

Business Insurance

Product Disclosure Statement
and Policy Wording



Hollard.
commercial insurance



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ABOUT THIS PDS

This PDS contains 2 separate sections:

General information

This part of the PDS contains information You need to know before You take out a Policy. Please read it carefully before taking out this insurance.

Policy terms and conditions

This part of the PDS contains the Policy Terms and Conditions for Hollard Commercial Business Insurance, which details all the terms, conditions and exclusions relating to the Policy. It forms part of Your legal contract with Us.

If We agree to insure You, You will be given a Policy Schedule. The Policy Schedule sets out the specific terms applicable to Your cover and should be read together with the Policy Terms and Conditions of Hollard Commercial Business Insurance.

The Policy We issue to You forms Your legal contract with Us so please keep Your Policy documents in a safe place for future reference.

If You require further information about this product, please contact Your broker.

Digital product disclosure statement

This Hollard Commercial Business Insurance will be issued as a digital only product from 1 October 2019. Until this date You will be able to obtain a hard copy of the Product Disclosure Statement by contacting Your broker.

Commencing 1 October 2019, We will only provide the Product Disclosure Statement and all other product documentation in electronic form. You can also obtain an electronic copy of the Product Disclosure Statement and any other important information about the product, by contacting Your broker.

After You purchase this product, if You require replacement copies of Your documents, We will either send You, or Your broker, digital copies, or provide You, or Your broker with a link to access digital copies. The digital copies will be in a form that can be downloaded, saved and printed. By purchasing this product, You agree to receive all information, documents and notices in digital form and You acknowledge that You must make every effort to inform Us of any changes to Your contact details.

GENERAL INFORMATION FOR HOLLARD COMMERCIAL BUSINESS INSURANCE

The information contained in this part is general information only and does not form part of Your contract with Us. The Policy Terms and Conditions in the rest of this PDS contain details of Your contract.

Important information

Your Policy is important. Please ensure You read it carefully and keep it in a safe place.

The Policy makes provision for payment of Goods and Services Tax by You in relation to premiums and by Us in relation to claims.

If You have any questions regarding the Policy, please contact Your insurance broker.

Plans, documents, reports, contracts, receipts, manuals and serial numbers relating to Your property should be kept. If a claim occurs they may be required by Us and they will assist You completing Your claim form.

Your Duty of Disclosure

Before You enter into an insurance contract, You have a duty of disclosure under the *Insurance Contracts Act 1984*.

It is Your responsibility to tell Us anything that You know, or could reasonably be expected to know, which 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 contract 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 contract as if it never existed.

After the Policy is entered into, ongoing disclosure obligations apply.

The Insurer

This insurance is underwritten by The Hollard Insurance Company Pty Ltd (ABN 78 090 584 473, AFSL 241436) ('Hollard').

Hollard's unique business model and partnership philosophy have quickly established Hollard as the partner of choice for many of Australia's leading underwriting agencies and independent insurance brokers, financial institutions and retailers.

Hollard is authorised by the Australian Prudential Regulation Authority and holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission.

Hollard's contact details are:

Address: Level 12, 465 Victoria Avenue, Chatswood, NSW 2067

Mail: Locked Bag 2010, St Leonards, NSW 1590

Phone: +61 2 9253 6600

You should contact the Agent, Hollard Commercial Insurance in the first instance in relation to this insurance.

The Agent

Hollard Commercial Insurance Pty Ltd (ABN 86 603 039 023, AFSL 474540) (HCi) acts under a binding authority given to it by Hollard to administer and issue policies, alterations, renewals and claims. In all aspects of arranging the Policy, HCi acts as an agent for Hollard and not for You. HCi may charge a fee, which will be set out in Your Policy Schedule. For more information please refer to the HCi Financial Services Guide (FSG) available at www.hollardcommercial.com.au.

