schedule.

At the time of an insured Event that destroys one of Premises, Stock at the Premises where the loss occurs is valued at \$70,000 (and this increased value of Stock has not been at the Premises for more than 90 days) and there is Stock valued at \$25,000 at the other Premises (making a total less than the \$100,000 total Stock Sum Insured for both Premises) then We will pay up to the \$70,000 for the loss of Stock at the Premises where the loss occurred.

4. Seasonal increase in stock

If You have insured Stock as a separate item to your Contents, the Sum Insured for Stock is increased by fifty per cent (50%) for the Seasonal Increase Period.

If Your Sum Insured for Stock is included in another item on the current Schedule We will only apply the increase to the portion of the Sum Insured which relates to Stock.

Extra covers in addition to the Sum Insured but included in the Limit of Indemnity

5. Discharge of mortgages

If Property Insured has been damaged and the damage is covered by this cover section, We will pay the reasonable legal costs to discharge a mortgage or mortgages on the Property Insured following settlement of a claim in the event the Property Insured is a total loss whether actual or constructive.

We will pay up to \$50,000 any one Event.

6. Government fees

If any of your Property Insured is destroyed or damaged, We will pay any fee, contribution or other impost payable to any other government, local government or other statutory authority where payment of the fee, contribution or impost is necessary to the obtaining of consent to reinstate any Property Insured provided that We will not be liable for payment of any fines and/or penalties imposed upon You by any such government or statutory authority.

7. Landscaping

We will pay for loss or damage to growing plants, shrubs, garden plots and lawns (including rock work, retaining walls, ornamentation and edging) at the Premises. We will also pay resultant expenses necessarily incurred in cleaning, clearing and/or repairing drains, gutters, sewers and the like, all contained in or on or forming part of or implicitly forming part of the Buildings.

We will not pay more than the lesser of \$50,000 or twenty per cent (20%) of the Sum Insured at the Premises specified in the Schedule in respect of any one Event.

We will not pay for any loss of or damage to landscaping covered under this Extra cover which occurs as a result of storm, wind and rain including snow, sleet or hail.

8. Loss of land value

If We pay for a claim for loss of or damage to a Building at the Premises, We will pay for any reduction in land value that results from the decision of any statutory authority that does not allow rebuilding or only partial rebuilding at the Premises.

This shall be calculated by subtracting the land value after rebuilding or after We have agreed that rebuilding is not possible, from the land value before the loss or damage.

We will not pay more than twenty per cent (20%) of the Sum Insured for Buildings at the Premises where the loss or damage happened or \$100,000, whichever is the lesser.

Cover section condition 5. Underinsurance/loss or damage does not apply to this Extra cover.

9. Professional fees

If Property Insured has been damaged and the damage is covered by this cover section, We will pay the cost of reasonable professional fees incurred in the rebuild or repair or replacement of Your Buildings and Contents. We will pay up to \$25,000 any one Event for this Extra cover.

We will not pay any claim under this Extra cover if the basis of settlement shown on Your Schedule for the Building and Contents is 'indemnity'.

10. Removal and disposal of trees and branches

If damage to Property Insured is caused by impact from trees or branches of trees, We will pay the reasonable costs associated with the removal and disposal of the tree or branches, which caused the damage.

We will pay the reasonable costs associated with removing a standing tree or branch that formed part of a tree that caused the insured damage only if:

- a) We agree that the remaining tree or branch is unsafe, or
- b) the remaining tree or branch became unsafe as a direct result of the Event covered under this Policy section causing damage to the tree, and
- c) all necessary approvals have been obtained and removal of the tree or branch would not result in breach of any laws, by-laws, regulations or contractual obligations.

We will only remove a stump that formed part of the tree that caused the insured damage if:

- a) all necessary approvals have been obtained and removal of the tree or branch would not result in breach of any laws, by-laws, regulations or contractual obligations, and
- b) not removing the stump would interfere with the repair or replacement of the damaged part of the Building the subject of Your claim.

11. Taking inventory

We will pay up to \$5,000 for the reasonable costs and expenses incurred by You in taking inventory (including unpacking, repacking and restacking) to identify, quantify and value any Property Insured damaged during the Period of Insurance including examination of Property Insured not belonging to You but in Your care, custody or control.

12. Metered water charges

We will pay the additional costs levied on You by a water supply company or authority for additional metered water usage arising from the escape and loss of water at the Premises following a theft or attempted theft of parts of the Building when Buildings are insured.

Our payment for any one loss shall not exceed the lesser of the charge levied for a period of up to 7 days or \$15,000.

The basis on which the amount payable is calculated will be the amount of the water supply company or authority charges for the period during which damage occurs, less the charge paid by You for the corresponding period in the preceding year, adjusted for changes in the water supply company or authority charges and for variations affecting consumption by You during the intervening period.

Provided further that any cover given under this Extra cover shall not be in addition to any similar cover that may be given under Additional benefits in the Theft cover section.

13. Expediting expenses

We will pay for the reasonable costs and expenses incurred by You for express carriage rates and extra payments for overtime, night, Sunday or holiday working incurred in connection with the repair, replacement or reinstatement of the Property Insured that suffered loss or damage covered by the Policy.

Provided that We will not pay more than:

- a) fifty per cent (50%) of the cost of repairing, replacing or reinstating the Property Insured, or
 - b) \$25,000,
- whichever is the lesser.

14. Environmental upgrade

If You elect to repair or replace Property Insured that is lost, damaged or destroyed during the Period of Cover with more environmentally friendly technology, products or materials that improve the energy or water efficiency of the Property Insured, We will pay up to ten per cent (10%) more than the amount We would otherwise have paid to repair or replace the item that is being upgraded, subject to a maximum amount of \$10,000.

15. Loss of Stock without damage

If Stock is insured, We will cover you for the cost to dispose of or replace perishable food stock which is stored in a controlled atmosphere chamber and cannot be processed within a timely manner, in its normal way or through alternative outsourcing arrangements as a direct result of damage to other Property Insured which is critical to Your Business for the processing of perishable stock. We will not pay more than:

- a) \$10,000, or
- b) up to twenty per cent (20%) of Your Contents Sum Insured if Your Sum Insured for Stock is included in another item on the current Schedule,

whichever is the lesser.

Additional benefits

Subject to the exclusions and conditions in this cover section, We also provide the following additional benefits.

Unless specific Limits on payments are identified in each Additional benefits clause, the following limitations apply to payments under these Additional benefits.

Clauses 1 to 5 inclusive: any amounts payable under these Additional benefits do not form part of, and are in addition to, the Limit of Indemnity.

Clause 6 to 13 inclusive: any amounts payable under these Additional benefits form part of, and do not apply in addition to, the Limit of Indemnity. If the Limit of Indemnity is exhausted, no amount is payable under these Additional benefits.

Additional benefits payable in addition to the Limit of Indemnity

1. Limited transit cover

We will cover You for loss of or damage to Stock or Contents which are in transit in or on any Vehicle anywhere in Australia away from Your Premises, including storage during the transit, but only for damage caused by any of the following:

- a) fire or explosion
- b) wind
- c) acts of malicious persons
- d) collision or overturning of the conveying Vehicle
- e) escape of molten material from its intended confines at the Premises
- f) lightning or thunderbolt
- g) implosion
- h) earthquake, tsunami, subterranean fire or volcanic eruption, or fire resulting from any of these during any period of 72 hours following the Event
- i) riot, civil commotion or labour disturbances, or
- j) water.

We will not cover You for more than:

- a) \$50,000, or
- b) twenty per cent (20%) of the Sum Insured for Contents or Stock any one Event,

whichever is the lesser.

2. Rewriting of records away from the Premises

We will pay the reasonable cost for clerical and professional cost incurred by You for rewriting of records located away from Your Premises anywhere in Australia that are lost, destroyed or damaged during the Period of Cover by an Occurrence covered by this Policy section. We will not pay you for any financial loss caused by the loss of your records under this Additional benefit.

We will pay You up to \$25,000 any one Event.

3. Temporary cover for new Premises

We will cover You for loss or damage occurring during the Period of Cover to Buildings, Contents or Stock at any new premises, provided that:

- a) You first occupy the new premises during the Period of Cover
- b) the Business carried on at or from the new premises is the same as the Business shown in the Schedule
- c) the property at the new location is of the same nature as the Buildings, Contents and Stock located at the Premises and would have been covered if they were located at the Premises, and
- d) the Buildings at the new premises are constructed of the same materials as the Buildings at the Premises and have the same or superior protection.

We will not cover You for more than fifty per cent (50%) of the Sum Insured for Buildings, Contents or Stock at the Premises shown on the Schedule.

We will not cover You under this Additional benefit for any loss or damage at the new premises that occurs more than 90 days after You first occupy the new premises.

4. Temporary removal of Stock and Contents

We will cover Your Stock or Contents while temporarily removed to any other premises including a temporary storage facility, self-storage unit or bulk storage facility within the Commonwealth of Australia.

Provided that We will not cover:

- a) Vehicles, Watercraft or motorcycles unless they are:
 - i. Stock of the Business, or
 - ii. forklift trucks or similar appliances that are normally used for hauling or lifting goods at Your Premises
- b) Stock that is on consignment to other parties unless it is owned by You or is property for which You are responsible, or
- c) Stock or Contents that have been removed from the Premises for a period greater than 90 days without Our prior written consent.

The maximum amount We will pay for this Additional benefit will be twenty per cent (20%) of the Sum Insured for Contents or Stock.

5. Removal of debris

If Property Insured has been damaged or destroyed and is covered by this cover section, We will pay the reasonable costs incurred for the demolition, dismantling, shoring up, propping, underpinning and other necessary temporary repairs, cleaning up and/or removal, storage and disposal of debris from the Premises. We will also pay for Your legal liability for the cost of removal of debris from adjoining premises, property, services, roadways and waterways as well as on the site.

We will pay You up to:

- a) \$100,000, or
- b) twenty per cent (20%) of the total Sum Insured for Building and Contents shown on the Schedule, whichever is the greater, or
- c) the higher amount shown in the current Schedule for removal of debris or if this is insufficient and You have not exhausted the Sum Insured on the damaged items requiring demolition and/or removal of debris, We will pay up to the remaining balance of the Sum Insured.

Additional benefits included in the Limit of Indemnity

6. Damage to Glass in vacant Buildings

If You own but do not occupy any Buildings shown as insured under this cover section at a Premises, We will cover You for the following costs directly related to the breakage of Glass in the Period of Cover in a rentable area of the Building that is vacant at the time of the breakage:

- a) the cost of temporary shuttering pending replacement of the broken Glass
- b) the costs incurred in replacing reflective materials and burglar alarm tapes and connections attached to the Glass
- c) the cost incurred in repairing or replacing damage to window, door or showcase frames and their fittings, but not to bars, grilles or shutters, or
- d) the cost incurred in repairing or replacing tiles on shop and office fronts and around the Glass.

We will not pay more than \$5,000 during any one Period of Cover for all claims under this Additional benefit.

We will not cover You under this Additional benefit for any breakage:

- a) of Glass caused by or arising out of fire or the application of heat
- b) of Glass:
 - i. when in transit or whilst being fitted into position or removed from its fitting
 - ii. in light fittings
 - iii. that is cracked or imperfect prior to breakage
 - iv. that is not fit for the purpose intended, or
- c) of Glass that is in a glasshouse.

We will not pay for the breakage of:

- a) tiles on shopfronts and office fronts, other than around the broken Glass, or
- b) plastic or perspex signs.

We will not cover any claims under this Additional benefit if:

- a) You have selected the Glass cover section of the Policy
- b) Your insured Building is leased to a tenant, or
- c) the Building has remained unoccupied or untenanted for a continuous period longer than 60 days and We have not agreed to any such extended period in writing.

The Excess that applies to this Additional benefit is:

- a) the Excess shown on the Schedule, or
- b) \$500,

whichever is higher.

7. Directors and Employees personal property

We will pay for loss of or damage to directors' and Employees' tools of trade and personal effects as if they were Contents.

Cover is limited to \$6,000 for any one director or Employee.

8. Fire brigade attendance fees

We will pay up to \$100,000 for any statutory charges payable by You to a fire brigade or fire-fighting authority for attendance at a fire or chemical emergency involving Property Insured and the cost of refilling Your fire-fighting appliances used in putting out a fire at or adjoining the Premises threatening the Property Insured. The Excess that applies to this Additional benefit is \$500 any one Event.

9. Playing surfaces

We will pay up to the greater of \$50,000 or the amount shown in the current Schedule for playing surfaces, for the cost of repairing damage to outdoor playing surfaces at the Premises, 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 Property Insured at the Premises for which We have admitted liability under this cover section, or
- c) the action of the fire-fighting services, police or other emergency services in attending to their duties at the Premises.

10. Prevention of imminent damage

We will cover You for the necessary costs that you incur in the Period of Cover:

- a) to extinguish a fire on or in the vicinity of Your Premises which causes or threatens loss or damage to your Property Insured
- b) to prevent or diminish imminent damage to Your Property Insured
- c) for temporary protection, including employment of security guards, to safeguard the Property Insured
- d) to remove Property Insured from the Premises if the purpose of the removal was to prevent or minimise damage insured under this cover section. We will also cover any damage resulting from the removal.

We will not pay more than \$100,000 for all claims under this Additional benefit during any one Period of Cover.

We will not pay under this Additional benefit for:

- a) any fines, penalties or liability incurred by You, or
- b) any loss or damage to Your Property Insured unless provided by (d) above.

11. Rewriting of records

We will pay the reasonable costs of restoring the Electronic Data stored on Media or the cost of clerical labour actually, necessarily and reasonably incurred in rewriting, restoring or recreating the records at each Premises for:

- a) business books, plans, computer records, patterns and other business records that are damaged, or
- b) business records of Your customers at the Premises.

12. Trace and access

We will pay the reasonable costs incurred to detect the point of bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks, fixed appliances, fixed pipes or other systems at the Premises used to hold or carry liquid provided that the bursting, leaking, discharging or overflowing has caused or may reasonably be expected to cause damage to Property Insured. We will not cover the repair or replacement of such apparatus, appliances, tanks, pipes of other systems.

13. Taxation audit costs

We will cover the reasonable and necessary Costs You incur following notification received during the Period of Cover of an audit or investigation by a Federal or State Commissioner of Taxation in relation to Your liability to pay income tax, fringe benefits tax, capital gains tax, wholesale and sales tax, payroll tax, GST or superannuation contributions tax in respect of Your Business.

The most We will pay for this Additional benefit is \$10,000 for any one Period of Cover and for any one claim.

Where cover is available under 'Section 10 Taxation Investigation' of the Policy, any claim for Costs will first be considered under that Policy section and cover under this Additional benefit will be in addition to any Sum Insured paid under that section.

'Costs' under this Additional benefit means professional fees paid to accountants or registered tax agents who are not Your Employees, for work undertaken in connection with the audit or investigation.

Taxation audit costs – exclusions

We shall not be liable under this Additional benefit:

- a) for the imposition of any tax, fines, penalties, court costs, penalty tax or interest
- b) for Costs incurred after completion of the audit or investigation
- c) where any proceedings were initiated, threatened or started prior to the commencement of the Period of Insurance
- d) arising from your improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by a State or Federal Commissioner of Taxation for the production of documents or the supply of information. Refusal or failure to comply will not be deemed improper, unwarranted or unjustified if You refuse or fail to comply upon the advice of your accountant or tax agent
- e) for Costs from audits or investigations under customs legislation
- f) for Costs from audits or investigations of income received or earned, or where the source of income is outside Australia or where the services giving rise to the claim are performed by persons or entities who ordinarily reside outside Australia
- g) arising out of any fraud or fraudulent act or omission committed by You or on Your behalf, or
- h) arising from audits or investigations which result in You, or any person acting on Your behalf, becoming aware of any error or deficiency in any return of income or other documentation supplied to a State or Federal Commissioner of Taxation and failing to notify the Commissioner of Taxation without delay.

Taxation audit costs – special conditions

You must lodge taxation and other returns within the time limits applicable to those returns as prescribed by statute or through extension of time granted by a Commissioner of Taxation.

You must make full and complete disclosure of all assessable income (including capital gains), as required by any relevant legislation.

In the event of a claim arising:

- a) You must at all times keep us fully and continually informed of all material developments in relation to the claim and in relation to any audit
- b) You must take all necessary and reasonable steps to minimise any delays and the amount of any Costs incurred or likely to be incurred in connection with any audit, and
- c) We or our duly appointed agent may make Our own investigation into any matter which is or may be the subject of a claim.

You must ensure that Your accountants, registered tax agent and/or solicitor cooperate with Us and where necessary, assist Us in relation to any claim and assist Us with any matter We wish to pursue with the Commissioner of Taxation which is or may be the subject of a claim.

Optional extensions

The following Optional extensions do not apply automatically to this cover section.

They will apply when You have requested their inclusion in this cover section, You have paid any additional Premium we require and the current Schedule has been endorsed by Us noting their inclusion.

1. Flood

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

2. Mortgage protection

This cover applies only if You have arranged this Policy to insure only the interest of a mortgagee in a strata title unit and 'Strata title mortgagee(s) interest only cover' is shown in the current Schedule.

This cover only applies when You own part of a Building that has been subdivided into strata, community or similar title units and You have a mortgage on that part of the Building.

We will pay the mortgagee the lowest of:

- a) the Sum Insured shown on the Schedule
- b) the amount to repair the damage to a condition similar to but no better than when new
- c) if the body corporate (or similar) partially covers the loss or damage, then the difference between what the body corporate's insurance pays and the cost to repair the loss or damage, or
- d) the amount sufficient to discharge the mortgage held by You over the unit at the date of the loss or damage.

We only pay a claim if:

- a) a claim would be payable under the Business Property cover section and not subject to any exclusions or other limitation in the Policy
- b) the insurance policy of the body corporate or similar does not apply or only partially covers the loss or damage, and
- c) the mortgagee requires You to discharge Your mortgage.

If You have arranged this Policy to insure only the interest of a mortgagee in a strata title unit no other Additional benefits are payable under this Policy.

- g) Animals pecking, biting, clawing, scratching, tearing or chewing your Property Insured at the Premises.

Provided that exclusions 1.f) and 1.g) shall not apply in respect of subsequent loss or damage to your Property Insured occasioned by a fire, explosion or water damage only.

- h) loss of weight or exposure to light
- i) creeping, heaving, normal settling, shrinkage, seepage, vibration, expansion in buildings, pavements, roads, car parks and the like
- j) any:
 - i. error or omission or wrong design, or
 - ii. faulty materials or workmanship,provided that this Exclusion 1. j) shall not apply to subsequent loss or damage to Your Property Insured (not otherwise excluded) resulting from an Event referred to in this exclusion
- k) infidelity, dishonesty, embezzlement, misappropriation, or fraud including forgery, erasure, counterfeiting by You or any Employee
- l) erosion, subsidence, landslide or mudslide or any other earth movement but We will cover loss or damage caused by a landslide or subsidence that occurs within 72 hours of, and is directly caused by a storm, earthquake, subterranean fire, volcanic eruption or water escaping from a water main owned by a water supply authority
- m) the action of the sea or high water, unless caused by or arising from a direct consequence of an earthquake or seismological disturbance
- n) Flood
- o) faults or defects known to You or any Employee whose knowledge in law would be deemed to be Your knowledge and not disclosed to Us at the time this Policy was arranged, extended, varied or renewed
- p) the cessation of work (whether total or partial), interruption or retarding of any process or operation as a result of any industrial dispute
- q) data processing or Media failure or breakdown or malfunction of a processing system including operator entry or omission
- r) deliberate and unauthorised corruption, amendment or erasure of Electronic Data by You or Your directors, partners, Employees, officers or any other person who has an interest in the Property Insured whether acting alone or in collusion with any other person
- s) Computer Virus
- t) the gaining of unauthorised access to Your Computer Equipment via any communication system by any person other than You or Your directors, partners, Employees, officers or any other person who has an interest in the property
- u) the operation or presence of any computer program that alters or erases Electronic Data or programs in a manner that is undesired by You
- v) the actual breaking, seizing, deformation or melting of any part of the Property Insured while it is in use that is caused by mechanical, electrical or electronic defect that results in sudden and total loss of operation that requires repair or replacement before the property can resume normal operation

Policy section exclusions

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

- a) wear and tear, gradual deterioration, scratching, marring, developing flaws, normal upkeep or any gradual cause
- b) mechanical, hydraulic, electrical breakdown or electronic failure or malfunction
- c) corrosion, rust, oxidation, any form of Fungus, wet or dry rot, dampness of atmosphere, variation in temperature, evaporation, disease, shrinkage
- d) change in colour, flavour, texture or finish
- e) inherent vice or latent defect
- f) the actions of birds, moths, termites or other insects, vermin or rodents

- w) explosion or implosion of any pressure vessels (including any boilers):
 - i. where the load on the safety valve upon the particular pressure equipment was in excess of the manufacturer's specification at the time of any damage, or
 - ii. where any safety valve limiting pressure was removed or rendered inoperative.