HCi's contact details are:

Address: Level 12, 465 Victoria Avenue, Chatswood, NSW 2067

Phone: 1300 306 226

Email: connect@hollardcommercial.com.au

Privacy

We recognise that Your privacy is important to You. We are committed to protecting the privacy and security of Your personal information in accordance with the *Privacy Act 1988*. We generally collect personal information directly from You, or from someone authorised by You, in order to provide and administer the various products and services We offer, including marketing information regarding other products and services (of Ours or a third party). If We are unable to collect Your personal information, We may not be able to assess Your application or offer to issue the financial product or service to You. We may disclose Your personal information to related parties, services providers and other third parties, including disclosure overseas (this can change from time to time and You should contact Us for details and to

see if this applies to You), in order to manage and administer the financial product or service or for other purposes as explained in Our Privacy Policy. You may reasonably obtain access to and ask Us to correct Your personal information that We hold. Our Privacy Policies can be viewed on our websites www.hollard.com.au and www.hollardcommercial.com.au or a copy can be requested by phoning **02 9253 6600** and **1300 306 226**.

General Insurance Code of Practice

Hollard is a signatory to the General Insurance Code of Practice ('the Code').

The objectives of this Code are to:

- promote better, more informed relations between insurers and their customers;
- improve consumer confidence in the general insurance industry;
- provide better mechanisms for the resolution of complaints and disputes between insurers and their customers; and
- commit insurers and the professionals they rely upon to higher standards of customer service.

HCI's service standards are in accordance with the Code. You can obtain a copy of the Code from the Insurance Council of Australia website at www.insurancecouncil.com.au.

For further information about the Code, including a copy of the Code, contact Us or the Australian Financial Complaints Authority ('AFCA') on 1800 931 678 or visit www.codeofpractice.com.au.

Financial Claims Scheme

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

The protection provided under the Financial Claims Scheme legislation applies in relation to Hollard and the policy. If Hollard was to fail and were unable to meet their obligations under the policy, a person entitled to claim under the policy may be entitled to payment under the Financial Claims Scheme (access to the Scheme is subject to eligibility criteria). Information about the Financial Claims Scheme can be obtained from the APRA website at www.fcs.gov.au or the APRA hotline on 1300 558 849.

Hollard is exempt from the requirement to meet the compensation arrangements Australian financial services licensees must have in place to compensate retail clients for

loss or damage suffered because of breaches by the licensee or its representatives of Chapter 7 of the Corporations Act. Hollard has compensation arrangements in place that are in accordance with the Insurance Act.

Dispute resolution process

We welcome every opportunity to resolve any concerns You may have with Our products or service. In the first instance contact Your insurance broker.

If Your concern is still not resolved to Your satisfaction please contact:

Step 1: Contact HCI by:

Phone: 1300 306 226
Email: feedback@hollardcommercial.com.au
Mail: Locked Bag 2010, St Leonards, NSW 1590

We will address complaints in accordance with HCI's Complaints Handling Process available at www.hollardcommercial.com.au and the Insurance Council of Australia's General Insurance Code of Practice.

If HCI requires additional information they will contact You to discuss. If Your complaint is not immediately resolved HCI will respond within 15 business days of receipt of Your complaint or agree a reasonable alternative timetable with You.

Step 2: Internal Dispute Resolution

If You are not satisfied with HCI's response You may write to Our Internal Dispute Resolution Committee at:

The Hollard Insurance Company Pty Ltd
Internal Dispute Resolution Committee
Locked Bag 2010, St Leonards, NSW 1590

Phone: +61 2 9253 6600
Email: resolution@hollard.com.au

Step 3: External Dispute Resolution scheme

If We are unable to resolve Your complaint within 45 days of the date We first received Your complaint or if You remain unsatisfied, You can choose to have the matter reviewed independently by the Australian Financial Complaints Authority (AFCA). Its services are free to You and as a member We agree to accept its decision where We are bound to do so. You have up to two years to contact AFCA after Our final decision.

You can contact AFCA by:

Phone: 1800 931 678
Email: info@afca.org.au
Website: www.afca.org.au
Mail: Australian Financial Complaints Authority
GPO Box 3, Melbourne, VIC 3001

Cooling-off information

There is a 21 day cooling-off period. If You are not completely satisfied with the Policy, You can cancel it from its date of issue by contacting Your broker or Us in writing within 21 days of its date of issue.