Provided that We will pay for any damage to Property Insured that is not otherwise excluded that results from damage caused directly by or arising directly from any of these causes.

2. We will not cover loss of or damage to:
 - a) Property Insured while it is undergoing any process where damage results from it being processed
 - b) any Building, Contents and Stock if the Building is vacant awaiting or undergoing demolition, unless We have agreed otherwise
 - c) Animals (unless Your Business is a pet shop or restaurant and Animals are insured as Stock), plants, or growing crops (other than as allowed under Extra cover 7. Landscaping)
 - d) Glass or signs:
 - i. except where You are a tenant of a Building and are required by the lease to insure Glass, or
 - ii. other than loss or damage caused by fire, storm, wind, rain, hail, lightning, explosion, implosion, earthquake, impact by vehicles or animals, aircraft and other aerial devices and/or articles dropped from them, riots or civil commotion, persons acting maliciously or earthquake;
3. We will not cover loss or damage caused by or arising from:
 - a) theft but this exclusion does not apply to physical damage to Property Insured at the Premises during theft or any attempted theft and/or theft of parts of the Building when Buildings are insured or fixed plant in the open air
 - b) any legal liability You have other than the legal liability that is covered by the Additional benefit 'Removal of debris'
 - c) the incorrect siting of Buildings as a result of error in design or specification, faulty workmanship or non-compliance with the requirements of any lawful authority
 - d) demolition ordered by any lawful authority as a result of failure by You to comply with any lawful requirement
 - e) any unexplained inventory shortage or disappearance resulting from clerical or accounting errors, or shortage in the supply or delivery of materials or goods
 - f) contamination, pollution, smoke or smut except where caused directly by fire, lightning, explosion, impact by any Vehicle or Animal, Aircraft or other aerial devices or articles dropped by them, falling communication masts, towers, antennae or dishes, falling buildings or structures or parts thereof, meteorite, riot, civil commotion, persons taking part in an industrial dispute, persons acting maliciously, earthquake, storm, the bursting, overflowing or discharge of tanks, apparatus or pipes containing in water or liquid of any kind, or sprinkler leakage
 - g) storm, rainwater, wind hail or snow where the loss or damage is to Vehicles located in the open air.

Limitations which apply to this cover section

1. Earthquake

If any loss or damage to Property Insured at the Premises is caused by earthquake, volcanic eruption, subterranean fire or tsunami You will be required to pay an Excess of:

- a) \$20,000, or
 - b) one per cent (1%) of the Sum Insured,
- whichever is the lesser amount for any one Event.

2. Storm, rainwater, wind hail or snow

Cover for damage to textile blinds and awnings, shade cloth, shade houses, fibreglass and glass houses, gates, fences, signs and retaining walls caused by or arising from storm, rainwater wind, hail or snow is limited to a maximum of \$25,000 in total for any one Event.

Cover section conditions

1. Leased Building clause

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

2. Release

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

3. Storage premises

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

4. Tenants actions

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

- a) You have taken all reasonable actions, as soon as You become aware of conditions causing the breach, to have the tenant comply with the terms
- b) You notify Us within a reasonable amount of time of becoming aware of the breach, and
- c) You agree to pay a reasonable increase in Premium for the additional risk.

5. Underinsurance/loss or damage

In the event of loss or damage to Property Insured under this cover section for claims settled on a reinstatement replacement basis, We will not be liable for more than that proportion of damage which, in respect of Buildings, Contents, Stock and Specified Items the Sum Insured on the total amount for Buildings, Contents, Stock and Specified Items at the Premises, at the time of the commencement of each Period of Cover bears to eighty percent (80%) of the full insurable value of such Buildings, Contents, Stock and Specified Items.

Conditions

Our liability is limited to the Sum Insured at the Premises as shown in the Schedule.

This clause will not apply if the amount of any damage does not exceed ten percent (10%) of the Sum Insured at the Premises.

Example

Total value \$200,000

80% of value = \$160,000

Sum Insured \$144,000

Therefore if a \$100,000 loss occurs, We would pay

$(\$144,000 / \$160,000) \times \$100,000 = \$90,000$

We would pay \$90,000.

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

Definitions

Some words have special meaning wherever they appear in this cover section. Where they appear in this cover section, they are shown with a capital letter. The singular shall include the plural and vice versa.

Catastrophe means a large scale destructive event, in the area in which the Premises is located, which either:

- a) the Insurance Council of Australia has declared to be an 'insurance catastrophe event', or
- b) as a consequence of the event, the relevant government authority has declared a state of emergency.

Limit of Indemnity means one hundred and twenty per cent (120%) of the total of the individual Sums Insured shown in the Schedule for a specific Premises insured under this cover section and is the maximum amount that We will pay for all loss or damage that arises out of any one Event at such Premises unless it is specifically stated in this cover section that payments are made in addition to this amount.

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

Claims procedure

Please refer to the Claims procedure in the terms and conditions section of this Policy for details of Your obligations in the event of a claim.

Section 2 Business Interruption

About this cover section

This cover section covers the loss of Gross Profit, Annual Revenue or Weekly Revenue and additional costs or expenses as indicated in the Policy Schedule if there is interruption of or interference to Your Business as a consequence of loss or damage covered under other designated sections of the Policy.

Your insurance under this cover section

This cover section only forms part of Your Policy when 'Business Interruption' is shown under 'What's covered' in the Schedule. There are three parts available in this section:

- **Part A – Insurable Gross Profit basis**
- **Part B – Annual Revenue basis**
- **Part C – Weekly Revenue basis.**

Your Schedule indicates which part has been selected by You.

Part A Insurable Gross Profit basis

In the event of interruption of or interference with Your Business in consequence of Damage to any Property Insured or any part thereof used by You at the Premises for the purpose of Your Business, We will pay You in respect of each item selected by You and shown in the current Schedule, the amount of the loss resulting from such interruption or interference.

Provided that:

- a) the payment is in accordance with the 'What We pay' and 'Common clauses' provisions for the item
- b) We have paid for or admitted liability in respect of such Damage to your Property Insured under the relevant cover section of Your Policy, or another insurer has paid for or admitted liability in respect of such Damage
- c) We would have paid for or admitted liability for such Damage under the relevant cover section of this Policy, or another insurer would have paid for or admitted liability in respect of such damage, but for the application of an Excess, and
- d) Our liability will not exceed, in respect of each item, the Sum Insured shown in the current Schedule for that item.

The insurance under this Part A provides cover for loss under:

- **Item 1** Gross Profit (if selected)
- **Item 2** Additional increase in cost of working (if selected)
- **Item 3** Accounts receivable (if selected)
- **Item 4** Claim preparation expenses (if selected)
- **Item 5** Gross Rentals (if selected)
- **Item 6** Payroll (if selected)

What We pay

Item 1. Gross Profit

This item is limited to the loss of Gross Profit due to a reduction in Turnover and the increase in Your cost of working. The amount payable as indemnity under this item will be:

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

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

Item 2. Additional increase in cost of working

- See 'Common clauses to Parts A, B and C'.

Item 3. Accounts receivable

- See 'Common clauses to Parts A, B and C'.

Item 4. Claim preparation expenses

- See 'Common clauses to Parts A, B and C'.

Item 5. Gross Rentals

- See 'Common clauses to Parts A, B and C'.

Item 6. Payroll

- See 'Common clauses to Parts A, B and C'.

Part B Annual Revenue basis

In the event of interruption of or interference with Your Business in consequence of Damage to any Property Insured or any part thereof used by You at the Premises for the purpose of Your Business, We will pay You in respect of each item selected by You and shown in the current Schedule, the amount of the loss resulting from such interruption or interference.

Provided that:

- a) the payment is in accordance with the 'What We pay' and 'Common clauses' provisions for the item
- b) We have paid for or admitted liability in respect of such Damage under the relevant cover section of Your Policy, or another insurer has paid for or admitted liability in respect of such Damage, unless no such payment shall have been made or liability shall not have been admitted for such Damage (by Us or another insurer) solely due to the application of an Excess, and
- c) Our liability will not exceed in respect of each item the Sum Insured shown in the current Schedule for that item.

The insurance under this Part B provides protection with regard to loss under:

- **Item 1** Revenue (if selected)
- **Item 2** Additional increase in cost of working (if selected)
- **Item 3** Accounts receivable (if selected)
- **Item 4** Claim preparation expenses (if selected).

What We pay

Item 1. Revenue

This item is limited to the loss of Revenue and increase in the cost of working.

The amount payable as indemnity under this item will be:

- a) in respect of the loss of Revenue, the amount by which the Revenue earned during the Indemnity Period falls short of the Standard Revenue, in consequence of the Damage, and
- b) in respect of the increase in cost of working, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Revenue which, but for the additional expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the amount of reduction in Revenue thereby avoided, less any sum saved during the Indemnity Period in respect of such charges and expenses of Your Business payable out of Revenue as may cease or be reduced in consequence of the Damage.

Item 2. Additional increase in cost of working

- See 'Common clauses to Parts A, B and C'.

Item 3. Accounts receivable

- See 'Common clauses to Parts A, B and C'.

Item 4. Claim preparation expenses

- See 'Common clauses to Parts A, B and C'.

Part C Weekly Revenue basis

In the event of interruption of or interference with Your Business in consequence of Damage to any Property Insured or any part thereof used by You at the Premises for the purpose of Your Business, We will pay You in respect of each item selected by You and shown in the current Schedule, the amount of the loss resulting from such interruption or interference.

Provided that:

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

We will not pay any claim under this Part C where the interference or interruption to Your Business is for a period of less than 3 days.

The insurance under this Part C provides protection with regard to loss under:

- **Item 1** Weekly Revenue
- **Item 2** Additional increase in cost of working
- **Item 3** Accounts receivable
- **Item 4** Claim preparation expenses

What We pay

Item 1. Weekly Revenue

This item is limited to the loss of Weekly Revenue with the amount of loss payable as compensation limited to the difference between the Weekly Revenue during the Indemnity Period as a consequence of the Damage and the Standard Weekly Revenue, less any sum saved during the Indemnity Period in respect of such charges and expenses of Your Business payable out of Revenue as may cease or be reduced in consequence of the Damage.

Item 2. Additional increase in cost of working

- See 'Common clauses to Parts A, B and C'.

Item 3. Accounts receivable

- See 'Common clauses to Parts A, B and C'.

Item 4. Claim preparation expenses

- See 'Common clauses to Parts A, B and C'.

Common clauses to Parts A, B and C

1. Accumulated stocks

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

2. Alternative trading

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

3. Departmental provision

We will apply the cover provided by this cover section to each department of your Business separately, if your Business is conducted in departments, and each department has independent trading results which

are ascertainable. For the purposes of this clause, the Standard Rent Receivable from letting of property at the Premises will be regarded as the proceeds of one such department.

4. Item 2 – Additional increase in cost of working

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

We will not pay more than \$25,000 or if a Sum Insured for 'Additional increase in cost of working' is shown in the Schedule then that Sum Insured for any one claim.

5. Item 3 – Accounts receivable

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

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

We will not pay more than the Sum Insured for 'Accounts receivable' shown in the Schedule for any one claim.

6. Item 4 – Claim preparation expenses

In addition to the amount payable under General condition 'Claim preparation expenses' of this Policy, We will pay You up to \$10,000 or the amount shown in the current Schedule for the costs of such reasonable professional fees as may be payable by You and other such reasonable expenses necessarily incurred by You and not otherwise recoverable, for preparation and negotiation of claims under this section.

7. Item 5 – Gross rentals

This item is limited to loss of Gross Rentals and additional expenditure. The amount payable will be:

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

8. Item 6 – Payroll

a) Loss of payroll

i. During the Initial Period

The amount produced by applying the Rate of Payroll to the Shortage in Turnover, less any Payroll saved in consequence of the Damage.

ii. During the Remaining Period

The amount produced by applying the Rate of Payroll to the Shortage in Turnover, less any Payroll saved in consequence of the Damage, but not exceeding the amount produced by applying the insured percentage of the Rate of Payroll to the Shortage in Turnover, plus any Payroll saved in consequence of the Damage during the Initial Period.

iii. Option to consolidate

At Your option, the Initial Period may be increased to the period shown in the Schedule as the consolidated period. This means that the cover for the rest of the Remaining Period will be restricted to the amount of Payroll saved during the consolidated period.

b) Additional expenditure

The additional expenditure necessarily and reasonably incurred by You for the sole purpose of minimising the loss of Payroll during the Indemnity Period but not exceeding the loss of Payroll thereby avoided.

9. Government incentives

The words Gross Profit, Revenue and Weekly Revenue is extended to include the loss of any Government approved incentives, subsidies or market development allowances You receive in relation to Your Business.

10. Sum Insured

Our liability to You will not exceed the Sum Insured in respect of each item as shown in the current Schedule. Additional benefits are within the total Sum Insured for this cover section and not additional to the total Sum Insured. If You have chosen Part C – Weekly Revenue, We will not pay more each week for loss of Weekly Revenue than the weekly benefit.

11. New business

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

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

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

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

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

Standard Revenue means the Revenue achieved between the date of commencement of Your Business and the date of the Damage, adjusted to the selected Indemnity Period.

Standard Weekly Revenue means the amount calculated by averaging the Weekly Revenues obtained during the period from the date of the commencement of Your Business to the date of the Damage.

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

12. Salvage sale

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

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

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

- b) The definition of Shortage in Turnover shall, for the purpose of such claim, mean:

the amount by which the Turnover during a period less the Turnover for the period of the salvage sale shall, in consequence of the Damage, fall short of the part of the Standard Turnover which relates to that period, from which shall be deducted the Payroll paid out of the proceeds of the salvage sale.

13. Turnover output

In the event of Damage giving rise to a claim under this cover section, at Your option, the word 'Output' may be substituted for the term 'Turnover'.

For the purpose of this cover section, Output shall mean the sale and/or invoice value of goods manufactured and/or processed by You in the course of Your Business at the Premises provided that only one such meaning shall be operative in connection with any one Event involving Damage.

If You select the cover available under this clause, the clause headed 'Alternative trading' in Common clauses to Parts A, B and C shall be altered to read as follows:

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

14. Under-insurance

If the Sum Insured at the commencement of each Period of Insurance for:

- a) Part A - Item 1 Gross Profit is less than the sum produced by applying the Rate of Gross Profit to eighty per cent (80%) of the Annual Turnover or its proportionately increased multiple where the Indemnity Period exceeds 12 months, or
- b) Part B - Item 1 Revenue is less than eighty per cent (80%) of the Annual Revenue, or
- c) Part C - Item 5 Gross Rentals is less than eighty per cent (80%) of the Annual Rent Receivable or its proportionally increased multiple where the Indemnity Period exceeds 12 months,

the amount payable for loss of Gross Profit or Revenue or Gross Rentals will be reduced so that We will be liable for no greater proportion of the loss under each item than that which the Sum Insured bears to eighty per cent (80%) of the Annual Turnover or Annual Rent Receivable or their proportionally increased multiple, or Annual Revenue if appropriate.

This provision will not apply if the Sum Insured for each item shown in the Schedule has:

- a) been calculated using a business interruption calculator approved by Us
- b) been calculated by using Your GST exclusive sales figures from Your most recent 12 month Business Activity Statement;
- c) a copy of the data used and the calculation of the Sum Insured is held on Our file; and
- d) been calculated within 2 months of inception or renewal of the Policy and the results of the calculations at a) and b) are adopted as the Sum Insured.

If the calculation of the Sum Insured in accordance with this clause is not completed annually, this clause will not apply and We reserve the right to review the data and the calculations used to determine the Sum Insured for this item in the event of a claim.

This provision will not apply if Your claim is less than ten per cent (10%) of the Sum Insured for each item.

Extra covers

This cover section is extended to include the following Extra covers. The Extra covers are payable provided that the Sum Insured expressed against the relevant item(s) in the Schedule is not otherwise exhausted.

1. Contractual damages

Following a claim under Part A – Insurable Gross Profit basis, Item 1 Gross Profit, We will also pay:

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

The amount payable shall not exceed twenty per cent (20%) of the total Sum Insured for Gross Profit.

2. Explosion of pressure vessels

We will treat the self-explosion or collapse of pressure vessels including boilers, compressors or economisers at the Premises as Damage for the purpose of this cover section.

3. Infectious disease, etc.

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

- a) bomb threat, vermin or pests or defects in the drains or other sanitary arrangements occurring at the Premises

- b) an outbreak of an infectious or contagious human disease occurring within a 20 kilometre radius of the Premises, however there is no cover for highly pathogenic Avian Influenza or any disease declared to be a quarantinable disease under the Quarantine Act 1908 (as amended) or any human disease determined to be a listed human disease under the Biosecurity Act (2015) (including any subsequent amendment or replacement thereof and any equivalent legislation) irrespective of whether discovered at the location of Your Premises, or outbreaking elsewhere
- c) injury, illness or disease caused by the consumption of food or drink supplied at or from Your Premises during the Period of Cover
- d) murder or suicide occurring at the Premises, or
- e) shark or crocodile attack occurring within a 20 kilometre radius of the Premises during the Period of Cover.

4. Motor vehicles owned or operated by You

We will cover You for interruption to Your Business that is caused by or results from Damage during the Period of Cover to any registered Vehicles or trailers owned or operated by You, while such Vehicles are at the Premises or at other Premises in Australia but not on a public thoroughfare.

5. Prevention of access

We will cover You for interruption to your Business that is caused by or results from Damage to property within a 10 kilometre radius of the Premises which prevents or hinders the use or access to the Premises provided that:

- a) the damage would have been covered under the Business Property cover section if the damaged property in the vicinity of the Premises had been insured under that cover section
- b) the damage prevents or hinders the use of or access to the Premises, and
- c) the damage results in the interruption of or interference to the Business.

We will cover You for interruption to Your Business that is caused by an order of any legal authority which prevents or restricts access to the Premises provided that the order results from the threat of damage to property within a 50 kilometre radius of the Premises.

6. Extension of Indemnity Period

When any amounts are payable under Section 1 Business Property Extra covers 2. Catastrophe inflation protection and the Indemnity Period shown in the Schedule is 12 months or more, We will extend the Indemnity Period by a further 3 months after expiry of the Indemnity Period provided that You undertake the reinstatement of Your Business at the existing or an alternative premises.

This increase in Your Indemnity Period is in recognition of the delays and difficulties experienced in the aftermath of such events and which extends the normal period in which the results of any business are affected in consequence of the insured Damage. This Extra cover does not increase the Sum Insured applicable under this cover section of the Policy as shown in the Schedule.