We will refund Your premium less any non-refundable government charges, taxes and levies that We have paid. You cannot exercise this right if You are entitled to or have made a claim for any incident within the 21 day period.

Even after this cooling-off period ends You still have cancellation rights. See the General Policy Conditions section.

Hollard Commercial Business Insurance – significant features and benefits

This Policy incorporates 12 different cover sections of business insurance. You are insured only in respect of those cover sections shown as insured in the Policy Schedule. The Policy Schedule should be checked to ensure that You have the cover sections and extent of cover You require.

The available cover sections of insurance are:

- Property Damage cover section;
- Business Interruption cover section;
- Theft cover section;
- Money cover section;
- Glass cover section;
- Public and Products Liability cover section;
- Transit cover section;
- Electronic Equipment Breakdown cover section;
- Machinery Breakdown cover section;
- General Property cover section;
- Tax Audit cover section;
- Employee Dishonesty cover section.

The basis of Our Agreement with You is the application for insurance and the Policy documents.

The Policy Schedule activates the cover under the Policy and indicates which cover sections of insurance have been taken and which property is insured. If You pay the premium shown in the Policy Schedule, We will provide You with the cover selected and shown in the Policy Schedule in accordance with the relevant sections contained in the Policy. Any variation to the Policy will be shown on, or attached to the Policy Schedule. The General Definitions, General Policy Conditions and General Policy Exclusions apply to all cover sections of the Policy.

When the Policy is renewed for a further term Our renewal schedule will be issued as the current Policy Schedule.

We will only be liable for occurrences giving rise to a claim within the Period of Insurance shown in the Policy Schedule.

Significant risks

Duty of disclosure

You are obliged to provide reliable information and to comply with Your duty of disclosure, which outlines Your disclosure obligations and the consequences of not complying with these obligations.

Under-insurance

The Property Damage and Business Interruption cover sections of the Policy are subject to under-insurance conditions. The effect of these conditions is that if, at the time of loss the Sum Insured is less than the full value of the property or revenue/ gross profit insured, then You could be called upon to bear a proportionate amount of the loss accordingly. To avoid the possibility of having to bear a portion of any claim You should ensure that You are fully covered at all times.

Conditions, exclusions and Policy limits

Read this PDS carefully so that You are fully aware of the cover provided by the Policy and the conditions, exclusions and Policy limits that apply to Your insurance.

General information about taxation implications

The premiums You pay for Your Hollard Commercial Business Insurance policy may be deductible and any payments You receive, including benefits and premium refunds may be assessable. This is general information only and You should seek advice from Your accountant or taxation adviser regarding Your particular circumstances.

Information regarding Goods and Services Taxation is included in the policy wording under the heading: **HOW GOODS AND SERVICES TAX (GST) AFFECTS ANY PAYMENTS WE MAKE**

POLICY TERMS AND CONDITIONS FOR HOLLARD COMMERCIAL BUSINESS INSURANCE

Our agreement with You

Where We agree to insure You, We will issue a Policy Schedule confirming cover.

The information contained in the Policy Schedule sets out information specific to You such as the cover We have agreed to provide and the Policy Sums Insured and limits of liability.

Our agreement with You (the Policy) will comprise of this policy wording, the Policy Schedule and any Endorsements that We issue. They should be read together and kept in a safe place.

Where We have agreed to enter into a Policy with You and subject to the terms, conditions and exclusions of the Policy:

- We agree to provide You with the insurance cover set out in each of the cover sections which are shown as insured in the Policy Schedule, subject to Your payment of or agreement to pay Us the premium set out in the Policy Schedule;
- the insurance cover is in force for the Period of Insurance set out in the Policy Schedule;
- We will cover You to the extent described in this Policy during the Period of Insurance;
- We will not pay any more than the Sum Insured or limit of liability for each cover section which is shown in the Policy Schedule or as provided in the Policy wording.

Please read the Policy carefully, and satisfy Yourself that it provides the cover You require.

If You want more information about any part of the Policy, please ask HCl or Your broker.

You should keep all Policy documents together in a safe and convenient place for future reference.

Some of the words in this Policy have special meanings. These words and their meanings are defined in the Definitions section.

This document, together with any amendments, updates or endorsements We give You in writing, also applies for any offer of renewal unless We tell You otherwise.

Paying your premium

You must pay Your annual premium by the due date. If We do not receive Your premium by this date or Your payment is dishonoured the Policy will not operate and there will be no cover.

Under-insurance

The following cover sections of the Policy:

- 1) Property Damage cover section; and
- 2) Business Interruption cover section;

contain under-insurance conditions which require You to insure for full value. If You do not, We may pay You a lower amount after taking into account the proportion of under-insurance or You may be required to pay a portion of the loss Yourself.

Defined words

We have capitalised words with special meaning wherever they appear in the Policy, to show that those words have a particular defined meaning. These words are defined in the General Definitions section and the definition section applicable to each particular cover section of the Policy. Where any word is defined every derivative of that word has a corresponding meaning. Reference to the singular also includes the plural and vice versa.

GENERAL DEFINITIONS

The following General Definitions apply to all cover sections of the Policy, unless defined differently in individual cover sections:

Aircraft: means anything made or intended to fly or move in or through the air or space other than model aircraft or unmanned inflatable balloons used for advertising or promotional purposes.

Alcohol: means alcoholic beverages.

Animal(s): means any living creature including, but not limited to, livestock, birds, fish, vermin or insects.

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

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.

Building(s): means the building(s) located at the Premises.

Building(s) includes:

- 1) sheds;
- 2) customised and modified shipping containers or transportable buildings permanently located at the Premises used as workshops, lunchrooms or storage and which are permanently fixed to the ground with electrical or plumbing services, as necessary;
- 3) shipping containers whilst used as an outbuilding in which the Stock or Contents of Your Business is stored long-term and whilst on the Premises and positioned within the boundary of the Premises;
- 4) walls, foundations, storage tanks and sheds, awnings, exterior lights, masts, antennae and aerials, fixed external signs, gates, fencing, pavements, roads and other structural improvements pertaining to the buildings;
- 5) property owner's fixtures and fittings, floor coverings, plant, plumbing or wiring services that are within the buildings;
- 6) carports, pergolas and canopies;
- 7) barns and outbuildings;
- 8) external fixed items including swimming pools, saunas and spas, gangways between buildings, lights and signs and air conditioning units;
- 9) bridges, wharves, piers and jetties;

- 10) underground and above ground services that are Your property or for which You are responsible and which are connected to any building.

Building(s) does not include:

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

This definition of 'Buildings' is subject to General Policy Condition 'Designation of Property'.

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

Business Hours: means the normal working and office hours of the Business (including overtime) during which You, Your directors, officers, partners or Employees are at the Premises for the purposes of the Business.

Cigarettes/Tobacco: means products consisting of cigarettes, tobacco or cigars.

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

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:

- 1) delay or interruption of the Business;
- 2) lack of power, light, heat, steam or refrigeration; or
- 3) any other indirect result or consequence of a breakdown.

Contents: means business and office furniture, tools of trade and equipment used by You for the purpose of the Business and which belong to You or for which You are responsible.

Contents includes:

- 1) unused stationery and printed books;
- 2) where You are a tenant of a leased or rented Premises:
 - a) property owner's plant (up to a maximum of \$20,000), fixtures and fittings, window blinds, floor coverings and Glass for which You are liable under the terms of a lease or similar agreement;
 - b) plant, fixtures and fittings, fixed carpets and floor coverings installed by You for Your use in the Business; and
 - c) signs and awnings;
- 3) money up to \$500;
- 4) plant and machinery, unregistered forklifts and hoists, communications systems;
- 5) computers, printers, scanners and other associated equipment and other electronic equipment or electronic data processing systems;
- 6) digital or analogue telecommunication transmission and receiving equipment, lighting facilities, televisions, audio visual amplification or surveillance equipment and office machines;
- 7) data, media, records, documents, manuscripts, plans, drawings, designs and business books, but only for the value of these materials in their unused or uninstalled state or as blank stationery;
- 8) current patterns, models, moulds, dies and casts used in Your Business but limited, unless repaired or replaced, to the value stated in Your financial records at the time of loss or damage;
- 9) paintings, works of art, antiques or curios;
- 10) documents of title and any other documents of aesthetic, historic, scientific or social value for past, present or future generations;
- 11) property of Your welfare, sports and social clubs;
- 12) for the purpose of the Property Damage cover section, Stock, but not if it is shown as a separate item in the Policy Schedule;
- 13) shipping containers not owned by You but temporarily in Your possession and located on the Premises for the delivery, unloading, loading and/or dispatch of goods and merchandise to or from the Premises, but only to the extent that You are legally liable for such shipping containers and not indemnified against loss, destruction or damage thereto under any other policy of insurance.