Additional benefits

This cover section is extended to include the following Additional benefits. The Additional benefits are payable provided that the Sum Insured expressed against the relevant item(s) in the Schedule is not otherwise exhausted.

1. Computer installations

We will treat damage to computer installations, including ancillary equipment and Electronic Data processing media, utilised by You in the Commonwealth of Australia other than at the Premises as Damage for the purpose of this cover section provided that:

- a) the damage would have been covered under the Business Property cover section if the computer facilities had been insured under that cover section
- b) the damage results in You being unable to utilise a computer installation or any ancillary equipment in Your Business, and
- c) the damage results in interruption of or interference with Your Business.

2. Customers and suppliers – unspecified

We will treat damage to unspecified property:

- a) at the premises of Your suppliers, manufacturers or processors of component goods, materials or services which supply the Business directly, or
- b) at the premises of customers of goods or materials or services (other than those services provided by any public utilities), or
- c) at storage premises neither owned nor operated by You where You store goods or materials,

all within the Commonwealth of Australia as Damage for the purpose of the cover section, provided that Our liability will not exceed twenty per cent (20%) or the percentage shown in the Schedule, of the Sum Insured applicable to this cover section.

3. Documents temporarily removed

We will treat damage to Your documents or documents held in trust by You and Electronic Data files belonging to or held in trust by You that are:

- a) temporarily removed to other premises anywhere in Australia, or
- b) while in transit to any place in Australia,

as Damage for the purposes of this cover section if the following apply:

- i. the damage would have been covered under the Business Property cover section if the documents and Electronic Data files had been insured under that cover section, and
- ii. the damage results in interruption of or interference with Your Business.

We will not cover you for more than twenty per cent (20%) of the Sum Insured or the amount shown in the Schedule, whichever is the greater.

4. Loss of attraction

If Your Business is located within a multi-tenanted retail shopping complex, We will treat damage to property of a major tenant as being Damage for the purposes of this cover section provided that:

- a) the damage to the property of the major tenant would have been covered under the Business Property cover section if such damage had been to Property Insured under that cover section
- b) the damage results in a reduced pedestrian count coming into the shopping complex, and
- c) the damage results in interruption of or interference with Your Business.

5. Roads, bridges and railway lines

We will treat damage to roads, bridges and/or railway lines within the Commonwealth of Australia over which raw materials, components and Stock are conveyed to or from the Premises as being Damage for the purpose of this cover section if the following apply:

- a) the damage would have been covered under the Business Property cover section if such damage had been to Property Insured under that cover section
- b) the damage results in not being able to convey Stock, components or materials used in Your Business to and from Your Premises, and
- c) the damage results in interruption of or interference with Your Business.

6. Storage sites/temporary removal

We will cover You for interruption to Your Business that is caused by or results from Damage to your Property Insured stored or being processed at any premises in the Commonwealth of Australia not occupied by You. Our total liability under this Additional benefit will not exceed twenty per cent (20%) of the Sum Insured applicable to this cover section.

7. Transit

We will cover You for interruption to Your Business that is caused by or results from Damage to Your Property Insured while in transit by road, rail, sea or air within the Commonwealth of Australia and outside of the Premises occupied by You. Our total liability under this Additional benefit will not exceed twenty per cent (20%) of the Sum Insured applicable to this cover section in respect of any one Occurrence.

8. Utilities

We will treat damage to the following utilities:

- a) any electricity supply system, or
- b) any gas supply system, or
- c) water supply or sewerage works, or
- d) any land-based telecommunications system,

within the Commonwealth of Australia which supplies Your Business, as Damage for the purpose of this cover section if the following apply:

- i. the damage would have been covered under the Business Property cover section if such damage had been to Property Insured under that cover section
- ii. the damage results in hindering or stopping the supply of electricity, gas, water or telecommunications to the Premises or sewage from the Premises, and
- iii. the damage results in interruption of or interference with Your Business.

We will not pay for the first 48 hours where the utility which was damaged is not at or immediately adjacent to the Premises.

9. Deferral of Indemnity Period

If We agree that Damage which occurred during the Period of Insurance is covered under this cover section of the Policy, commencement of the Indemnity Period may be deferred to a later date at Your option and with Our consent, which shall not be unreasonably withheld ('Deferred Indemnity Period').

Provided that the Deferred Indemnity Period commences within:

- a) the Indemnity Period shown in the Schedule, or
- b) 12 months from the date the Damage covered by the Policy occurred,

whichever is the earlier.

Provided further that:

- a) the request for the Deferred Indemnity Period must be made by You as soon as reasonably practical after the Damage occurred,
- b) the Deferred Indemnity Period shall not extend the length of the Indemnity Period shown in the Schedule or as varied by any Additional benefit in this cover section, and
- c) the Deferred Indemnity Period shall in no way alter, derogate or amend the cover under this cover section.

Optional extensions

The following Optional extensions do not apply automatically to Your Policy. They will apply when You have requested their inclusion in this cover section, you pay any additional Premium We require and the current Schedule has been endorsed by Us noting the inclusion.

1. Goodwill

Following Damage to any Building at Your Premises We will pay, up to the Sum Insured shown in the current Schedule for 'Goodwill', for the actual cost of goodwill incurred by You when purchasing a business in order to maintain Your Business activities. Provided that:

- a) We will only pay these goodwill costs when the Building that is damaged cannot or will not be repaired or rebuilt due to any refusal by any owner or lessor other than You to repair or rebuild or any restrictions imposed by any legal authority, and

- b) the purchase of the business is incurred because You were unable to continue Your Business at the Premises as a result of the Damage to the Buildings not being repaired, and
- c) the cause of the Damage to the Buildings would have been covered by the Business Property cover section of Your Policy had that Building been insured under that cover section, and
- d) the business that is purchased is similar to Your Business.

2. Specified customers and suppliers

We will pay for loss of Gross Profit, Revenue or Weekly Revenue that results from an interruption to your Business that is caused by Damage that occurs in Australia to:

- a) specified suppliers property at the premises of Your suppliers shown in the Schedule up to an amount calculated by applying the percentage shown in the Schedule to the Sum Insured for Gross Profit, Revenue or Weekly Revenue, and
- b) specified customers property at the premises of Your customers shown in the Schedule up to an amount calculated by applying the percentage shown in the Schedule to the Sum Insured for Gross Profit, Revenue or Weekly Revenue.

Policy section conditions

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 cover 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.

Definitions

Some words have special meaning wherever they appear in this cover section. Where they appear in this cover section, they are shown with a capital letter. The singular shall include the plural and vice versa.

Annual Rent Receivable means the rent receivable during the 12 months immediately before the date of the Damage to which such adjustments will be made as may be necessary to provide for the trend of Your Business and for variations in or other circumstances affecting Your Business either before or after the Damage or which would have affected Your Business had the Damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage.

Annual Revenue means the Revenue earned during the 12 months immediately before the date of the Damage to which such adjustments will be made as may be necessary to provide for the trend of Your Business and for variations in or other circumstances affecting Your Business either before or after the Damage or which would have affected Your Business had the Damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage.

Annual Turnover means the Turnover during the 12 months immediately before the date of the Damage to which such adjustments will be made as may be necessary to provide for the trend of Your Business and for variations in or other circumstances affecting Your Business either before or after the Damage or which would have affected Your Business had the Damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage.

Damage means physical loss, destruction or damage of Property Insured occurring during the Period of Cover as a result of a peril or Event insured under the Business Property cover section, the Theft cover section, the Money cover section, the Glass cover section or the General Property cover section of Your Policy.

Gross Profit means the amount by which the sum of the Turnover and the amount of the closing Stock and work in progress exceeds the sum of the opening Stock and work in progress and the amount of the Uninsured Working Expenses.

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

Gross Rentals means the amount of the rent received or receivable, including base rental, Turnover rental and contributions to outgoings, from the letting of property at the Premises.

Indemnity Period means the period beginning with the occurrence of the Damage during which the results of Your Business are affected by the Damage and ending at the expiration of the maximum period specified in the current Schedule or, in the case of Weekly Revenue, ending at the earliest of either the expiration of the maximum period specified in the Schedule or when Weekly Revenue during that period equals or exceeds ninety-five per cent (95%) of Standard Weekly Revenue.

Initial Period means the period shown in the Schedule which immediately follows the date of the Damage.

Payroll means the remuneration including but not limited to wages, salaries, payroll tax, fringe benefits tax, bonuses, holiday pay, sick pay, workers' compensation insurance premiums, accident compensation levies, superannuation and pension fund contributions and the like, paid to all of Your Employees.

Rate of Gross Profit means the rate of Gross Profit, expressed as a percentage, earned on the Turnover during the financial year immediately before the date of the Damage to which such adjustments will be made as may be necessary to provide for the trend of Your Business and for variations in or other circumstances affecting Your Business either before or after the Damage or which would have affected Your Business had the Damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage.

Rate of Payroll means the amount by which the gross Turnover during a period following Damage falls short of that part of the Standard Turnover that relates to that period in consequence of that Damage, after adjustment.

Remaining Period means the period, shown in the Schedule which immediately follows the Initial Period.

Revenue means the amount paid or payable to You as a:

- a) wholesaler or retailer of goods – for goods sold and delivered in the course of Your Business less the cost of any related purchases, after any discounts

- b) professional practitioner or consumer services provider – for services rendered and work performed in connection with Your Business
- c) property owner – by tenants being rent receivable.

- c) professional practitioner or consumer services provider – for services rendered and work performed in connection with Your Business
- d) property owner – by tenants, being rent receivable.

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

Standard Rent Receivable means the rent receivable during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period to which such adjustments will be made as may be necessary to provide for the trend of Your Business and for variations in or other circumstances affecting Your Business either before or after the Damage or which would have affected Your Business had the Damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage.

Standard Revenue means the Revenue earned within that period during the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period to which such adjustments will be made as may be necessary to provide for the trend of Your Business and for variations in or other circumstances affecting Your Business either before or after the Damage or which would have affected Your Business had the Damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage.

Standard Turnover means the Turnover during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period to which such adjustments will be made as may be necessary to provide for the trend of Your Business and for variations in or other circumstances affecting Your Business either before or after the Damage or which would have affected Your Business had the Damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage.

Standard Weekly Revenue means the average of the Weekly Revenue in that period during the 52 weeks immediately before the date of the Damage which corresponds with the Indemnity Period, adjusted as may be necessary for trends, variations in or other circumstances affecting Your Business, so that the adjusted figure will represent as far as possible the weekly results which, but for the Damage, would have been obtained during the relative period after the Damage.

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

Uninsured Working Expenses means the working expenses of Your Business which You have elected not to insure under this section, and which are specified in the current Schedule.

Weekly Revenue means the amount paid or payable to You each week as a:

- a) wholesaler or retailer of goods – for goods sold and delivered in the course of Your Business less the cost of any related purchases after any discounts
- b) motel operator – in respect of facilities, accommodation, food and drink made available and services rendered in connection with Your Business, less the cost of any related purchases, after any discounts, laundering and cleaning expenses

Claims procedure

Please refer to the terms and conditions section of this Policy for details of Your obligations in the event of a claim.

Section 3A

Theft

About this cover section

This cover section covers the loss of Your Contents and Stock from theft, attempted theft, armed hold up or an actual or threatened assault.

Your insurance under this cover section

Provided 'Theft' is shown under 'What's covered' in the Schedule, We will cover You for loss of or damage to Your Contents and Stock occurring during the Period of Cover at Your Premises caused by one or more of the following:

- a) any person who forcibly and violently enters or attempts to enter the Premises
- b) any person unlawfully concealed on the Premises
- c) any person who threatens or commits physical violence to You, Your Employees or other persons
- d) armed hold-up at the Premises, or
- e) any person who breaks into any locked cabinet and/or counter and/or showcase which is located on the Premises.

What We pay

At our option We will:

- a) with respect to Stock:
 - i. pay You the market value of the Stock at the time of the loss or damage
 - ii. pay You the value of Obsolete Stock or its purchase price, whichever is the lesser, but no more than the original cost to You
 - iii. replace or repair the Stock with property or materials equal to or of similar standard and specification as the Stock before it was damaged, or
 - iv. pay the cost of repair or replacement of the Stock.
- b) with respect to Electronic Equipment or Contents:
 - i. repair or replace the Electronic Equipment or Contents, or
 - ii. pay the cost of repair or replacement of the Electronic Equipment or Contents.
- c) with respect to Specified Items pay the Sum Insured for a Specified Item.

For each specific Category, We will not pay more than the Sum Insured shown on the current Schedule for this cover section, except with respect to any amount covered by the Extra covers and Additional benefits which may be payable in addition to the Sum Insured.

Extra covers

Subject to the exclusions and conditions in this cover section, if We agree to pay a claim under this cover section for loss or damage to Your Contents and Stock caused by theft, We will also pay or provide the Extra covers set out below.

1. Damage to Business Premises

We will cover You for the cost to repair damage to Your Buildings at the Premises caused by theft or attempted theft. The maximum amount We will pay for this Extra cover is \$20,000. This Limit is in addition to the Sum Insured.

2. Damage to rented premises

We will cover You for the cost to repair damage to the Premises that You occupy as a tenant if You are legally liable to pay in accordance with the terms of Your lease, provided such damage occurs as a result of theft or attempted theft of Your Contents and Stock occurring during the Period of Cover. The Limit of Our liability under this Extra cover is \$20,000 or the amount shown in the Schedule. This Limit is in addition to the Sum Insured.

3. Removal of debris

We will pay You the cost of removal of debris and of cleaning up any damage resulting from theft or attempted theft of Property Insured occurring during the Period of Cover.

Provided that any cover under this Extra cover will not be in addition to any similar cover that may be given under the Money cover section.

We will not pay more than \$5,000 any one Event for this Extra cover which is in addition to the Sum Insured.

4. Removal of debris following forensic investigation

We will pay You the cost of removal of debris and of cleaning up any damage resulting from forensic investigation by police following theft or attempted theft of Property Insured occurring during the Period of Cover.

Provided that any cover under this Extra cover will not be in addition to any similar cover that may be given under the Money cover section.

We will not pay more than \$2,000 any one Event for this Extra cover which is in addition to the Sum Insured.

5. Seasonal increase of cover

All theft cover Sums Insured are increased by fifty per cent (50%) for the Seasonal Increase Period.

6. Temporary protection and security guards

We will pay the reasonable costs of necessary temporary protection and repairs and the employment of guards/watchmen by You to protect Property Insured following an Occurrence covered by this cover section. The maximum amount We will pay for each Occurrence is \$10,000.

If an Occurrence results in a claim being paid under this Extra cover and another cover section of the Policy, the highest single Limit under the relevant cover section applies. This Extra cover and comparable cover under any other cover section of the Policy shall not be cumulative with only a single Limit payable.

7. Metered Water Charges

We will pay the additional costs levied on You by a water company or authority for metered water usage arising from the theft of Contents or Stock or water at the Premises during the Period of Insurance.

The basis on which the amount payable for this Extra cover is to be calculated will be the amount of the water suppliers' charges for the period during which damage occurs less the charge paid by You for the corresponding period in the preceding year, adjusted for changes in the suppliers' charges and for variations affecting consumption by You during the intervening period.

Our payment for this Extra cover is limited to \$10,000 in total any one Event and if You are also insured under the Business Property cover section of the Policy, the amount payable under this Extra cover is not in addition to any amount payable under that cover section.

Additional benefits

Subject to the exclusions and conditions in this cover section, We will also provide the following Additional benefits in this cover section.

Unless stated to the contrary, any amounts payable under these Additional benefits are included in the Sum Insured specified in the Schedule.

1. Directors and Employees tools of trade and personal effects

We will pay for loss of or damage to directors' and Employees' tools of trade and personal effects caused by theft as if they were Contents at the Premises.

We will not pay more than \$10,000 in total for any one claim in addition to the Sum Insured.

2. Employee dishonesty

We will cover You for loss to Stock, Contents or Electronic Equipment as a direct result of dishonesty by any of Your Employees occurring during the Period of Cover, which is discovered within 45 days of its occurrence.

This Additional benefit does not cover:

- a) any loss arising from the conduct of an Employee after You have knowledge of or information about any prior act of fraud or dishonesty by the Employee
- b) any loss arising from the conduct of an Employee outside the Commonwealth of Australia
- c) any loss where You are unable to identify which Employee is responsible

- d) any loss or part of a loss arising from the conduct of an Employee, where the proof of the loss, either as to its occurrence or as to its amount, is dependent upon an inventory stock take or a profit and loss calculation
- e) fraud or dishonesty committed by Your Family, or
- f) fraud or dishonesty committed by any of Your Employees committed with Your connivance.

We will not cover You for more than \$5,000 for any one Occurrence in addition to the Sum Insured.

3. Death by assault

If any person is injured while protecting or attempting to protect the Property Insured from theft during the Period of Insurance and death results from that injury within 12 months of the injury, We will pay \$10,000 to the estate of that person. This applies in addition to the Sum Insured. If You are also insured under the Money cover section, the benefits payable for death by assault under both of these Policy sections shall not be cumulative and shall be limited to \$10,000 in the aggregate for any one claim.

4. Illegal use of corporate financial transaction card

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

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 Your Employee or by any member of Your Family
- b) more than \$10,000 in total for any one Event.

5. Illegal electronic funds transfer

If the Policy covers Contents, following entry into the Premises arising from one of the events listed under the heading 'Your insurance under this cover section', We will pay any financial loss sustained by You during the Period of Insurance arising from the electronic transfer of funds from Your bank account to a bank account not controlled by You. We will not pay:

- a) for any financial loss arising from the misuse or illegal use of corporate credit cards or financial transaction cards by any of Your Employees or any other person acting in collusion with any of Your Employees or by any member of Your Family
- b) for any transfer of money via electronic funds transfer which was enabled by:
 - i. a key
 - ii. use of details of a combination, code or password,that are left in the Building outside Business Hours, or
- c) more than \$5,000 in total for any one Event.

6. Replacement of locks, keys and combinations

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

- a) replacing locks, keys, magnetic keys, cards or similar devices and combinations used in Your Business if:
 - i. keys, magnetic keys, cards or similar devices are stolen or accidentally lost
 - ii. the sequence of numbers or letters are accidentally lost or become known to any unauthorised person
 - iii. circumstances have allowed the unauthorised duplication of keys, magnetic keys or similar devices
- b) opening Safes or Strongrooms because of the theft of or loss of keys or combinations during a theft
- c) replacing and developing security film exposed because of theft or attempted theft
- d) restoring the security system to its former functionality following a theft or attempted theft that is covered by this cover section.

We will not pay more than \$10,000 any one claim in addition to the Sum Insured.

If You are also insured under the Money cover section, the benefit payable for 'Replacement of locks, keys and combinations' under both these cover sections shall not be cumulative and shall be limited to \$10,000 in the aggregate for any one claim under the Policy.

7. Rewriting of records

We will pay for the cost of additional clerical and professional costs incurred by You to rewrite Your necessary business records if they are lost, destroyed or damaged, whilst located at Your Premises or offsite anywhere in the Commonwealth of Australia, by an Occurrence which You are covered for in this cover section. We will not pay more than \$25,000 any one Period of Cover in addition to the Sum Insured.

8. Temporary cover for new premises

We will cover You for loss of Stock or Contents at any new premises which You first occupy during the Period of Cover provided that:

- a) this cover is limited to a period of 90 consecutive days from the day that You first use the new premises
- b) this 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 cover is only available to Contents or Stock 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:
 - i. fifty per cent (50%) of the Sum Insured for that Category, or
 - ii. more than one Premises is shown in the Schedule then this fifty per cent (50%) limitation will apply to the lowest Sum Insured that applies to the specific Category of property

- e) 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, and
- f) you provide Us with full details of the new premises within 90 days of You first using the new premises.