Contents does not include:

- 1) Stock, except in the case where contents is deemed to include Stock under the Property Damage cover section;
- 2) Buildings;

- 3) directors' and Employees' tools of trade and personal effects;
- 4) jewellery, furs, bullion, articles containing gold or silver which exceed \$10,000 any one item unless such item is Stock;
- 5) motor vehicles registered for road use and any other machinery whilst registered for road-related areas, caravans, trailers, Watercraft, Aircraft, hovercraft, rolling stock and locomotives or their accessories, provided that this exclusion does not apply to:
 - a) mobile plant and equipment (excluding cars, sedans, panel vans and trucks) not otherwise insured; and
 - b) in the case where contents is deemed to include Stock under the Property Damage cover section, motor vehicles or trailers, caravans, motorcycles, Watercraft or hovercraft or their accessories, that are Stock and are on Your Premises at the time of any loss or damage.
- 6) Animals except in the case where contents is deemed to include Stock under the Property Damage cover section, Stocks of a pet shop or restaurant;
- 7) plants, shrubs, lawns, growing crops, pastures and standing timber other than pot-plants;
- 8) in the case where contents is deemed to not include Stock, Customers' Goods other than customer's records and documents held or created by You as part of Your Business; or
- 9) Specified Items.

This definition of Contents is subject to General Policy Condition 'Designation of Property'.

Customer's Goods: means goods that belong to Your customers for which You are responsible or for which You have assumed responsibility to insure prior to any destruction or damage thereto.

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.

Employee: means any person while employed by You in Your 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:

- 1) volunteers; and
- 2) students on work experience.

Employee does not include any:

- 1) broker, agent, consignee or contractor;
- 2) member of Your Family unless that person is employed by You under a contract of service; or
- 3) 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: means one incident or all incidents of a series consequent on, or attributable to, one source or original cause.

Excess: means the amount specified in the Policy which is payable by You for each claim made under the Policy.

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

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:

- 1) a lake (whether or not it has been altered or modified);
- 2) a river (whether or not it has been altered or modified);
- 3) a creek (whether or not it has been altered or modified);
- 4) another natural watercourse (whether or not it has been altered or modified);
- 5) a reservoir;
- 6) a canal.

Glass: means:

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

Glass includes external glass, internal glass and specified glass as defined in the Glass cover section.

Money: means current coin, bank notes, currency notes, cheques, credit card sales vouchers, Securities, postal orders, money orders, negotiable and non-negotiable securities and other like documents of value, phone cards and/or stored value cards, unused postage and revenue stamps, public transport tickets, private transport tickets (excluding airline tickets), bridge or highway tokens, car wash tokens, lottery tickets, authorised gift vouchers from external parties, discount vouchers, contents of franking machines and includes cash boxes, alarm bags, or any other portable container used to convey money all belonging to You or for which You are legally responsible or have assumed a responsibility to insure.

Obsolete Stock: means Stock which can no longer be sold for its full value, for example, Stock which is out-of-season fashion, superseded computers or perishable goods beyond their use by date.

Period of Insurance: means the time cover commenced to the time cover expires. The dates are shown in the Policy Schedule. Unless stated otherwise, cover shall expire at 4.00pm local time at the place where You arranged the cover.

Policy: means Your insurance contract with Us which consists of this policy wording, any Endorsements and the Policy Schedule.

Policy Schedule: means the record of the particulars of Your insurance which forms part of the Policy. The Policy Schedule is issued when We have accepted Your insurance. At each renewal of the Policy, the renewal schedule becomes the current policy schedule. Updated policy schedules or Endorsements may also be sent to You showing alterations to the Policy.

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 places listed in the Policy Schedule as the situation at which and from which You operate Your Business. The premises includes Buildings and land within the legal boundaries.

Property Insured: means the property shown in the Policy Schedule as specifically covered with a Sum Insured in respect of each cover section.

Safe or Strongroom: means a container or structure which has been specifically designed for the safe storage of Money or valuables and is designed to resist unauthorised opening by hand-held or power operated tools. A safe or strongroom includes an Automatic Teller Machine.

A safe or strongroom does not include a:

- 1) cash tin;
- 2) locked drawer in a filing cabinet or desk; or
- 3) burglary resistant container weighing less than 20 kilograms that is not fixed to the wall or floor of the Premises by anchoring it with the use of expansion anchor bolts

Seasonal Increase Period(s): means any period of time during the Period of Insurance that has turnover, sales or levels of Stock at least 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 120 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 Your Business is less than 2 years old, 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 period(s) or higher percentage increases of turnover, sales or levels of Stock. If You do, they will be shown in the Policy Schedule and You must pay any additional premium that applies.

Securities: means certificates of stock, bonds, coupons and all other types of securities.

Specified Items: means each item of specified property that is shown as insured in the Policy Schedule with a specific Sum Insured.

Stock: means products and materials You intend to sell, Customer's Goods, raw or consumable materials or products used by You in the Business and Your products while being made, repaired or altered.

Stock includes:

- 1) stock in trade, Cigarettes/Tobacco and Alcohol;
- 2) items of property at Your Premises under a 'sales or return' consignment agreement.

Stock does not include animals other than stock of a pet shop or restaurant.

For the purpose of the Theft cover section:

- 1) stock does not include Cigarettes/Tobacco; and
- 2) stock does not include Alcohol if Alcohol is shown as separately insured in the Policy Schedule with a specific Sum Insured.

Sum Insured: means the relevant amount shown in the Policy Schedule.

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 or Our: means The Hollard Insurance Company Pty Ltd (ABN 78 090 584 473, AFSL 241436) ('Hollard').

You, Your, Insured: means the person(s), companies or firms named in the Policy Schedule as the 'Insured'.

GENERAL POLICY EXCLUSIONS

The following General Policy Exclusions apply to all cover sections of the Policy.

Consequential loss

The Policy does not insure any Consequential Loss of any description except as specifically stated in the Policy, provided that this exclusion does not apply to the Public and Products Liability cover section.

Electronic data exclusion

We will not cover Electronic Data or the cost of rewriting records as a result of loss of Electronic Data.

However, We will provide cover for losses to Electronic Data and rewriting of records 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 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 Electronic Equipment Breakdown cover section of the Policy is current We will also provide cover under additional benefit 3 'Restoration of Electronic Data' for 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 Computer Virus, worm, trojan horse, hacking, or any unauthorised access.

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 the appropriate cover section.

Intentional acts

Subject to the provisions of the *Insurance Contracts Act 1984* (Cth), the Policy does not cover loss or damage intentionally caused by You or another party committed with Your knowledge and consent and which You were capable of preventing.

Known defects

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

Sanctions

We will not provide cover, be liable to pay any claim or provide any benefit under the Policy to the extent that the provision of such cover, payment or benefit is prohibited by law or by doing so will expose Us to any sanction, prohibition or restriction under United Nations resolutions or any applicable trade or economic sanctions, laws or regulations.

Unoccupancy

Unless We otherwise agree in writing, We will not pay for any loss or damage to Your Property Insured if the Event happens after Your Premises has been unoccupied for more than 90 consecutive days. Unoccupied means left vacant by You or any other authorised person whether furniture or other contents remain or not.

This exclusion does not apply to loss or damage caused by:

- 1) lightning, earthquake, volcanic eruption, tsunami and/or subterranean fire;
- 2) 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;
- 3) falling communication masts, towers, antennae or dishes, falling buildings or structures or parts thereof which do not belong to You;
- 4) riots, civil commotions and strikes.