If We agree to cover Stock or Contents at the new premises beyond the 90 day consecutive period, You must pay any additional Premium that We require.

9. Temporary removal

We will cover Your Contents and Stock while temporarily removed to any other Premises within the Commonwealth of Australia. Provided that:

- a) We will not cover Cigarettes, Cigars and Tobacco or alcoholic beverages
- b) We will not cover Stock that is on consignment to other parties unless it is owned by You or is property for which You are responsible
- c) the maximum amount We will pay for this Additional benefit will be twenty per cent (20%) of the Sum Insured, and
- d) this Additional benefit will not apply to any Contents or Stock, which has been removed for a period greater than 90 days without Our prior written consent.

10. Theft of external property

We will cover You for loss or damage as a result of theft or any attempt at theft occurring during the Period of Cover to Electronic Equipment or Contents that are securely and permanently affixed by means other than the connection to a power point, to the outside of the Building. We will not provide cover for more than:

- a) \$25,000, or
 - b) the Contents Sum Insured,
- whichever is the lesser.

11. Theft without forcible and violent entry into or from Your Building

We will cover You for loss or damage to Property Insured occurring during the Period of Cover as a result of a theft without forcible and violent entry to or exit from the Building. The amount We will pay is limited to \$20,000 or the amount shown in the current Schedule, whichever is the higher, for any one Occurrence, by theft or attempted theft of Contents provided that We will not cover:

- a) theft or attempted theft from any open-sided structure such as, but not limited to verandas or yards or other open spaces even if they are partially or fully enclosed or from the open air; or
- b) theft involving shoplifting.

12. Theft of Contents and Stock in the open air

We will cover You for loss of or damage to Contents and Stock at the Premises occurring during the Period of Cover resulting from theft or attempted theft in the open air but within the boundaries of the Premises.

We will not cover You for the theft of Contents and Stock in the open air unless the Premises after Business Hours are fully enclosed by a locked wall or fence with padlocks or by an electronic security locking system.

Provided that We will not pay more than \$5,000 any one Event. This amount is included in the Sum Insured.

13. Disposal of damaged property

We will pay, in addition to the Sum Insured, the costs reasonably and necessarily incurred by You to dispose of Contents and Stock damaged by theft or attempted theft which has no salvage value.

Provided the maximum We will pay is limited to \$5,000 in total any one Event.

Optional extension

We will provide the following Optional extension to cover under this cover section when requested by You, when You pay any additional Premium required and when shown on Your Schedule as included.

Any amount payable under this Optional extension is in addition to the Sum Insured.

Theft of Property Insured in the open air

We will cover You for theft without forcible and violent entry of Property Insured in the open air but within the boundaries of the Premises or contained in an unlocked Building, up to the amount shown in the current Schedule.

We will not cover You for the theft of property in the open air unless the Premises after Business Hours are fully enclosed by a locked wall or fence with padlocks or by an electronic security locking system.

Cover section exclusions

1. We will not pay under this cover section for loss of or damage to:
 - a) Money and negotiable instruments in excess of \$500
 - b) jewellery, furs, bullion, property made of gold or silver or precious stones exceeding \$10,000 any one loss and \$2,000 any one item unless they are Stock
 - c) Vehicles unless they are Stock or fork lift trucks and similar appliances that are used for hauling or conveying goods at the Premises
 - d) Glass unless it is Stock
 - e) property not contained in a locked Building, unless insured under Additional benefit 'Theft of Property Insured in the open air' or Optional extension 'Theft of Property Insured in the open air'.
2. We will not pay under this cover section for loss of or damage to Property Insured caused by any person who does not steal or intend to steal property.

3. We will not pay under this cover section for loss of or damage to Contents and Stock caused by or in any way contributed to by dishonest acts by You, Your directors, partners, Employees or any members of Your Family, other than by an Employee following forcible and violent entry.
4. We will not pay under this cover section for unexplained disappearances or unexplained shortages, whether resulting from clerical or accounting errors or shortages in supply or delivery of materials to or by You.
5. We will not pay for any legal liability You incur.

Cover section conditions

This condition applies to this cover section.

1. Valuables

You must ensure that all Stock that is precious stones, gold and silver articles, jewellery, watches trinkets, stamps, coins and personal ornaments, which are individually of the value of \$500 or more are contained in a securely locked Safe or Strongroom during any period outside Your usual Business Hours.

Definitions applicable to Section 3A

The following words have the following meanings for this cover section only. Where they appear in this cover section, they are shown with a capital letter. The singular shall include the plural and vice versa.

Category means the following categories into which property can be designated:

1. all Contents including Stock
2. all Contents excluding Stock
3. Stock excluding Cigarettes, Cigars and Tobacco
4. Cigarettes, Cigars and Tobacco
5. alcohol
6. Specified Items listed in the Schedule.

Cigarettes, Cigars and Tobacco means cigarettes, cigars and tobacco stocked by You in the Business.

Electronic Equipment means any electronic equipment including, but not limited to mobile phones, laptops, palm pilots, computers, scanners, printers, word processors, electronic processing systems, photocopiers, facsimile machines, electronic cash registers, electronic scales and electronic testing or analysing equipment used by you in the business.

Electronic Equipment does not include electronic equipment that is Stock.

Claims procedure

Please refer to the terms and conditions section of this Policy for details of Your obligations in the event of a claim.

Section 3B

Money

About this cover section

This cover section covers the loss of or damage to Your Money from a wide variety of causes such as theft, armed hold up or fire, In Transit or at Your Premises.

Your insurance under this policy section

Provided 'Money' is shown under 'What's covered' in the Schedule, We will cover You for loss of or damage to the following categories of Money which occurs during the Period of Cover and shown as insured on the current Schedule:

1. Money In Transit
2. Money in the Building during Business Hours
3. Money in the Building outside Business Hours
4. Money in the Building any time while in a locked Safe or Strongroom or ATM
5. Money in custody
6. Money In Private Residence.

What We pay

We will pay You the amount of any Money that is lost or damaged up to the amount specified in the Schedule.

If You have selected one Sum Insured, cover is provided in all of the circumstances 1. to 6. described above, as if all of the categories were shown in the Schedule. The maximum amount We will pay is the Sum Insured shown on the Schedule.

If you have selected a different Sum Insured for each of the categories 1. to 6. listed above, the maximum amount We will pay, in respect of:

- a) Money In Transit at the time of the loss or damage is the Money In Transit Sum Insured shown on the Schedule
- b) Money in the Building during Business Hours at the time of the loss or damage is the Money in the Building during Business Hours Sum Insured shown on the Schedule
- c) Money in the Building outside Business Hours at the time of the loss or damage is the Money in the Building outside Business Hours Sum Insured shown on the Schedule
- d) Money in the Building any time while in a locked Safe or Strongroom or ATM at the time of the loss or damage is the Money in the Building any time while in a locked Safe or Strongroom or ATM Sum Insured shown on the Schedule
- e) Money in custody at the time of the loss or damage is the Money in custody Sum Insured shown on the Schedule, or
- f) Money In Private Residence at the time of the loss or damage is the Money In Private Residence Sum Insured shown on the Schedule

If We agree to pay a claim for loss of or damage to Money, other than certificates of stock, bonds, coupons, and all other types of securities or travellers cheques, We will only pay the actual amount of Money lost or damaged.

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

- a) if the securities can with Our approval be replaced, the cost of replacement paid or payable by You, or
- b) if the securities cannot or are not to be replaced by You, the greater of:
 - i. price for which You purchased them, or
 - ii. the closing market value on the last business day prior to the date of discovery by You of the loss or destruction of the securities, or
 - iii. if the time of discovery by You is after the close of the market, their closing market value on the day of discovery by You of the loss or destruction of the securities,
- c) in the case of a loss of subscription, conversion or redemption privileges through the loss of any security, the value of such privileges immediately preceding the expiration thereof, such valuation being in the currency in which the loss was sustained.

Losses sustained in currencies other than Australian dollars shall be settled by converting the amount of loss to Australian dollars at the market rate at the time of settlement of the loss or such other rates as may have been expressly agreed with Us. If there is no market price or value on the relevant day stated herein, then the value shall be agreed between You and Us.

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

If a Safe or Strongroom or ATM is lost or damaged, We will, at Our option:

- a) repair the Safe or Strongroom or ATM
- b) replace the Safe or Strongroom with an item of a specification equal to but not better or more extensive than it was when new
- c) if the loss or damage is confined to part of the Safe or Strongroom or ATM, repair or pay to You the cost of repair of that part plus the cost of any necessary dismantling and reassembling, or
- d) pay you the cost of repairing or replacing the Safe or Strongroom or ATM.

We will not pay costs of alterations, improvements or overhauls carried out when the lost or damaged Safe or Strongroom or ATM is replaced or repaired.

Excess

The Excess that applies is shown on the Schedule.

Extra covers

If We agree to pay a claim under this cover section for loss or damage to Money, We will also pay or provide the Extra covers set out below.

Unless stated otherwise below, any amounts payable under these Extra covers apply in addition to the Sum Insured.

1. Seasonal increase of cover

All Money cover Sums insured are increased by fifty per cent (50%) for the Seasonal Increase Period.

2. Temporary protection and security guards

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

3. Removal of debris

We will pay the cost of removal of debris and of cleaning up any damage resulting from a forensic investigation by police following theft or attempted theft of Money covered by this cover section.

We will not pay more than \$2,000 any one Event.

Provided that any cover given under this Extra cover shall not be in addition to any similar cover that may be paid under the Theft cover section.

4. Removal of debris following forensic investigation

We will pay the cost of removal of debris and of cleaning up any damage resulting from a forensic investigation by police following theft or attempted theft of Money covered by this cover section.

We will not pay more than \$2,000 any one Event.

Provided that any cover given under this Extra cover shall not be in addition to any similar cover that may be paid under the Theft cover section.

Additional benefits

We will also provide the following Additional benefits in this cover section.

Unless stated otherwise below, any amounts payable under these Additional benefits apply in addition to the Sum Insured.

1. Bank and public holidays extension

The Sums Insured for Money cover are automatically increased by one hundred per cent (100%) or \$75,000 whichever is the lesser on days that are gazetted bank or public holidays. This increase shall apply up until bank closing time on the next business day after such holiday. This additional benefit does not apply to damage to Safes or Strongrooms or ATM or to Sums Insured already increased during any Seasonal Increase Period.

2. Directors and Employees tools of trade and personal effects

If clothing or personal effects are lost or damaged during a theft or attempted theft of Money during the Period of Cover, We will pay the cost of repairing or replacing these items.

Cover is limited to \$5,000 any one person and \$10,000 in total in respect of any one Occurrence. This additional benefit provides cover to You.

3. Counterfeit currency

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

4. Employee dishonesty

We will cover You for loss of Money as a direct result of theft or dishonesty by any of Your Employees occurring during the Period of Cover, which is discovered within 45 days of its occurrence. Our liability under this Additional benefit is limited to \$5,000 for any one Occurrence. If You are also insured under the Theft cover section of this Policy, the benefits payable for Employee dishonesty under this cover section and the Theft cover section shall not be cumulative and shall be limited to \$5,000 in the aggregate per Occurrence.

This Additional benefit does not cover:

- a) any loss arising from the conduct of an Employee after You have knowledge of or information about any prior act of fraud or dishonesty by the Employee
- b) any loss arising from the conduct of an Employee outside the Commonwealth of Australia
- c) any loss where You are unable to identify which Employee is responsible
- d) any loss or part of a loss arising from the conduct of an Employee, where the proof of the loss, either as to its occurrence or as to its amount, is dependent upon an inventory stock take or a profit and loss calculation
- e) fraud or dishonesty committed by Your Family, or
- f) fraud or dishonesty committed by any of Your Employees committed with Your connivance.

Item 1.c) of the 'Cover section exclusions' 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.

5. Death by assault

If any person is injured while protecting or attempting to protect Money from theft or attempted theft during the Period of Cover and death results from that injury within 12 months of that injury, We will pay the estate of that person \$10,000. This amount is in addition to any amount We pay for loss of Money. If You are also insured under the Theft cover section, the benefits payable for death by assault under this cover section and Theft cover section shall not be cumulative and shall be limited to \$10,000 in the aggregate any one claim.

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

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

- a) the cost of opening the Safe or Strongroom or ATM and to repair or replace any loss or damage to the Safe or Strongroom or ATM that was caused by the theft or attempt
- b) if Money is stolen or if there is an attempt at stealing Your Money, We will pay for loss of or damage to Your cash carrying bag that was caused by the theft or attempt.

A Limit of \$10,000 any one Occurrence applies to this Additional benefit.

7. Replacement of locks, keys and combinations

We will pay the reasonable cost of replacing locks, keys, magnetic keys or cards or similar devices or to change the sequence of numbers or letters used in a Safe or Strongroom or ATM if during the Period of Cover:

- a) as a result of theft of Money covered under this cover section, keys or combinations are stolen, or if there are reasonable grounds to believe that keys have been duplicated
- b) keys, magnetic keys or cards or similar devices are accidentally lost
- c) the sequence of number or letter become known by any unauthorised person or are accidentally lost
- d) circumstances have allowed the unauthorised duplication of keys, magnetic keys or cards or similar devices.

We will also pay the reasonable cost of:

- a) opening the Safe or Strongroom or ATM because of the theft of keys or combinations during a theft of Money covered under this cover section
- b) developing images stored on media from security camera following a theft or attempted theft of Money.

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

If You are also insured under the Theft cover section, the benefit payable for Replacement of locks, keys and combinations under this cover section and the Theft cover section shall not be cumulative and shall be limited to \$10,000 in the aggregate any one Occurrence.

8. Temporary cover for new premises

Cover is extended to include Money at, or In Transit to or from any new premises occupied by You after the commencement of the Period of Cover, within Australia, for 90 days from first being used by You (unless the Period of Cover or Your occupancy of such premises ends sooner, whichever shall first occur), but the cover is limited to:

- a) the Business described in the Schedule, and
- b) the Money insured described in the Schedule.

Our maximum liability under this Additional benefit is limited to fifty per cent (50%) of the Sum Insured shown in the Schedule in relation to each item of Money covered under this cover section. Full details of the new premises are to be supplied to Us within 60 days of Your commencement to use the Premises. If We agree to cover Money at the new premises, We may require payment of an additional Premium.

9. Traveller's money

We will pay for loss of Money in your custody, or in the custody of Your Employee, while travelling on Your Business anywhere in the world during the Period of Insurance, provided that the total amount payable under this Additional benefit is limited to \$10,000 in total for any one Event.

10. Illegal financial transaction or use of credit cards

Subject to a limit of \$5,000 in total any one loss or Event, cover is included for financial loss arising from an illegal financial transaction or illegal use of credit cards by any unauthorised person during the Period of Insurance if such loss is not covered by the Financial Service Provider or issuer of the credit card. We do not cover any financial loss arising from an illegal financial transaction or the misuse or illegal use of credit cards by Your Employees or any other person acting in collusion with any of Your Employees.

If You are also insured for a loss under the Theft cover section, the benefit payable under this Additional benefit is not cumulative and shall be limited to a maximum of \$5,000 any one claim payable under the Policy. Where a claim is payable only under this cover section, any payment for this Additional benefit is in addition to the Sum Insured nominated for this cover section.

11. Illegal use of corporate financial transaction card

If the Policy covers Contents including Stock and any corporate credit and/or debit card used by the Business is lost or stolen during the Period of Cover, We will pay for any financial loss sustained by You arising from the illegal use of the card by an unauthorised person to the extent that such loss is not recoverable from the Financial Service Provider or the issuer of such card.

Provided that We will not pay:

- a) for 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 Your Employee or by any member of Your Family, or
- b) more than \$5,000 in total for any one loss or Event.

Provided further, that any cover given under this Additional benefit shall not be in addition to any similar cover that may be paid under this cover section or under the Theft cover section.

Cover section exclusions

1. We will not pay for loss or damage under this cover section caused by:
 - a) clerical or accounting errors
 - b) errors in receiving or paying out Money, or
 - c) dishonest acts of Your directors, partners, Employees or any member of Your Family other than theft by an Employee following visible forcible and violent entry.
2. We will not pay for loss of or damage under this cover section to:
 - a) Money which was not discovered missing within 10 working days of the loss or damage occurring
 - b) Money whilst contained in an unlocked and unattended Vehicle

- c) Money from a Safe or Strongroom or ATM opened by a key or by use of a combination which has been left on the Premises outside Business Hours, but this exclusion does not apply if cover is shown in the Schedule for Money in the Building outside Business Hours in which case cover will be provided up to the amount shown the Schedule for this category of Money, or
- d) Money, except as provided under Additional benefit 'Traveller's money', whilst it is outside the Commonwealth of Australia.

Definitions to Section 3B

Some words have special meaning wherever they appear in this cover section. Where they appear in this cover section, they are shown with a capital letter. The singular shall include the plural and vice versa.

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

In Private Residence means in Your custody and control at Your private residence or in the custody and control of persons authorised by You at their private residences until the next business day when the Money can be deposited with Your Financial Service Provider.

In Transit means Money in Your personal custody or in the custody of persons authorised by You whilst in transit within the Commonwealth of Australia. Money In transit includes Money while contained in the night safe, night depository chute or ATM of any Financial Service Provider. Our liability ceases at the time Your Financial Service Provider commences trading on the next business day following the deposit therein.

Wages and salaries collected from Your Financial Service Provider but not paid to Employees is In Transit until it is physically in the control of Employees.

Money, for the purposes of this cover section only, has the meaning in the General definitions and also includes funds held in electronic form in a bank account.

Claims procedure

Please refer to the Claims procedure in the terms and conditions section of this Policy for details of Your obligations in the event of a claim.

Section 4 Glass

About this cover section

This cover section covers Breakage of Glass at the Premises.

Your insurance under this cover section

Provided 'Glass' is shown under 'What's covered' in the Schedule, We will insure You for Breakage of Glass which You own or for which You are legally responsible, occurring during the Period of Cover at the Premises.

What We pay

We will at Our option either pay the cost to repair or replace broken Glass with Glass of similar or higher quality to comply with the requirements of the Standards Association of Australia, any statute or regulation including the reasonable costs of out-of-hours services by repairers, express delivery and overtime charges to repair or replace broken Glass.

Excess

The Excess that applies is shown in the Schedule.

Extra covers

If We agree to pay a claim under this cover section for loss or damage to Glass, We will also pay or provide the Extra covers set out below.

Any amounts payable under these Extra covers apply in addition to the Sum Insured shown in the Schedule.

1. Costs

We will pay for the following costs provided they are reasonably incurred by You and are directly related to Breakage of the Glass covered under this cover section:

- a) replacing sign writing, reflective materials or ornamentation affixed to the broken Glass
- b) replacing burglar tape or wiring affixed to the broken Glass
- c) replacing shatter resistant or reflective film affixed to the broken Glass
- d) temporary shuttering, boarding up or other protection reasonably necessary for the safeguarding of the Premises or contents therein, pending replacement of the broken Glass
- e) replacing damaged window frames and tiled shop fronts, but with due allowance for wear and tear.

Our liability under this Extra cover during any one Period of Cover is limited to \$10,000.

Following a claim under this Extra cover We will restore the limit to \$10,000 provided that You pay or agree to pay an additional Premium.

2. Destruction of Stock or Contents

We will pay for destruction of, or damage to Your Stock or Contents, caused by broken Glass following the Breakage of Glass where such Breakage is covered under this cover section.

Our liability under this Extra cover during any one Period of Cover is limited to the lesser of:

- a) the value at cost, of the Stock or Contents destroyed or damaged, less any amount realised from the sale or salvage, or
- b) the sum of \$10,000.

Additional benefits

We will also provide the following Additional benefits in this cover section.