War, terrorism, radioactivity

The Policy excludes loss, damage, destruction, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any of the following, regardless of any other cause or Event contributing concurrently or in any other sequence to the loss:

-
- 1) war, invasion, acts of foreign enemies, hostilities or war-like operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, or any looting, sacking or pillaging following any of these;
 - 2) any Act(s) of Terrorism
For the purpose of this exclusion, an Act of Terrorism includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:
 - a) involves violence against one or more persons; or
 - b) involves damage to property; or
 - c) endangers life other than that of the person committing the action; or
 - d) creates a risk to health or safety of the public or a section of the public; or
 - e) is designed to interfere with or to disrupt an electronic system;
 - 3) radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion.

The Policy also excludes any loss, destruction, damage, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, 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.

GENERAL POLICY CONDITIONS

The following General Policy Conditions apply to all cover sections of the Policy.

A breach of a condition without Your knowledge or consent or error in name, description or situation of property will not prejudice Your rights under the Policy provided notice in writing is given to Us when such breach or error comes to Your knowledge. You must pay Us any additional reasonable premium that We may require, from the date of such breach or error.

Accountancy records

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

Acquisition of companies

You need to notify Us in writing within 30 days of the acquisition of:

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

and the business is of a similar occupation to that stated in the Policy Schedule, We will provide cover subject to Your acceptance of Our terms and undertaking to pay the additional premium We may require. Our liability shall not exceed the Sum Insured, limit of liability, or any sub-limit of liability applicable under the relevant cover section(s) making up the Policy for each category of property.

Bankruptcy or insolvency

In the event that You should become bankrupt or insolvent, We shall not be relieved thereby of the payment of any claims hereunder because of such bankruptcy or insolvency. In case of execution against You of any final judgment covered by this Policy being returned 'unsatisfied' by reason of such bankruptcy or insolvency, then an action may be maintained by the injured party or their representative against Us in the same manner, and to the same extent as You but not in excess of the limit of liability.

Bushfire, grass fire, scrub fire, cyclone – delay of cover

We shall not be liable under the Property Damage cover section and/or the Business Interruption cover section for any claim arising out of or in connection with any loss or damage occurring within:

- 1) a period of 2 days from the original inception of the Policy caused by or contributed to by:
 - a) any bushfire or grass fire or scrub fire; or
 - b) any attempt to fight any bushfire or grass fire or scrub fire;
- 2) a period of 7 days from the original inception of the Policy caused by or contributed to by a named cyclone.

This exclusion shall not apply if:

- 1) the Policy commenced immediately after another policy covering the same risk has expired, without a break in cover; or
- 2) You have entered into a contract of sale to purchase the property at the Premises; or
- 3) You have entered into a contract to lease the property at the Premises.

Cancelling the Policy

How You may cancel the Policy

- 1) You may cancel the Policy at any time by telling HCl in writing that You want to cancel it. You can do this by giving the notice to Your broker.
- 2) 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 in the Policy Schedule.

How We may cancel the Policy

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

The premium

We will refund to You the proportion of the premium for the remaining Period of Insurance less non-refundable duties, provided that:

- 1) no Event has occurred where liability arises under the Policy; and
- 2) HCl will retain any agency fees that were charged under the Policy other than when the Policy is cancelled within the cooling off period or if it is a full term cancellation.

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 Insurance less non-refundable duties, provided that:

- 1) no Event has occurred where liability arises under the Policy; and

- 2) HCl will retain any agency fees that were charged under the Policy other than when the Policy is cancelled within the cooling off period or if it is a full term cancellation.

Instalments

Where the premium payment for the Policy is made by instalments and one such instalment remains outstanding for a period of one month, We may cancel the Policy.

We may not pay a claim if at the date of the event You are claiming for You are one month late in paying an instalment.

Change to risk

If there are any changes to Your Business or other circumstances affecting the Premises during the Period of Insurance (other than unoccupancy) that may result in an increased risk of destruction, loss or damage to Your Property Insured under the Policy or liability to any third parties, You must notify Us within 30 days of any change that may increase the risk insured under Your Policy.