1. Malicious damage

We will pay for the cost of replacement of External Glass which has suffered malicious damage during the Period of Cover. This Additional benefit is payable even where there is no Breakage of External Glass

2. Signs

We will cover You for loss of or damage to Signs at the Premises if they are damaged during the Period of Cover.

This Additional benefit is subject to a Limit of \$10,000 or any higher Limit stated in the current Schedule for 'Signs'. This Additional benefit is payable even where there is no Breakage of Glass.

Cover section exclusions

We will not pay the cost to repair or replace broken Glass:

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

Definitions

Some words have special meaning wherever they appear in this cover section. Where they appear in this cover section, they are shown with a capital letter. The singular shall include the plural and vice versa.

Breakage means:

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

External Glass means glass, or plastic material used as glass fixed in external windows, doors, showcases or skylights forming part of the Buildings.

Glass means 'Internal Glass', 'External Glass' and 'Specified Glass'.

Internal Glass means:

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

Sign means glass or plastic that forms part of a sign.

Specified Glass means glass specifically designated in the Schedule under Specified Glass.

Claims procedure

Please refer to the Claims procedure in the terms and conditions section of this Policy for details of Your obligations in the event of a claim.

Section 5

Public & Products Liability

About this cover section

This cover section only forms part of Your Policy when the Public & Products Liability cover section is shown under 'What's covered' on the Schedule.

Your insurance under this cover section

We agree, subject to the terms, claims conditions, general conditions, exclusions, definitions and Limit of Liability as shown in the Schedule of the Policy, to pay to You or on Your behalf all amounts which You shall become legally liable to pay as Compensation in respect of:

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

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

Defence costs and supplementary payments

With respect to the indemnity provided by this cover section of the Policy, We will:

1. defend, in Your name and on Your behalf, any claim or suit against You alleging Personal Injury, Damage to Property or Advertising Injury and seeking Compensation for such injury or damage even if any of the allegations of such claim or suit is groundless, false or fraudulent
2. pay all charges, expenses and legal costs incurred by Us and/or by You with Our written consent (which consent shall not be unreasonably withheld):
 - a) in the investigation, defence or settlement of such claim or suit, including loss of salaries or wages because of Your attendance at hearings or trials at Our request, or
 - b) in bringing or defending appeals in connection with such claim or suit.
3. pay:
 - a) all charges, expenses and legal costs recoverable from or awarded against You in any such claim or suit
 - b) pre-judgment interest awarded against You on that part of the judgment payable by Us, and
 - c) all interest accruing on Our portion of any judgment until We have paid, tendered or deposited in court that part of such judgment which does not exceed the Limit of Liability as stated in the Schedule.
4. pay premiums on:
 - a) bonds to release attachments for amounts not exceeding the applicable Limit of Liability of this cover section but we shall have no obligation to apply for or furnish any such bond, or

- b) appeal bonds and/or security for costs required in any suit but We shall have no obligation to apply for or furnish any such bonds and/or security for costs.
5. pay expenses incurred by You for:
 - a) rendering first aid and/or surgical or medical relief to others at the time of any Personal Injury, other than any medical expenses which We are prevented from paying by any law
 - b) temporary protection of damaged or undamaged property of any person or party, including temporary repairs, shoring up and/or unpinning thereof, or
 - c) purchasing and/or hiring and/or erection and dismantling of hoarding, barriers, fences and any other form of temporary protection, including such protection which You must provide in compliance with the requirements of any government, local government or other statutory authority.
 6. pay all legal costs incurred by You with Our consent for representation of You at:
 - a) any coronial inquest or inquiry
 - b) any proceedings in any court or tribunal in connection with liability insured under this cover section of the Policy
 - c) any Royal Commission or government inquiry arising out of any alleged breach of statutory authority, or other similar judicial inquiry into circumstances relating to any Occurrence, claim or potential claim which would be the subject of indemnity under this insurance
 - d) any inquiry, prosecution or hearing of a disciplinary nature held before a legally constituted inquiry board, committee, licensing authority or the like.

Provided that Our liability under clauses 6c) and d) shall not exceed \$250,000 in respect of any one claim or series of claims arising out of any one Occurrence.

The amount of defence costs and supplementary payments covered by this cover section, except payments in settlement of claims and suits, are payable by Us in addition to the applicable Limit of Liability under this cover section of the Policy.

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

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

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

Limits of Liability and excess

Subject to:

- a) the 'Claim preparation expenses' provision under the 'General conditions'
- b) the 'Defence costs and supplementary payments' clause above
- c) sub-paragraph 5 of Additional benefit 'Property in Your physical and legal control' below,

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

For Products Liability the Limit of Liability specified in the Schedule represents the maximum amount which We shall be liable to pay in respect of any one claim or series of claims, and in the aggregate during any one Period of Cover.

The applicable Limit of Liability will not be reduced by the amount of any Excess payable by You.

Additional benefit

We will also provide the following Additional benefit in this cover section.

Unless stated otherwise below, any amounts payable under this Additional benefit is included in the Limit of Liability for this cover section.

Property in Your physical and legal control

Exclusion 17 in the 'Cover section exclusions' will not apply to the following property:

1. Premises or part(s) of Premises (including their contents) leased or rented to, or temporarily occupied by You for the purpose of Your Business, but no cover is provided by this cover section of the Policy if You have assumed the responsibility to insure such Premises
2.
 - a) premises (and/or their contents) temporarily occupied by You for the purpose of carrying out work in connection with Your Business, or
 - b) any other property temporarily in Your possession for the purpose of being worked upon, but no indemnity is granted for damage to that part of any property upon which You are or have been working if the damage arises solely out of such work
3. any Vehicle (including its contents, spare parts and accessories while they are in or on such Vehicle) not belonging to or used by You, whilst any such Vehicle is in a car park owned or operated by You provided that You do not operate the car park for reward, as a principal part of Your Business
4. the personal property, tools and effects of any of Your directors, partners, proprietors, officers, executives or Employees, or the clothing and personal effects of any of Your visitors
5. any property (except property that You own) not mentioned in clauses 1–4 of this Additional benefit whilst in Your physical or legal care, custody or control where You have accepted or assumed legal liability for such property.

Provided that our liability under this Additional benefit shall not exceed \$250,000 or the amount stated in the Schedule, in respect of any one claim or series of claims arising out of any one Occurrence.

Optional extension

The following Optional extension does not apply automatically to this cover section.

It will apply when You have requested its inclusion in this cover section, You have paid any additional Premium We require and the current Schedule has been endorsed by Us noting its inclusion.

Products exported to North America with Your knowledge

The definition of 'Geographical Limit' is amended to mean:

- a) anywhere in the world except North America
- b) North America but only with respect to:
 - i. overseas business visits by any of Your directors, partners, officers, executives or Employees, who are non-resident in North America but not where they perform manual work in North America, and
 - ii. Products exported to North America with Your knowledge.

Cover section exclusions

We do not cover any liability:

1. Advertising Injury

for Advertising Injury:

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

2. Aircraft, hovercraft

for Personal Injury and/or Damage to Property arising from:

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

3. Aircraft products

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

4. Asbestos

for Personal Injury, Damage to Property (including loss of use of property) or Advertising Injury directly or indirectly caused by, arising from or in any way connected to asbestos.

5. Breach of professional duty

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

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

6. Contractual liability

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

- a) effect insurance over property, either real or personal, or
- b) assume liability for Personal Injury and/or Damage to Property and/or Advertising Injury regardless of fault,

provided that this exclusion shall not apply to:

- i. liabilities which would have been implied by law in the absence of such contract or agreement, or
- ii. liabilities assumed under Incidental Contracts, or
- iii. terms regarding merchantability, quality, fitness or care of Your Product which are implied by law or statute, or
- iv. liabilities assumed under the contracts specifically designated in the Schedule or in any Endorsement to this Policy.

7. Damage to products

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

8. Defamation

for libel and slander:

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

9. Electronic Data

arising out of:

- a) the communication, display, distribution or publication of Electronic Data provided that this exclusion does not apply to Personal Injury and/or Advertising Injury arising therefrom
- b) the total or partial destruction, distortion, erasure, corruption, alteration, misrepresentation or misappropriation of Electronic Data

- c) error in creating, amending, entering, deleting or using Electronic Data

- d) the total or partial inability 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.

10. Employers liability

for Bodily Injury to any Worker:

- a) in respect of which You are or would be entitled to indemnity under any policy of insurance, fund, scheme or self-insurance arrangement pursuant to or required by any legislation relating to workers compensation or accident compensation whether or not such policy, fund, scheme or self-insurance has been effected.

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

- b) Imposed by:

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

For the purpose of this exclusion:

- a) the term 'Worker' means any person deemed to be employed by You pursuant to any workers compensation law including any voluntary workers, secondees and work experience students (if any) who are deemed not to be Your Employees
- b) the term 'Bodily Injury' means bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and/or mental injury, including loss of consortium or services resulting therefrom.

11. Faulty workmanship

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

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

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

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

- a) for Personal Injury and/or Damage to Property and/or Advertising Injury arising directly or indirectly out of, or in any way involving Your internet operations, or
- b) for Damage to Property to computer data or programs and their storage media arising directly or indirectly out of or caused by, through or in connection with:
 - i. the use of any computer hardware or software
 - ii. the provision of computer or telecommunication services by You or on Your behalf, or

- iii. the use of computer hardware or software belonging to any third party, whether authorised or unauthorised including damage caused by any computer virus.

But this exclusion does not apply to:

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

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

14. Liquidated damages

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

15. Loss of use

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

- a) a delay in or lack of performance by You or on Your behalf of any contract or agreement, or
- b) failure of any Products or work performed by You or on Your behalf to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by You; but this exclusion 15.b) shall not apply to Your liability for loss of use of other tangible property resulting from sudden and accidental physical loss, destruction of or damage to any Products or work performed by You or on Your behalf after such Products or work have been put to use by any person or organisation other than You.

16. Pollutants

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

Provided that, with respect to any such liability which may be incurred anywhere other than North America, Exclusions 16.a) and 16.b) shall not apply where such discharge, dispersal, release or escape is caused by a sudden, identifiable, unintended and unexpected event from Your standpoint which takes place in its entirety at a specific time and place.

17. Property in your physical or legal control

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

18. Product guarantee

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

19. Product recall

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

20. Vehicles

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

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

but exclusions a) and b) shall not apply in relation to:

- a) Personal Injury where:
 - i. that compulsory liability insurance or statutory indemnity does not provide indemnity, and
 - ii. the reason or reasons why that compulsory liability or statutory indemnity does not provide indemnity do not involve a breach by You of legislation relating to Vehicles
- b) any Vehicle (including any tool or plant forming part of or attached to or used in connection with such Vehicle) whilst being operated or used by You or on Your behalf as a Tool of Trade at Your premises or on any Work Site
- c) the delivery or collection of goods to or from any Vehicle
- d) the loading or unloading of any Vehicle
- e) any Vehicle temporarily in Your custody or control for the purpose of parking
- f) caused by or arising out of the movement of any Vehicle (which is required to be conditionally registered in accordance with the law of any State or Territory in Australia) in the event of Your inadvertent and unintentional failure to effect conditional registration.
- g) Property Damage arising out of the movement or removal by You or by any Employee of Yours of any Vehicle or trailer not belonging to You which is interfering with access to or from Your Premises or any site where You are carrying out work.

21. Watercraft

for Personal Injury and/or Damage to Property arising from the ownership, maintenance, operation or use by You of any Watercraft exceeding 10 metres in length.

Provided this exclusion shall not apply to claims arising out of:

- a) Watercraft used in operations carried out by any independent contractors for whose conduct You may be held liable, or

- b) Watercraft operated and owned by independent contractors and used by You for business entertainment.

In particular, but without limiting the foregoing, this insurance shall indemnify each of the parties described in sub-clauses a) and b) of this clause in respect of claims made by any other of such parties.

Provided always that:

1. each of such parties shall be separately subject to the terms, claims conditions, general conditions, exclusions and definitions of this Policy in the same manner and to a like extent as though separate policies had been issued, and
2. in no case shall the amount payable by Us in respect of any one claim or series of claims arising out of any one Occurrence or in the aggregate, as the case may be, exceed the applicable Limit of Liability as shown in the Schedule.

Cover section conditions

1. Notification of occurrence, claim or suit

You shall give:

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

2. Our rights regarding claims

- a) We may take over and conduct the defence or settlement of any claim or issue legal proceedings for damages. If We do this We will do it in your name. We have full discretion in the conduct of any legal proceedings and in the settlement of any claim. You must co-operate by giving Us any statements, documents or assistance We require. This may include giving evidence in any legal proceedings.
- b) We may at any time pay to You, in respect of all claims against You arising directly or indirectly from an Occurrence:
 - i. the amount of the Limit of Liability or such other amount specified in respect thereof (after deduction of any sum(s) already paid by Us, which sum(s) would reduce the amount of Our unfulfilled liability in respect thereof), or
 - ii. any lesser sum for which the claim(s) can be settled.
- c) Upon making such payment, We shall relinquish conduct and control of, and be under no further liability under this Policy in connection with such claim(s) except for defence costs and supplementary payments:
 - i. recoverable from You in respect of the period prior to the date of such payment (whether or not pursuant to an order made subsequently); or
 - ii. incurred by Us, or by You with Our written consent, prior to the date of such payment.

3. Cross liabilities

This insurance extends to indemnify:

- a) each of the parties comprising the Named Insured, and
 - b) each of the Insureds hereunder,
- separately in the same manner and to a like extent as though policies had been issued in their separate names.

4. Inspection and audit

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

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

5. Release

Where You are required by contractual agreement to release any government or local or other statutory authority or any landlord from liability for loss, destruction or damage or legal liability insured under this cover section of the Policy, such release is allowed without prejudice to this insurance.

Notwithstanding General condition 'Waiver of subrogation rights' in the terms and conditions section of this Policy, We agree to waive all Our rights of subrogation against any such authority or landlord in the event of any Occurrence for which a claim for indemnity may be made under this cover section of the Policy.

6. Subrogation and allocation of the proceeds of recoveries

Subject to condition 7 'Subrogation Waiver' and General condition 'Waiver of subrogation rights' in the terms and conditions section of the Policy, any corporation, organisation or person claiming under this cover section shall, at our request and at Our expense, do and concur in doing and permit to be done all such acts and things that may be necessary or may reasonably be required by Us for the purpose of enforcing any rights and remedies, or for obtaining relief or indemnity from any other organisation(s) or person(s), to which We shall be or would become entitled upon Us paying for or indemnifying You in respect of legal liability under this cover section of the Policy.

Should You incur any legal liability which is not covered by this cover section of the Policy:

- a) due to the application of an Excess, and/or
- b) where the amounts of any judgments or settlements exceed the applicable Limit of Liability,

You will be entitled to the first call on the proceeds of all recoveries made, by either You or Us, on account of such legal liability until fully reimbursed for such uninsured amount or amounts (less the actual costs of making such recoveries where those costs are incurred by Us) and any remaining amount(s) will be applied to reimburse Us.

7. Subrogation waiver

Notwithstanding condition 6, We hereby agree to waive all Our rights of subrogation under this Policy against:

- a) each of the parties described as an Insured
- b) any corporation, organisation or person which or who owns or controls the majority of the capital stock of any corporation or organisation to which or to whom protection is afforded under this cover section of the Policy.

Where any corporation, organisation or person covered by this cover section is insured against such liability by any other policy of indemnity or insurance, to the extent permitted by law Our right of subrogation is not waived to the extent of the cover afforded by and up to the amount of such cover insured under that other policy.

Definitions

Some words have special meaning wherever they appear in this cover section. Where they appear in this cover section, they are shown with a capital letter. The singular shall include the plural and vice versa

Advertising Injury means injury arising out of:

- a) defamation, or
- b) any breach of the misleading or deceptive conduct provisions of the Competition and Consumer Act 2010 (Cth) or any fair trading or similar legislation of any country, state or territory, or
- c) any infringement of copyright or passing off of title or slogan, or
- d) unfair competition, piracy, misappropriation of advertising ideas or style of doing business, or
- e) invasion of privacy,

committed or alleged to have been committed during the Period of Cover in any advertisement, publicity article, broadcast or telecast and caused by or arising out of Your advertising activities.

Business means (for the purposes of this cover section only) the business as described in the Schedule (or as accepted by Us in writing at the time this insurance was negotiated) and shall also include:

- a) the ownership of Premises and/or the tenancy of Premises by You
- b) participation in any exhibition by You or on Your behalf
- c) the hire or loan of plant and/or equipment to other parties
- d) tours conducted of Your Premises
- e) the provision of any sponsorships, charities, galas, first aid, medical, ambulance or firefighting service by You or on Your behalf
- f) private work undertaken by Your Employees for any of Your directors, partners, proprietors, officers or executives

- g) the provision of any canteen, social and/or sporting clubs or welfare and/or child care facilities by You or on Your behalf, which are primarily for the benefit of Your Employees.

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

Damage to Property means:

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

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

Excess means the first amount of each claim or series of claims arising out of any one Occurrence for which You are responsible.

The Excess applicable to this cover section is shown in the Schedule. The Excess applies to all amounts for which We will be liable, including the indemnity provided under 'Defence costs and supplementary payments'.

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

Geographical Limit means:

- a) anywhere in the world except North America
- b) North America but only with respect to:
 - i. overseas business visits by any of Your directors, partners, officers, executives or Employees, who are non-resident in North America but not where they perform manual work in North America
 - ii. Products exported to North America without Your knowledge.

Incidental Contracts means:

- a) any written rental agreement or lease of real or personal property other than with respect to any term or condition contained in such rental, lease and/or hiring agreement that requires You to insure such property
- b) any written contract with any authority or entity responsible for the supply of electricity, fuel, gas, natural gas, air, steam, water, sewerage reticulation control systems, waste disposal facilities, telephone and communication services or other essential services, except those contracts in connection with work done for such authorities or entities
- c) any written contract with any railway authority for the loading, unloading and/or transport of Products, including contracts relating to the operation of railway sidings, or
- d) those contracts designated in the Schedule.

Limit of Liability means the maximum amount that will be paid under this cover section as indicated in the Schedule.

Medical Persons means but is not limited to medical practitioners, medical nurses, dentists and first aid attendants.

Named Insured means:

- a) the person(s), corporations and/or other organisations specified in the Schedule
- b) all existing subsidiary and/or controlled corporations, including their subsidiaries, of the Named Insured set out in a) incorporated in the Commonwealth of Australia and/or any other organisations under the control of the Named Insured
- c) all subsidiary and/or controlled corporations, including their subsidiaries, of the Named Insured set out in a) and/or any other organisations under the control of the Named Insured set out in a) incorporated in the Commonwealth of Australia and which are constituted or acquired by the Insured after the commencement of the Period of Cover
- d) every subsidiary and/or controlled corporation and/or other organisation of the Named Insured set out in a) which is divested during the Period of Cover, but only in respect of claims made against such divested subsidiary, related or controlled corporation or organisation caused by or arising out of Occurrences insured by this cover section, which occurred prior to the divestment during the Period of Cover.

North America means:

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

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

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

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

Personal Injury means:

- a) bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and/or mental injury, including loss of consortium or services resulting therefrom
- b) false arrest, false imprisonment, wrongful detention, malicious prosecution or humiliation
- c) wrongful entry or wrongful eviction
- d) defamation or invasion of privacy, unless arising out of Advertising Injury
- e) assault and battery not committed by You or at Your direction, unless committed for the purpose of preventing or eliminating danger to persons or property
- f) discrimination as a result of race, religion, sex, marital status, age, intellectual impairment, disability or otherwise (unless insurance thereof is prohibited by law) not committed by You or at Your direction, but only with respect to liability other than fines and penalties imposed by law.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste material. 'Waste material' includes materials that are intended to be recycled, reconditioned or reclaimed.

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

Provided always that for the purpose of this cover section the term 'Products' does not include:

- a) food and beverages supplied by You or on Your behalf primarily to Your Employees as a staff benefit, or
- b) any vending machine or any other property rented to or located on your Premises for use of others but not sold by You,

and any claims made against You in respect of Personal Injury and/or Damage to Property arising out of any Occurrence in connection therewith shall be regarded as General Liability claims hereunder.

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

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

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

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

- a) the Named Insured
- b) every past, present or future director, stockholder or shareholder, partner, proprietor, officer, executive or Employee of the Named Insured (including the spouse or any Family member of any such person while accompanying such person on any commercial trip or function in connection with the Business), or work experience persons or volunteers while such persons are acting for or on behalf of the Named Insured and/or within the scope of their duties in such capacities

Section 6

Employee Dishonesty

About this cover section

This cover section covers the Loss of Your Money, Contents or Stock by any of Your Employees either acting alone or in collusion with others.

Your insurance under this policy section

Provided 'Employee Dishonesty' is shown under 'What's covered' in the Schedule We will insure You for Loss up to the Sum Insured shown on the Schedule.

What We pay

We will:

- a) pay You the amount of lost Money
- b) at Our option, replace lost Contents or Stock or pay the market value of the Contents or Stock.

Our total liability for all Losses and claims preparation fees during the Period of Cover shall not exceed the Sum Insured shown on the Schedule.

Our liability for all Losses relating to acts of fraud or dishonesty committed by one Employee, or any group of Employees, or any number of groups of Employees that contain one common Employee, will not exceed the Limit per Employee shown on the Schedule.

Our liability will be reduced by the sum of all moneys to which an Employee who caused a Loss would have been entitled, but which are retained by You or which You are entitled to retain.

We will be liable only for that part of the Loss that exceeds the Excess shown on the Schedule or on any Endorsement to this cover section

Additional benefits

We will also provide the following Additional benefits in this cover section.

Unless stated otherwise below, any amounts payable under these Additional benefits do not apply in addition to the Sum Insured.

1. Costs of recovery

If You sustain a Loss greater than the Sum Insured shown in the Schedule for this cover section, We will pay up to an additional twenty per cent (20%) of the Sum Insured shown in the Schedule for costs and expenses that You have reasonably incurred in an attempt to recover the lost Contents, Stock or Money.

- c) any Employee superannuation fund or pension scheme managed by or on behalf of the Named Insured, and the trustees and the directors of the trustee of any such Employee superannuation fund or pension scheme which is not administered by corporate fund managers
- d) every principal in respect of the principal's liability arising out of:
 - i. the performance by or on behalf of the Named Insured of any contract or agreement for the performance of work for such principal, but only to the extent required by such contract or agreement and in any event only for such coverage and Limits of Liability as are provided by this cover section of the Policy
 - ii. any Products sold or supplied by the Named Insured, but only in respect of the Named Insured's own acts or omissions in connection with such Products and in any event only for such coverage and Limits of Liability as are provided by this cover section of the Policy
- e) every person, corporation, organisation, trustee or estate to whom or to which the Named Insured is obligated by reason of law, (whether written or implied) to provide insurance such as is afforded by this Policy, but only to the extent required by such law, and in any event only for such coverage and Limits of Liability as are provided by this Policy
- f) every officer, member, Employee or voluntary helper of the Named Insured's canteen, social and/or sporting clubs, first aid, medical, ambulance or fire-fighting services, charities, welfare and/or child care facilities, while acting in their respective capacities as such
- g) any director, partner, proprietor, officer or executive of the Named Insured in respect of private work undertaken by the Named Insured's Employees for such person and any Employee whilst actually undertaking such work
- h) the estates, legal representatives, heirs or assigns of:
 - i. any deceased or insolvent persons, or
 - ii. persons who are unable to manage their own affairs by reason of mental disorder or incapacity, who would otherwise be indemnified by this cover section of the Policy,but only in respect of liability incurred by such persons as described in clauses h) i. and h) ii. above,
- i) every party including joint venture companies and partnerships to whom the Named Insured is obligated by virtue of any contract or agreement to provide insurance such as is afforded by this cover section of the Policy; but only to the extent required by such contract or agreement and in any event only for such coverage and Limit of Liability as are provided by this cover section of the Policy.

Claims procedure

Please refer to the Claims procedure in the CGU Business Insurance Policy Terms & Conditions section of this Policy for details of Your obligations in the event of a claim

2. Retroactive cover

If this cover section replaces any previous fraud and dishonesty policy held by You that is terminated, cancelled or allowed to expire at the time of the replacement, We will cover any Loss that is within the Period of Cover of the previous policy provided that:

- a) the Loss is not covered by the previous policy, and
- b) the Loss would have been recoverable by You under the previous policy except for the fact that the time within which to discover any Loss had expired, and
- c) the Loss would have been covered under this cover section if this cover section had been in force when the acts or defaults causing the Loss were committed.

We will not cover You for any Loss arising from any act of dishonesty committed more than 12 months before the inception of this cover section.

We will not cover You for more than the lesser of the:

- a) Sum Insured shown in the Schedule, or
- b) the amount that would have been recoverable under the previous policy had it continued in force until the discovery of the Loss.

3. Superannuation funds

The definition of Insured, You and Your includes any superannuation or pension scheme formed by You and exclusively for the benefit of Employees, but does not include any scheme that is administered by a professional funds manager.

4. Welfare, social or sporting club

The definition of Insured, You and Your includes any welfare, social or sporting club formed with Your knowledge and consent exclusively for the benefit of Employees and their Families.

5. Unidentifiable Employee

If a Loss is alleged to have occurred as the result of the fraud or dishonesty of any one or more of Your Employees and You are unable to positively identify them We will pay for the Loss provided that You are able to provide evidence, at Your expense, that the Loss was due to the fraud or dishonesty of one or more of Your Employees.

Cover section exclusions

This cover section does not cover:

- a) any Loss arising from the dishonesty of an Employee, discovered:
 - i. within 60 days of expiry of the Period of Cover, or
 - ii. 12 months after the termination of employment of the relevant Employee(s)
- b) Loss arising from an act committed by an Employee after You have knowledge of, or reasonable cause to suspect, the commission by the Employee of an act of fraud or dishonesty, unless if, when You first obtained the knowledge or reasonable cause for suspicion:
 - i. the Money, Contents or Stock that are the subject of the Loss were in the possession of the Employee, and

- ii. You immediately took all reasonable action to regain possession of the Money, Contents or Stock
- c) Loss arising from the dishonesty of an Employee outside the Commonwealth of Australia
- d) Loss or part of a Loss arising from the dishonesty of an Employee, where the proof of the Loss, either as to its occurrence or as to its amount, is dependent upon an inventory stock take or a profit and loss calculation
- e) fraud or dishonesty by any of Your Employees committed with Your connivance, or
- f) Consequential Loss, loss of use, loss of earning capacity and any other Consequential Loss.

Cover section conditions

1. Notification of Loss

You must:

- a) notify Us in writing within 21 days after discovery by You of Loss, or any act of fraud or dishonesty that may give rise to a Loss or after You first have reasonable cause for suspicion thereof, and
- b) deliver to Us as soon as practicable, but no later than 3 months after the notice in a), the Claim Documents and full details in writing of the Loss and of Your claim under this cover section.

2. Notification of alteration of risk

You must as soon as practicable notify Us in writing of any change that will or might increase the risk, including a change in the nature of your Business, so that We may either cancel the cover section or agree to the variation of its terms and conditions.

3. Prevention of further Loss after discovery

You must, immediately when You discover Loss, take all reasonable steps to regain possession of the Money, Contents or Stock and take all reasonable steps to prevent further Loss occurring.

4. Our rights of conduct and recovery

- a) We will, upon Your notice to Us of a Loss, have the right to recover the Loss and We will have full discretion in the recovery of the Loss.
- b) You must not in any way prejudice Our right or ability to recover a Loss.
- c) You must co-operate with Us fully in the recovery of a Loss.

Definitions

Some words have special meaning wherever they appear in this cover section. Where they appear in this cover section, they are shown with a capital letter. The singular shall include the plural and vice versa.

Claim Documents means:

- a) the documentation created in the preparation of, or evidencing a claim, and
- b) all records and documents that may assist Us to investigate:
 - i. a claim, or
 - ii. a Loss, or
 - iii. Your right of recovery in consequence of a Loss including electronic records, computer records, video and audio recordings, working papers, internal memoranda, reports, accounting records and audit documents.

Limit per Employee means the Limit per Employee for Employee Dishonesty cover, shown in the Schedule, in respect of any Loss or all Losses caused by an act or acts of the one Employee.

Loss means direct loss:

- a) of:
 - i. Money
 - ii. Contents, or
 - iii. Stock,which belong to You, or are in Your possession and for the loss of which You are liable, and
- b) occurring in the ordinary course of Your Business, and
- c) caused directly by an act of fraud or dishonesty:
 - i. of an Employee, and
 - ii. committed within 12 months before discovery by You of the act of fraud or dishonesty, and
- d) discovered by You:
 - i. during the Period of Cover, or
 - ii. if this cover section is not renewed or is cancelled, within 12 months after the Period of Cover or the date of cancellation for this cover section of the Policy, but in either case no later than 12 months after the cessation of employment of the relevant Employee.

Claims procedure

Please refer to the Claims procedure in the terms and conditions section of this Policy for details of Your obligations in the event of a claim

Section 7 Machinery

About this cover section

This cover section covers the Breakdown of Machinery at Your Premises.

Machinery Breakdown cover

If 'Machinery' is shown under 'What's covered' in the Schedule We will cover You for:

- a) Breakdown of Machinery which occurs at the Premises, and
- b) direct loss or damage to other Property Insured as a result of that Breakdown,

provided that the Breakdown occurs during the Period of Cover.

What We pay

Machinery breakdown

If We agree to pay a claim for Breakdown of Machinery, We will at Our option repair, rebuild or replace any damaged item or pay for the cost of repairing, rebuilding or replacing that item. If We decide to replace the damaged item, We will replace the damaged item with similar property of a like kind, capacity, size, quality and function.

If We agree that You can carry out the repairs at the Premises or at a workshop owned by You, We will pay the actual costs of materials and wages incurred plus a reasonable overhead mark-up, provided that a qualified person carries out the repairs.

If it is necessary to replace parts that are unavailable, We will not pay more than the manufacturers or suppliers latest list price. We will not pay any cost of repairing or replacing any part or parts of a piece of Machinery, which is greater than the cost of repairing or replacing the entire piece of such Machinery.

If the work of repairing, rebuilding or replacing the item is not commenced and carried out within a reasonable time period after the Breakdown, We will not be liable to pay more than the cost necessary to repair, rebuild or replace the item at the time the Breakdown occurred.

Where the Breakdown is confined to a part of Machinery or structure, We will not pay more than the cost of repairing or replacing that part plus the cost of dismantling and erecting the structure.

The maximum We will pay at Our option in the event of Breakdown:

1. when 'Blanket Plant and Machinery' is listed on the Schedule, is:
 - a) the 'Limit any one loss' Sum Insured specified on the Schedule less the applicable Excess shown in the Schedule, and
 - b) for plant and machinery specified under 'Machinery Type' as Specified Items, the Sum Insured specified on the Schedule for such Specified Items less the applicable Excess

2. when 'Blanket Plant and Machinery' is listed on the Schedule and "All plant and machinery" is specified, is the Sum Insured specified on the Schedule less the applicable Excess shown in the Schedule.

We will also pay the reasonable cost of repair or replacement necessary to return the Machinery to its former state of operation including:

- a) the cost of dismantling, re-erection, cleaning up and removal of debris
- b) replacement of refrigerant or lubricating or insulating oil lost from Machinery as a direct result of the Breakdown
- c) associated charges for overtime work on public holidays where necessarily and reasonably incurred
- d) associated freight costs within the Commonwealth of Australia by any recognised scheduled service
- e) associated overseas air freight costs by any recognised scheduled service and/or overseas labour
- f) the cost of temporary repairs and/or hire of a temporary replacement item during the time taken to repair damage to any Machinery covered under this cover section, and
- g) any customs duties and dues incurred in connection with paragraph e).

Provided that the total of all of the extra costs in clauses c), d), e) and f) are limited to fifty per cent (50%) of the normal cost of repair payable under this cover section.

Where You incur extra expense, in complying with the requirements of any Act of Parliament or regulation or any by-law or regulation of any municipal or other statutory authority, in the course of effecting the repair or replacement of the Machinery, We will indemnify You for such extra expense, provided that the amount so recoverable shall not include the additional cost in complying with any such Act, regulation, by-law or requirement with which You had been required to comply with prior to the Breakdown.

All Machinery which can be repaired must be repaired however should the item be uneconomical to repair due solely to the nature of the Breakdown, settlement will be as follows:

- a) the cost of replacement of the Machinery by an item of similar function, type, capacity and quality in a condition equal to, but not better than, the condition of the Machinery or when new, or
- b) the Sum Insured for the Machinery to the extent that this is specified in the Schedule.

We shall not be required to replace the Machinery exactly, but only as circumstances permit.

Where component's or manufacturer's specifications are no longer available due to obsolescence, the basis of settlement will be the cost which would have been incurred if the components or specifications had still been available.

Extra covers

If We agree to pay a claim under this cover section for Breakdown of Machinery, We will also pay or provide the Extra covers set out below.

Any amounts payable under these Extra covers apply in addition to the Sum Insured.

1. Hazardous Substances

If a Hazardous Substance is involved in or released by a Breakdown of the Machinery which is covered by this cover section, We cover You for the increase in cost to repair, replace, clean up or dispose of, damaged Property Insured.

We will not pay more than \$25,000 for each claim under this Extra cover.

2. Inflation protection

The Sum Insured on Specified Items of Machinery shall at the time of loss be increased according to the Consumer Price Index by the proportion which the number of days since the commencement of the Period of Cover shall bear to the whole of such period. This Extra cover does not apply when "All plant and Machinery" or "All" or "No. of units" is specified under Blanket Plant and Machinery.

3. Repair costs

We will pay the cost of consulting engineers' fees, excluding fees for preparing a claim, necessarily incurred with Our written consent, in the reinstatement of Machinery. Provided that where the Sum Insured is exhausted We will pay an additional amount of up to \$5,000 in respect of this Extra cover.

Additional benefit

We will also provide the following Additional benefit in this cover section.

Unless stated otherwise below, any amounts payable under this Additional benefit is in addition to the Sum Insured.

1. Additional items

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

Provided that:

- a) cover for additional Machinery shall not exceed the total Sum Insured for the items already insured under this cover section
- b) You give Us written notice within 90 days of the hire or purchase and commissioning of the item(s) and pay the appropriate additional Premium we require
- c) the Machinery is as far as You are aware, suitable for service, free from material defect and in sound working condition
- d) the Machinery shall not be insured until successfully commissioned and all relevant statutory provisions for inspections and certification have been fulfilled, and
- e) the Sums Insured and Excess as shown on the Schedule that apply to similar items already insured shall also apply to the additional items.

Cover section exclusions

We will not cover You for:

1. the cost of repair or replacement of Expendable Items other than Expendable Items which are necessary for the repair
2. the costs incurred in repairing wear and tear or gradual deterioration including:
 - a) wear and tear due to normal operation
 - b) wearing or wasting away of material caused by normal operation or resulting from atmospheric conditions, rust, erosion, or oxidation
 - c) damage to a safety or protective device caused by its own operation
 - d) the chipping or scratching of painted or polished surfaces, or
 - e) slowly developing deformation or distortion.
3. the cost of:
 - a) carrying out of normal maintenance, such as the tightening of loose parts, recalibration or adjustments
 - b) alteration, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or at a separate operation
 - c) modification or alteration of insured plant to enable replacement or repair, caused by gradual deterioration including rust, corrosion, erosion, oxidation or scale formation
 - d) replacement of lighting equipment, reticulated electrical wiring, reticulated liquid and gas piping and ducting
 - e) repair of scratches chipping or discolouration to painted or polished surfaces, unless resulting from Breakdown
 - f) repair of a slowly developing deformation, distortion or fatigue of any part
 - g) repair of blisters, laminations, flaws or grooving even when accompanied by leakage
 - h) repairs to valves, fittings, glands, joints, gaskets, pipes, lines and connections which are defective or leaking
 - i) repairs to shaft keys requiring tightening, fitting or renewal
 - j) damage caused by the movement of foundations, masonry or brick work unless this results from Breakdown of any Machinery or any part of Machinery, or
 - k) removal or installation of underground pumps and well casings. Unless specifically noted on the Schedule, this exclusion does not apply to submersible pumps.
4. Breakdown of Machinery which You knew or reasonably should have known to be defective before the Breakdown occurred
5. loss of use or Consequential Loss of any kind
6. loss or damage caused by or arising out of:
 - a) earthquake, landslide, mud flow, subsidence, subterranean fire, or volcanic eruption
 - b) cyclone, storm, hail, lightning, thunder, wind, rainwater
 - c) Flood
 - d) the sea, including tidal wave, tsunami, storm surge or high-water
 - e) fire, smoke or soot
 - f) water seeping or percolating the building from outside
 - g) water, liquids or substances discharged or other means used to extinguish a fire
 - h) vandalism or malicious damage, or
 - i) asbestos.
7. Breakdown, loss or damage caused by explosion, other than:
 - a) the sudden and violent rending of any Boilers and pressure plant or Pressure Pipe Systems by force of internal fluid pressure of ignited flue gases, but excluding other chemical action, or
 - b) the bursting or disruption of turbines, compressors, engine cylinders, hydraulic cylinders, flywheels or other parts subject to centrifugal force, transformers, switches or oil immersed switch gear.
8. Breakdown, loss or damage caused during the course of maintenance, inspection, repair, alteration, modification or overhaul
9. Breakdown, loss or damage caused during installation, erection or relocation
10. damage to foundations, brickwork, and refractory materials other than as a result of Breakdown
11. Breakdown, loss or damage arising out of plant being subjected to tests involving abnormal stresses or arising out of plant being deliberately overloaded. The checking of the correct working of any Machinery or of its safety installations is not considered to be testing or overloading within the context of this exclusion
12. Breakdown, loss or damage caused by a deliberate act, neglect or omission on Your part
13. Breakdown, loss or damage for which the manufacturer or supplier or other parties are responsible under a maintenance or warranty agreement provided that we shall be liable for Breakdown insured by this section and not recoverable under such maintenance agreement or warranty by reason of a specific exclusion contained therein or by reason of any dispute concerning the interpretation of that agreement or warranty as the case may be
14. the cost of alterations, improvements or overhauls unless it is required for the repair or replacement
15. the costs associated with modifying the Machinery so that it operates with a more ozone friendly refrigerant gas as required by the United Nations Environment Programme ('UNEP')
16. Breakdown, loss or damage as a result of dual lifting
17. Breakdown of Machinery which is useless or obsolete to your Business, and
18. loss or damage caused by or arising out of pollution, contamination or a Hazardous Substance, however caused, except as provided for in extra cover 1. Hazardous Substances.

Cover section conditions

1. Adherence to statutory requirements

If Machinery must be licensed under statutory obligations, by-laws, regulations, public authority requirements or safety requirements, You must obtain any licenses as required and use the Machinery as specified in the license.

2. Inspection

We or Our authorised representatives have the right to make inspections of Machinery at any reasonable time. Neither this right to make inspections nor making them is an undertaking to You or others that the Machinery is safe and not hazardous or injurious to health.

3. Obligation to prevent loss

If We or Our authorised representative discover Machinery in or exposed to a dangerous condition, You must comply with any direction provided by Us or Our representatives to prevent loss. If You do not comply within 30 days of receiving the direction, We may refuse to pay a claim and cancel Your Policy.

4. One breakdown

If either:

- a) a Breakdown of Machinery causes the Breakdown of other Property Insured, or
- b) a series of Breakdowns occur at the same time as a result of the same cause,

they will all be considered as one Breakdown for the purpose of applying the Excess, the relevant Sum Insured and any other Limit in this cover section.

Optional extension

The following Optional extension will apply when You have requested its inclusion in this cover section and the Schedule has been endorsed by Us noting the inclusion.

1. Deterioration of stock

Provided 'Deterioration of Stock' is shown in the Schedule We will cover You for loss of refrigerated Stock that spoils during the Period of Cover due to a change in temperature of the refrigeration or freezer unit as a result of:

- a) a Breakdown of the refrigeration or freezer unit in which the refrigerated Stock is kept where We have agreed to pay a claim for the Breakdown of such Machinery
- b) operation of or failure to operate controls or protective devices within the Machinery, but not including loss or damage due to the manual operation or setting of switches
- c) contamination of the refrigerated Stock by leakage of refrigerant
- d) sudden and unforeseen failure of the public power supply
- e) accidental failure of supply services which directly affects the refrigeration or freezer unit

- f) a supply authority intentionally interfering with a public service but only to the extent that this is necessary to safeguard life or any part of the public supply and the supply authority's interference is not caused directly or indirectly by fire, Flood, storm or any other natural cause, or
- g) sudden leakage of refrigerant from the Machinery or Pressure Pipe Systems.

Loss minimisation

If deterioration occurs or is likely to occur to such Stock by any of the above causes, We will pay any reasonable expenses incurred by You to prevent or minimise the loss of refrigerated Stock.

What We pay

If We agree to pay for a claim for deterioration of refrigerated Stock, We will at Our option, pay the cost of replacing the refrigerated Stock or replace that Stock.

We are not liable to pay more than the purchase price You paid for the refrigerated Stock, together with any handling costs You incurred.

If deterioration occurs or is likely to occur to refrigerated Stock by any of the events specified in paragraphs a) to g) above, We will also pay the reasonable costs incurred by You to prevent or minimise the loss of or damage to Stock.

During the Seasonal Increase Period We will increase the Sum Insured shown in the Schedule by fifty per cent (50%).

Option exclusions

In addition to the exclusions to this cover section, We will not pay for:

- 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) penalties or delay or detention or Consequential Loss or damage or liability of any nature whatsoever, and
- d) loss or damage following loss of public power supply due to any of the following:
 - 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, or
 - 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, or
 - iii. shortage of power generation fuel or water.

Cover section extension conditions

In respect of Stock that is kept in cold storage under Controlled Atmospheric Conditions, You must keep adequate records, for each chamber, of the temperature, humidity and gas concentrations, as well as the time(s) and date(s) when each chamber is opened. You must provide those records to Us upon Our request.

Definitions

Some words have special meaning wherever they appear in this cover section. Where they appear in this cover section, they are shown with a capital letter. The singular shall include the plural and vice versa.

Boilers means those parts of the permanent structure of the Machinery owned by You or for which You are legally responsible which are subject to internal steam gas or fluid pressure, other than atmospheric pressure, including:

- a) fittings and direct attachments which are connected to the permanent structure without intervening valve or cock
- b) supporting structures of the Machinery described above, other than foundations, masonry or brickwork, such as furnace doors, access doors, external combustion chambers smoke boxes and casings, and
- c) metal parts of pressure and water gauges and their connections to the permanent structure.

Breakdown means a sudden and accidental failure of Machinery resulting in physical damage to the equipment which requires the repair or replacement of the equipment or a part of the equipment before it can continue operating normally.

Breakdown does not mean:

- a) depletion, deterioration, corrosion or erosion of material
- b) wear and tear
- c) vibration or misalignment
- d) the functioning of any safety device or protective device, or
- e) the failure of a structure or foundation supporting the equipment or a part of the equipment.

Controlled Atmospheric Conditions means an atmosphere in which oxygen, carbon dioxide and nitrogen concentrations as well as temperature and humidity are regulated.

Expendable Items means:

- a) electrical and electronic glass bulbs, tubes, x-ray tubes, contacts, fuses and heating elements, or
- b) tracks, rails, wear plates, cutting edges, tools, dies, engraved cylinders, moulds, patterns, shear pins, filters, chains, belts, tyres, tracks or conveyor belts and any other part or parts which require periodic replacement.

Hazardous Substance means:

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

Machinery means:

- a) if 'Blanket Plant and Machinery' is shown on Your Schedule, any of the plant and machinery specified under 'Machinery Type' and/or 'Specified Item' in the Schedule provided it is owned, leased, operated or controlled by You and used in Your Business
- b) if 'Blanket Plant and Machinery' is shown on Your Schedule and the Schedule specifies 'All plant and machinery', any of the following equipment provided it is owned, leased, operated or controlled by You and used in Your Business:

- i. any boiler, fired or unfired pressure vessel normally subject to vacuum or internal pressure, other than static pressure of contents, any refrigerating or air conditioning vessels and piping or any other piping and its accessory equipment, but not including:
 - A. any boiler foundation, any refractory or insulating material
 - B. any part of a boiler or fired pressure vessel that does not contain steam or water, or
 - C. any buried piping, any drainage piping, any sprinkler piping and its accessory equipment
- ii. any mechanical or electrical equipment that generates, transmits or utilises mechanical or electrical power, but not including:
 - A. any Vehicle, or mobile equipment
 - B. any Watercraft or Aircraft, or
 - C. any elevator or escalator.
- c) If individual items of plant or machinery are specified in the Schedule, such plant and machinery as specified provided it is owned, leased, operated or controlled by You and used in Your Business.

Pressure Pipe Systems means in respect of Boilers and pressure plant any pressure pipe systems with valves, fittings, traps and separators which contain steam condensate, gas or fluids under pressure (other than atmospheric pressure) and which is generated in whole or in part within the Machinery specified in the Schedule, including any feed water piping between such boiler and its feed pump or injector, but not including any such pipe systems which form part of any other vessel or apparatus.

In respect of refrigeration and air-conditioning Machinery specified in the Schedule, Pressure Pipe Systems include the interconnecting coils and pipework containing transfer media.

Claims procedure

See also the Claims procedure in the terms and conditions section of this Policy.

Section 8

Computer & Electronic Equipment

About this cover section

This cover section covers the Breakdown of Electronic Equipment at Your Premises.

Your insurance under this cover section

There are two covers available in this cover section.

- **Part A Electronic Equipment Breakdown**
- **Part B Business Interruption**

Your Schedule indicates which cover has been selected by You.

Part A Electronic Equipment Breakdown

If 'Electronic Equipment' is shown under 'What's covered' in the Schedule We will cover You for Breakdown of Electronic Equipment which occurs at the Premises, and direct loss or damage to other Property Insured as a result of that Breakdown provided that the Breakdown occurs during the Period of Cover.

What We pay

Part A Electronic Equipment Breakdown

If We agree to pay a claim for Breakdown of Computer Equipment, We will at Our option repair, rebuild or replace any damaged item or pay for the cost of repairing, rebuilding or replacing that item. If We decide to replace the damaged item, We will replace the damaged item with similar property of a like kind, capacity, size, quality and function.

If We agree that You can carry out the repairs at the premises or at a workshop owned by You, We will pay the actual costs of materials and wages incurred plus a reasonable overhead mark-up, provided that a qualified person carries out the repairs.

If it is necessary to replace parts that are unavailable, We will not pay more than the estimated cost of similar parts currently available. If similar parts are unavailable, We will not pay more than the manufacturer's or supplier's latest list price. We will not pay any cost of repairing or replacing any part or parts of a piece of Computer Equipment which is greater than the cost of repairing or replacing the entire piece of such Computer Equipment.

If the work of repairing, rebuilding or replacing the item is not commenced and carried out within a reasonable time period after the Breakdown, We will not be liable to pay more than the cost necessary to repair, rebuild or replace the item at the time the Breakdown occurred.

Where the Breakdown is confined to a component or part of a machine or structure, We will not pay more than the cost of repairing or replacing that component or part plus the cost of dismantling and erecting the structure.

The maximum We will pay if:

1. 'Electronic Equipment' is shown on Your Schedule and individual insured items are specified, is the 'Insured Item' Sum Insured for each item as shown on the Schedule less the applicable Excess shown in the Schedule, or
2. 'All Electronic Equipment' is shown on your Schedule, is the 'Sum Insured' as shown in the Schedule less the applicable Excess shown in the Schedule.

In the event of Breakdown We will at Our option pay to You, up to the Sum Insured less the applicable Excess, the reasonable cost of repair or replacement necessary to return the Computer Equipment to its former state of operation including:

- a) cost of dismantling, re-erection, cleaning up and removal of debris
- b) replacement of refrigerant or lubricating or insulating oil lost from Computer Equipment as a direct result of Breakdown
- c) changes for overtime work on public holidays where necessarily and reasonably incurred
- d) freight within the Commonwealth of Australia by any recognised scheduled service
- e) overseas air freight by any recognised scheduled service and/or overseas labour
- f) the cost of temporary repairs and/or hire of a temporary replacement item during the time taken to repair damage to any Property Insured, and
- g) any customs duties and dues.

Provided that the total of all of these extra costs in clauses c), d), e) and f) are limited to fifty per cent (50%) of the normal cost of repair payable under this cover section.

Where You incur extra expense, in complying with the requirements of any Act of Parliament or regulation or any by-law or regulation of any municipal or other statutory authority, in the course of effecting the repair or replacement of the Computer Equipment, We will indemnify You for such extra expense.

Provided that the amount so recoverable hereunder shall not include the additional cost in complying with any such Act, regulation, by-law or requirement with which You had been required to comply with prior to the Breakdown.

All Computer Equipment which can be repaired must be repaired. However should the item be uneconomical to repair due solely to the nature of the Breakdown, settlement will be as follows:

- a) the cost of replacement of the Computer Equipment by an item of similar function, type, capacity and quality in a condition equal to, but not better than, the condition of the Computer Equipment when new, or
- b) the Sum Insured for the Electronic Equipment specified in the Schedule.

We shall not be required to replace the Computer Equipment exactly but only as circumstances permit.

Where component's or manufacturer's specifications are no longer available due to obsolescence, the basis of settlement will be the cost which would have been incurred if the components or specifications had still been available.

Depreciation applied for replacement of computers

If We decide to pay You the cost to replace a laptop computer, notebook or desktop computer rather than repair it, We will apply depreciation based on the age of the computer, but not as a result of improvements in technology or functionality.

We will apply depreciation at the rate of ten per cent (10%) per annum for each year from the date of manufacture, subject to a maximum reduction of eighty per cent (80%) of the current replacement cost.

Excess

You must pay the amount of any Excess shown in the Schedule for each claim You make.

Part B Business interruption

If the Business carried on by You is interrupted or interfered with as a result of Breakdown occurring during the Period of Insurance:

- a) to Computer Equipment under Part A of this cover section, for which a claim has been paid or liability admitted, or such claim would have been paid or liability admitted but for the application of a supplier's or manufacturer's warranty, hardware maintenance agreement, or Excess, or
- b) to other property at, or within 20 kilometres of, the Premises, which prevents or hinders access to, or use of, any Computer Equipment under Part A, or
- c) to property, either at or away from the Premises, belonging to or under the control of suppliers of electric power, gas, water or sewerage reticulation control systems from which You obtain services, or
- d) causing loss of Electronic Data.

We will, after taking into account any sum saved during the Indemnity Period in respect of such charges and expenses of the Business as may cease or be reduced as a consequence of the interruption or interference, indemnify You in accordance with the terms in this cover section.

Item 1 Increased cost of working

We will insure You for the increased costs of operating your Business, including hiring computers, transport costs, additional personnel and working at an off-site back up facility if:

- a) We have agreed to pay a claim under the Electronic Equipment section for repair or replacement of Computer Equipment as a result of a Breakdown
- b) the increased costs of working occur during the Period of Cover as a direct result of the Breakdown covered under the Part A Electronic Equipment Breakdown section, and
- c) We agree in advance to pay the increased costs of working.

We will not cover You for:

- a) costs incurred in respect of the first 2 working days or the number of days shown in the Schedule following the Breakdown of your Computer Equipment
- b) fines or liability incurred for breach of contract or for late or incomplete orders or for any loss of bonus or any kind of penalties
- c) any increased costs that are not necessary and reasonable to minimise any interruption to the Media
- d) any Consequential Loss
- e) costs incurred after 90 days, or the number of months shown in the Schedule from the date of loss or damage or Breakdown
- f) expenses that are incurred in the replacement of the Media, or
- g) the cost of reinstating the Electronic Data contained on the Media.

If We agree to pay a claim, We will pay the actual amount of the increased costs of working, less the charges and expenses of the Business that cease or are reduced as a consequence of the loss or damage.

We will not pay more than \$15,000 or the amount shown in the Schedule for each claim under this item.

Item 2 Restoration of computer electronic data

We will insure You for the costs of restoring Electronic Data stored on Media lost or distorted as a result of loss of or damage to Computer Equipment if:

- a) We have agreed to pay a claim under the Electronic Equipment section for repair or replacement of the Computer Equipment as a result of a Breakdown
- b) the Electronic Data is lost or distorted during the Period of Cover as a direct result of the Breakdown covered under this cover section, and
- c) the Media which contains the Electronic Data is at the Premises, is at a location away from the Premises where copies of Media are stored, is temporarily at an alternative location for processing purposes or is in transit between any of these locations.

We will not cover You for:

- a) loss or distortion of Electronic Data due to defects in the Media
- b) any Consequential Loss
- c) restoration of Electronic Data other than that which is lost or distorted after the most recent functional back-up
- d) expenses or costs incurred in connection with the loss or distortion of Electronic Data if they are not incurred within 12 months of the Breakdown
- e) loss or damage of, or distortion to, Electronic Data caused by a Computer Virus
- f) loss or damage of, or distortion to, Electronic Data caused by or resulting from the partial or total failure, malfunction or loss of use of any Electronic Equipment, computer system, information repository, microchip, integrated circuit or other similar device due to:
 - i. the erasure, destruction, corruption, misappropriation or misinterpretation of Electronic Data
 - ii. any error in creating, amending, entering, deleting or using Electronic Data

- iii. the inability to receive, transmit or use Electronic Data; or
- iv. the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks or similar facility, or of any internet address, website or similar facility.

If We agree to pay a claim, We will pay the costs incurred in restoring the lost or distorted Electronic Data in a condition equivalent to that existing prior to the Breakdown. Electronic Data may be reproduced in an updated form if the cost of doing so is no greater than that of reinstatement in its original form.

We will not pay more than \$15,000, or the amount shown in the Schedule for each claim under this item.

Item 3 Gross income

We will insure You for:

- a) the amount by which the Gross Income during the Indemnity Period as a consequence of the Breakdown falls short of the Standard Income, and
- b) the additional expenditure necessarily and reasonably incurred by You for the sole purpose of minimising the reduction in Gross Income during the Indemnity Period, but not exceeding the reduction in Gross Income thereby avoided, and not including the cost of reinstatement of Electronic Data.

If, during the Indemnity Period, services are rendered elsewhere than at the Premises for the benefit of the Business, either by You or by others on Your behalf, the amount received or receivable in respect of those services will be brought into account in arriving at the amount of the Gross Income during the Indemnity Period.

Extra covers

If We agree to pay a claim under this cover section for Breakdown of Computer Equipment, We will also pay or provide the Extra covers set out below.

Any amounts payable under these Extra covers apply in addition to the Sum Insured.

1. Hazardous Substances

If a Hazardous Substance is involved in or released by a Breakdown of the Computer Equipment which is covered by this cover section, We cover You for the increase in cost to repair, replace, clean up or dispose of, damaged Property Insured.

We will not pay more than \$25,000 for each claim under this Extra cover.

2. Inflation protection

The Sum Insured on Specified Items of Electronic Equipment shown on the Schedule shall at the time of loss be increased according to the Consumer Price Index by the proportion which the number of days since the commencement of the Period of Cover shall bear to the whole of such period.

Additional benefits

We will also provide the following Additional benefits in this cover section.

Unless stated otherwise below, any amounts payable under these Additional benefits are in addition to the Sum Insured.

1. Additional items

If You hire or purchase and commission at Your Premises any Computer Equipment similar to items already insured under this cover section, We will consider these items to be added to this cover section, giving the same cover as for similar items already insured.

Provided that:

- a) cover for additional items shall not exceed the total Sum Insured for the items already insured under this cover section
- b) You give Us written notice within 90 days of the hire or purchase and commissioning of the item(s) and pay the appropriate additional Premium we require
- c) the items are as far as You are aware, suitable for service, free from material defect and in sound working condition
- d) the items shall not be insured until successfully commissioned and all relevant statutory provisions for inspections and certification have been fulfilled, and
- e) the Sums Insured and Excess as shown on the Schedule that apply to similar items already insured shall also apply to the additional items.

2. Electronic equipment away from the premises

Cover is extended to:

- a) Breakdown occurring during the Period of Cover to laptop computers, notebooks, or mobile Computer Equipment away from the Premises
- b) Breakdown of Your Computer Equipment or mobile Computer Equipment anywhere in Australia during the Period of Cover,

provided the Computer Equipment is specified in the Schedule under the Section 9 General Property section of the Policy.

Optional extensions

Where cover is indicated in the Schedule as applying, damage to Electronic Equipment is extended to include:

- a) Accidental Damage, and
- b) Fire and Perils.

Cover section exclusions

We will not cover You for:

1. the cost of repair or replacement of Expendable Items other than Expendable Items which are necessary for the repair
2. the costs incurred in repairing wear and tear or gradual deterioration including:
 - a) wear and tear due to normal operation
 - b) wearing or wasting away of material caused by normal operation or resulting from atmospheric conditions, rust, erosion, or oxidation
 - c) damage to a safety or protective device caused by its own operation
 - d) the chipping or scratching of painted or polished surfaces, or
 - e) slowly developing deformation or distortion.
3. the cost of:
 - a) carrying out of normal maintenance, such as the tightening of loose parts, recalibration or adjustments
 - b) alteration, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or at a separate operation
 - c) modification or alteration of insured plant to enable replacement or repair, caused by gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation)
 - d) replacement of lighting equipment, reticulated electrical wiring, reticulated liquid and gas piping and ducting
 - e) repair of scratches chipping or discolouration to painted or polished surfaces, unless resulting from insured damage
 - f) repair of a slowly developing deformation, distortion or fatigue of any part
 - g) repair of blisters, laminations, flaws or grooving even when accompanied by leakage
 - h) repairs to valves, fittings, glands, joints, gaskets, pipes, lines and connections which are defective or leaking
 - i) repairs to shaft keys requiring tightening, fitting or renewal
 - j) damage caused by the movement of foundations, masonry or brick work unless this results from Breakdown of any Computer Equipment or any part of Computer Equipment, or
 - k) removal or installation of underground pumps and well casings. Unless specifically noted on the Schedule, this exclusion does not apply to submersible pumps.
4. Breakdown of Computer Equipment which You knew or reasonably should have known to be defective before the Breakdown occurred
5. loss of use or Consequential Loss of any kind
6. unless cover is otherwise provided under the optional extensions to this cover section, loss or damage caused by or arising out of:
 - a) earthquake, landslide, mud flow, subsidence, subterranean fire, or volcanic eruption
 - b) cyclone, storm, hail, lightning, thunder, wind, rainwater
 - c) Flood
 - d) the sea, including tidal wave, tsunami, storm surge or high-water
 - e) fire, smoke or soot
 - f) water seeping or percolating the building from outside
 - g) water, liquids or substances discharged or other means used to extinguish a fire
 - h) vandalism or malicious damage, or
 - i) asbestos.
7. Breakdown, loss or damage caused during the course of maintenance, inspection, repair, alteration, modification or overhaul
8. Breakdown, loss or damage caused during installation, erection or relocation
9. damage to foundations, brickwork, and refractory materials other than as a result of Breakdown
10. Breakdown, loss or damage arising out of plant being subjected to tests involving abnormal stresses or arising out of plant being deliberately overloaded. The checking of the correct working of any insured item or of its safety installations is not considered to be testing or overloading within the context of this exclusion.
11. Breakdown, loss or damage caused by a deliberate act, neglect or omission on Your part
12. Breakdown, loss or damage for which the manufacturer or supplier or other parties are responsible under a maintenance or warranty agreement provided that we shall be liable for Breakdown insured by this section and not recoverable under such maintenance agreement or warranty by reason of a specific exclusion contained therein or by reason of any dispute concerning the interpretation of that agreement or warranty (as the case may be)
13. the cost of alterations, improvements or overhauls unless it is required for the repair or replacement
14. Breakdown of Computer Equipment which is useless or obsolete to your Business.
15. loss or damage caused by or arising out of pollution, contamination or a Hazardous Substance, however caused, except as provided for in Extra cover
 1. Hazardous Substances

Cover section conditions

1. Adherence to statutory requirements

If Computer Equipment must be licensed under statutory obligations, by-laws, regulations, public authority requirements or safety requirements, You must obtain any licenses as required and use the Computer Equipment as specified in the license.

2. Inspection

We or Our authorised representatives have the right to make inspections of Computer Equipment at any reasonable time. Neither this right to make inspections nor making them is an undertaking to You or others that the Computer Equipment is safe and not hazardous or injurious to health.

3. Obligation to prevent loss

If We or Our authorised representative discover Computer Equipment in or exposed to a dangerous condition, You must comply with any direction provided by Us or Our representatives to prevent loss. If You do not comply within 30 days of receiving the direction, We may refuse to pay a claim and cancel Your Policy.

4. One breakdown

If either:

- a) a Breakdown of Computer Equipment causes the Breakdown of other Property Insured, or
- b) a series of Breakdowns occur at the same time as a result of the same cause,

they will all be considered as one Breakdown for the purpose of applying the Excess, the relevant Sum Insured and any other Limit in this cover section.

Definitions

Some words have special meaning wherever they appear in this cover section. Where they appear in this cover section, they are shown with a capital letter. The singular shall include the plural and vice versa.

Accidental Damage means physical loss, destruction of or damage to the Computer Equipment caused by any peril or circumstance, but the following are not Accidental Damage:

- a) any loss or damage more specifically covered or included under another cover section in this Policy, or
- b) any loss or damage caused by any of the following perils:
 - i. fire, lightning, thunderbolt, earthquake, subterranean fire and/or volcanic eruption,
 - ii. Aircraft and/or other aerial devices and/or articles dropped or falling from them and/or impact by space debris, sonic boom,
 - iii. explosion, implosion or collapse, smoke and/or steam, spontaneous fermentation, or heating, spontaneous combustion,
 - iv. subsidence, earth movement or collapse resulting therefrom or landslip,
 - v. Flood, water from or action by the sea, tsunami, tidal wave or high water,
 - vi. storm, tempest, wind, hail and/or rainwater,
 - vii. water and/or other substance discharged, overflowing and/or leaking from apparatus, appliances, pipes, sprinkler and/or any other system(s),
 - viii. the acts of persons taking part in riots or civil commotions or the acts of strikers or locked out workers or persons taking part in labour disturbances, the acts of malicious persons, the acts of any lawfully constituted authority in connection with any of the foregoing acts or in connection with any conflagration or other catastrophe,
 - ix. impact by any waterborne craft, land Vehicles or Animals,
 - x. burglary, theft, breakage of glass,
 - xi. loss of Money, fraudulent or dishonest acts,
 - xii. fusion.

Annual Income means the Gross Income during the 12 months immediately before the date of the occurrence of the Breakdown. In the event of Breakdown occurring before the completion of the first year's trading of Your Business, annual income shall mean the proportional equivalent for a period of 12 months of the Gross Income realised during the period between the date of the commencement of the Business and the date of the occurrence of the Breakdown, after Adjustment.

Adjustment means adjustment as necessary to provide for the trend of the Business and variations in, or other circumstances affecting, the Business, either before or after the date of occurrence of the Breakdown, or which would have affected the Business had the Breakdown not occurred, so that the figures thus adjusted represent, as nearly as may be reasonably practicable, the results that, but for the Breakdown, would have been obtained during the relative period after the Breakdown.

Breakdown means a sudden and accidental failure of Computer Equipment resulting in physical damage to the equipment which requires the repair or replacement of the equipment or a part of the equipment before it can continue operating normally.

Breakdown does not mean:

- a) depletion, deterioration, corrosion or erosion of material
- b) wear and tear
- c) vibration or misalignment
- d) the functioning of any safety device or protective device, or
- e) the failure of a structure or foundation supporting the equipment or a part of the equipment.

Computer Equipment means electronic data processing equipment comprising a central processing unit with flexible programming ability, video display units, printers, hard disks, floppy disk drives, micro diskettes including read and write heads, electro or mechanical motors and passive components but does not include software.

Electronic Equipment means:

- a) if 'Electronic Equipment' is shown on Your Schedule, any of the electronic equipment specified as "Insured Items", provided it is owned, leased, operated or controlled by You and used in Your Business,
- b) if 'All Electronic Equipment' is shown on Your Schedule, all of Your electronic equipment provided it is owned, leased, operated or controlled by You and used in Your Business.

Expendable Items means:

- a) electrical and electronic glass bulbs, tubes, x-ray tubes, contacts, fuses and heating elements
- b) tracks, rails, wear plates, cutting edges, tools, dies, engraved cylinders, moulds, patterns, shear pins, filters, chains, belts, tyres, tracks or conveyor belts and any other part or parts which require periodic replacement.

Fire and Perils means physical destruction, loss or damage resulting from:

- a) fire, lightning, thunderbolt, spontaneous combustion, fermentation, heating or any process involving the application of heat. This includes damage cause by civil authorities through attempts to prevent the spread of fire, or
- b) Aircraft or other aerial devices or articles dropped therefrom, sonic boom, or
- c) earthquake, subterranean fire, volcanic eruption, tsunami, or
- d) storm, tempest, rainwater, snow, sleet, wind, hail, Flood, action of the sea, tidal wave, high water, or

- e) water, liquids or substances discharged, overflowing or leaking from fixed apparatus, fixed appliances, fixed pipes or other system, or
- f) riots, civil commotions, strikes or locked out workers, or persons taking part in labour disturbances, or vandalism by persons, or acts of any lawfully constituted authority in connection with the foregoing acts, or
- g) explosion, or
- h) impact.

Gross Income means the total of:

- a) the amount paid or payable to You for goods sold and services rendered, and
- b) all other sources of income received by and in the course of the Business, and
- c) the amount of closing Stock and work in progress at the end of Your financial year,

less:

- i. purchases of Stock and consumables; and
- ii. the amount of opening Stock and work in progress at the beginning of Your financial year, and
- iii. Uninsured Working Expenses.

Hazardous Substance means:

- a) any Pollutant, contaminant or other substance declared by a government authority to be hazardous to health or the environment, or
- b) any mould, yeast, Fungus or mildew including any spores or toxins created or produced by or emanating from such mould, yeast, Fungus or mildew, whether or not allergic, pathogenic or toxicogenic.

Indemnity Period means the period beginning with the date of the occurrence of the Breakdown and ending not later than the last day of the period specified in the Schedule, during which the results of the Business are affected as a consequence of the Breakdown.

Standard Income means the Gross Income during that period in the 12 months immediately before the date of the occurrence of the Breakdown which corresponds with the Indemnity Period, appropriately adjusted where the Indemnity Period exceeds 12 months. In the event of Breakdown occurring before the completion of the first year's trading of Your Business, Standard Income shall mean the proportional equivalent, for a period equal to the Indemnity Period of the Gross Income realised during the period between the commencement of the Business, and the date of the Breakdown, after Adjustment.

Uninsured Working Expenses means the uninsured working expenses stated in the Schedule.

Claims procedure

Please refer to the Claims procedure in the terms and conditions section of this Policy for details of Your obligations in the event of a claim.

Section 9 General Property

About this cover section

This cover section covers portable or valuable items that you usually carry around with You in the course of your Business anywhere in the world.

Your insurance under this cover section

Provided 'General Property' is shown under 'What's covered' on the Schedule, We will cover You for physical loss of or damage which occurs during the Period of Cover to the Property Insured listed on the current Schedule, up to the Sum Insured, subject to the terms of this cover section.

What We pay

We will at our option either:

- a) pay You the replacement cost of the Property Insured (including any carry case and usual accessories) at the time of loss or damage, or
- b) repair the Property Insured to a condition equal to but not better or more extensive than its condition when new, or
- c) replace the Property Insured with a new item that has the same features that are nearly the same as (but not less than) the item being replaced.

When the loss or damage is confined to a part or component of the Property Insured, We will only pay for that part or component plus the cost of any necessary dismantling and reassembling.

The maximum amount We will pay in respect of each Specified Item of Property Insured is the Sum Insured for that item shown on the Schedule.

The maximum We will pay during the Period of Cover for all claims in respect of any particular group or class of unspecified items is the Sum Insured for that group or class of unspecified property shown on the Schedule.

Excess

The Excess that applies is shown on the Schedule.

Optional reduction in cover

1. Fire, theft, collision and other expressed perils (cover option)

When cover option Fire, theft, collision and other expressed perils is shown on the Schedule, We will only insure the items described in the Schedule under this cover section for loss or damage caused by:

- a) fire lighting, explosion, malicious damage or vandalism
- b) theft following forcible and violent entry which causes visible damage to a locked Vehicle or building

- c) theft of equipment securely attached to a Vehicle through use of locks or padlocks, which results in visible damage to the securing devices
- d) collision or overturning of the conveying Vehicle.

Additional benefits

We will also provide the following Additional benefit in this cover section.

Any amounts payable under these Additional benefits apply in addition to the Sum Insured.

1. Theft of other equipment

We will cover You for theft of any property of a similar nature to the Property Insured by this cover section not belonging to You, but in Your physical or legal control for the purposes of your Business occurring during the Period of Cover anywhere in the world.

This additional benefit does not cover theft committed by any member of Your Family or by any Employee of Yours or committed by any person whilst lawfully at Your Premises.

We will not cover You under this Additional benefit unless the Property Insured was:

- a) in a securely locked Vehicle and the theft was consequent upon forcible and violent entry to the Vehicle
- b) securely and permanently affixed to a Building or Vehicle and theft is consequent upon forcible and violent removal of the Property Insured
- c) in a Vehicle and was securely chained to that Vehicle by a steel chain having a link diameter of 10mm or greater and a padlock with a security rating under AS 4145.4 (or any subsequent amendment) of 6 (or its equivalent) or above
- d) in Your private residence or the private residence of your Employee who has been authorised by You to have the custody and control of the Property Insured. However We will not cover any theft by a tenant
- e) securely locked in a Building or any part of the Building and the theft is consequent upon forcible and violent entry to the Building or that part of the Building. However We will not cover any theft:
 - i. committed by any person while lawfully in the Building, or
 - ii. of Property Insured which is unattended in areas of the Building
- f) stolen as a consequence of armed hold-up or the threat of physical violence

We will not cover You for more than \$2,000 in any one Period of Cover under this Additional benefit.

Optional extensions

The cover set out below only applies if shown in the Schedule.

1. Goods in transit

When 'Goods in Transit Cover' option is stated on the Schedule, We will cover You in respect of damage, as provided within Optional reduction in cover – Fire, theft, collision and other expressed perils, to Property Insured belonging to You or for which You are legally responsible, whilst it is in Transit within the Commonwealth of Australia.

Excluded property within this extension

We will not be liable under this Optional extension for loss of or damage to any of the following property:

- a) Money, or
- b) jewellery, watches, furs, antiques, paintings, works of art, precious metals or precious stones or articles composed of any of them, or
- c) explosives, petroleum products in bulk or gas in bulk, or
- d) pets or livestock, or
- e) cigarettes, tobacco, wines, spirits or other alcoholic beverages,

unless specified in the Schedule.

Excluded perils within this extension

We will not pay for damage:

- a) to refrigerated Stock, arising from any variation in temperature, unless the variation in temperature is directly caused by electronic or mechanical breakdown resulting in stoppage or malfunction of refrigerating machinery and the subsequent failure to perform its normal refrigeration cycle for more than 4 consecutive hours, or
- b) to Property Insured sent by post, unless by registered post, or
- c) that arises as a result of Property Insured being worked upon, or
- d) arising from insufficiency or unsuitability of packing, preparation or stowage of the Property Insured by You or Your Employees, or
- e) arising from unfitness of any conveyance or packaging for the safe carriage of the Property Insured.

Additional benefits within this extension

Where damage to Property Insured is covered under this extension, We will also pay:

1. On forwarding and transfer

We will cover You for the reasonable costs incurred for transferring, storing and/or forwarding Property Insured to a suitable place.

The most We will pay under this additional benefit for any one loss is limited to the lesser of fifteen per cent (15%) of the Sum Insured for Property Insured under this extension, or \$25,000.

2. Removal of debris

We will also pay the reasonable costs incurred to remove, transport and dispose of Property Insured that is subject to the claim, provided that You are legally obliged to bear such costs.

The most We will pay under this additional benefit for any one loss is the lesser of fifteen per cent (15%) of the Sum Insured for Property Insured under this extension, or \$100,000.

Conditions to this extension

1. Benefit of insurance

The carrier or any other bailee of the Property Insured cannot claim any benefit under this section.

2. Claims procedure

In addition to the Claims procedure in the terms and conditions section of this Policy You must also:

- a. ensure that delivered containers and seals are examined immediately by a responsible official of the receiver, and
- b. if the container is delivered damaged or with seals broken or missing or with seals other than stated in the shipping documents, note the delivery docket accordingly and retain all defective or irregular seals for subsequent identification, and
- c. if the damage was not immediately apparent at the time of delivery, apply immediately for surveys to be performed by the carrier or other person who had charge of the business property to be conducted within 3 days of delivery.

Any admissible claim under this section will not be prejudiced where:

- i. packages, excluding shipping containers, containing business property, excluding shipping containers, are not opened and unpacked immediately upon receipt into store, and
- ii. damage is only discovered by You when the packages are opened or unpacked, and
- iii. the damage has been discovered no later than 90 days after the receipt of packages by the receiver.

3. General average and salvage clause

If Your Property Insured is being transported by sea between Australian ports and a General Average is declared, We insure Your proportion of the General Average and/or salvage contribution irrespective of the amount insured being less than the contributory value, subject always to the Sum Insured stated in the Schedule.

In the event of a General Average contribution arising under this extension, You must contact Us and obtain Our authority to contribute before signing any General Average bond.

4. Pairs and sets

In respect of a claim payable under this extension, where any Property Insured consists of articles in a pair or set, We will not pay more than the value of any particular article(s) of the pair or set which may be damaged without reference to any special value which such article or articles may have as part of such pair or set. Further We will not pay more than a proportionate part of such pair or set.

Cover section exclusions

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

This exclusion applies to the part which caused the mechanical, electrical or electronic breakdown and that immediately affected but does not extend to subsequent damage to other parts of the property occasioned by a peril which is not otherwise excluded.
3. We will not cover:
 - a) Property Insured not being used by You in accordance with the manufacturer's instructions
 - b) any legal liability of whatsoever nature, or
 - c) Consequential Loss of any kind.

Definitions

Some words have special meaning wherever they appear in this cover section. Where they appear in this cover section, they are shown with a capital letter. The singular shall include the plural and vice versa.

Conveyance means the Aircraft, train, Vehicle, vessel or Watercraft by which Property Insured is being transported.

General Average means any extraordinary sacrifice or expenditure relating to part of the ship or its cargo that is voluntarily and reasonably made or incurred for the purpose of preserving the whole ship or cargo at risk in a sea voyage.

Property Insured means the property listed on the current Schedule under the General Property cover section. The current Schedule will show which of the cover options applies to this cover section.

Transit means the time:

- a) when Property Insured first begins loading at the warehouse, premises or place of storage on or into the Conveyance, and
- b) continues through the ordinary course of carriage, until the Property Insured is first placed inside the receiver's warehouse, premises or place of storage, but
- c) both the loading and the first placing inside the receivers' warehouse, premises or place of storage must occur during the Period of Insurance for the definition of Transit to be satisfied.

Claims procedure

Please refer to the Claims procedure in the terms and conditions section of this Policy for details of Your obligations in the event of a claim.

Section 10 Taxation Investigation

This cover section does not apply unless stated in the current Schedule.

Taxation audit costs

Provided 'Taxation Investigation' is shown under 'What's covered' on the Schedule, We will cover the reasonable and necessary Costs You incur following notification received during the Period of Cover of an audit or investigation by a Federal or State Commissioner of Taxation relating to Your liability to pay income tax, fringe benefits tax, capital gains tax, wholesale and sales tax, payroll tax, goods and services tax or superannuation contributions tax in respect of Your Business up to the amount specified on the Schedule for this cover section.

Cover section exclusions

We shall not be liable under this cover section:

- a) for the imposition of any tax, fines, penalties, court costs, penalty tax or interest
- b) for Costs incurred after completion of the audit or investigation
- c) where any proceedings were initiated, threatened or started prior to the commencement of the Period of Cover
- d) for Costs arising from Your improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by a State or Federal Commissioner of Taxation for the production of documents or the supply of information. Refusal or failure to comply will not be deemed improper, unwarranted or unjustified if You refuse or fail to comply upon the advice of Your accountant or tax agent
- e) for Costs from audits or investigations under customs legislation
- f) for Costs from audits or investigations of income received or earned, or where the source of income is, outside the Commonwealth of Australia or where the services giving rise to the claim are performed by persons or entities ordinarily resident outside Australia
- g) arising out of any fraud or fraudulent act or omission committed by You or on Your behalf
- h) arising from audits or investigations which result in You, or any person acting on Your behalf, becoming aware of any error or deficiency in any return of income or other documentation supplied to a State or Federal Commissioner of Taxation and failing to notify the Commissioner of Taxation without delay.

Cover section conditions

You must lodge taxation and other returns within the time limits applicable to those returns as prescribed by statute or through extension of time granted by a Commissioner of Taxation.

You must make full and complete disclosure of all assessable income (including capital gains), as required by any relevant legislation.

In the event of a claim arising:

- a) You must at all times keep Us fully and continually informed of all material developments in relation to the claim and in relation to any audit
- b) You must take all necessary and reasonable steps to minimise any delays and the amount of any costs incurred or likely to be incurred in connection with any audit
- c) We or Our duly appointed agent may make Our own investigation into any matter which is or may be the subject of a claim, and You must ensure that Your accountants, registered tax agent and/ or solicitor must cooperate with Us and where necessary, assist Us in relation to any claim and assist Us with any matter We wish to pursue with the Commissioner of Taxation which is or may be the subject of a claim.

Definitions

Some words have special meaning wherever they appear in this cover section. Where they appear in this cover section, they are shown with a capital letter. The singular shall include the plural and vice versa.

Costs means professional fees paid to accountants or registered tax agents who are not Your Employees, for work undertaken in connection with the audit or investigation.

Claims procedure

Please refer to the Claims procedure in the terms and conditions section of this Policy for details of Your obligations in the event of a claim

CONTACT DETAILS

Enquiries 13 24 81

Claims 13 24 80

Mailing address

GPO Box 9902 in your capital city

Sydney

388 George Street
Sydney NSW 2000

Melbourne

181 William Street
Melbourne VIC 3000

Brisbane

189 Grey Street
South Bank QLD 4101

Perth

46 Colin Street
West Perth WA 6005

Adelaide

80 Flinders Street
Adelaide SA 5000



[CGU.COM.AU](https://www.cgu.com.au)