Examples of changes You should notify Us about include but not limited to a change:

- a) in the trade or manufacture carried on, or where the nature of the occupation or other circumstances affecting the Building insured or containing the Property Insured is changed in such a way as to increase the risk of damage or the likelihood of liability losses;
- b) in Your products or services;
- c) to any answers to the questions We have asked when this insurance was first taken out or any alterations or renewals since then;
- d) where Your interest ceases by will or operation of law.

If We agree to these alterations We will do so in writing and You must pay Us any additional premium We may require.

Your failure to notify Us of the alterations of risk or changes that may increase the risk could result in Us declining a claim and/or cancelling or avoiding the Policy, except where We expressly allow alterations in risk in the relevant cover sections of the Policy.

Claims

What You must do after loss, damage or accident

- 1) Protect Yourself from any danger present.
- 2) Assist other people within Your capabilities if required.
- 3) Take reasonable steps to prevent further loss, damage or liability.
- 4) 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.
- 5) Advise HCl of the claim as soon as practicable and then supply HCl with full written details by completing a

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 HCl investigating the claim on Our behalf.

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

What You must not do after a loss or accident

- 1) You must not admit fault or agree to pay for damage without HCl's 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.
- 2) You must not incur any costs or expenses or authorise repairs (other than necessary temporary repairs) without HCl's prior agreement.

Claims 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 the Policy. The most We will pay is \$25,000 in total for any one claim, unless a higher amount is included in the particular cover section of the Policy. This benefit is in addition to any Sum Insured or limit of liability.

This benefit does not apply to the Tax Audit cover section.

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.

This General Policy Condition shall not apply to the Theft cover section with respect to Cigarettes/Tobacco and Alcohol.

Under the Theft cover section:

- 1) Stock does not include Cigarettes/Tobacco; and
- 2) Stock does not include Alcohol, if Alcohol is shown as separately insured in the Policy Schedule with a specific Sum Insured.

Excess

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

Failure to pay your insurance premium

You must pay the premium, including relevant government charges for the Period of Insurance, by the due date for Your insurance to remain operational.

How goods and services tax (gst) affects any payments we make

The limits of cover that You choose should exclude Goods and Services Tax (GST)

If You are not registered for GST in the event of a claim We will reimburse You the GST component in addition to the amount that We pay.

The amount that We are liable to pay under the Policy will be reduced by the amount of any input tax credit that You are or may be entitled to claim for the supply of goods or services covered by that payment.

If You are entitled to an input tax credit for the premium, You must inform Us of the extent of that entitlement at or before the time You make a claim under the Policy. We will not indemnify You for any GST liability, fines or penalties that arise from or are attributable to Your failure to notify Us of Your entitlement (or correct entitlement) to an input tax credit on the premium.

If You are liable to pay an Excess under the Policy, the amount payable will be calculated after deduction of any input tax credit that You are or may be entitled to claim on payment of the Excess.

Inspections

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

Jurisdiction

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

Non-imputation

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

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

Other persons or organisations

The insurable interest of only those lessors, financiers, trustees, mortgagees, owners and all other parties having a legal interest or charge over the Property Insured and whose interest is

disclosed in Your Business records, shall be automatically included as third party beneficiaries without notification or specification. The nature and extent of such interest is to be disclosed to Us in the event of any claim covered by the Policy. Any other people not in this category or not named in the Policy Schedule are not covered and cannot make a claim. All third party beneficiaries must comply with the terms and conditions of the Policy.

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

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

All persons entitled to claim under the Policy are bound by the terms and conditions of the Policy. When a claim is paid under the Policy and is also recoverable under another policy or policies, You agree to provide Us with details of such policies and so that We may seek contribution from the other insurer or insurers.

Progress payments

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

Reasonable care

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

- 1) if You discover Your products may be defective and the defect may cause a claim under the Public and Products Liability cover section, at Your expense You must take reasonable steps to restrict, trace, recall, modify, replace or repair the products;
- 2) maintain and look after other person's or organisation's property and buildings used or occupied by You, in accordance with Your agreement with them;
- 3) if Your occupation includes digging below ground at sites away from the Premises the location of underground services must be obtained from the owners of the services by You or Your principal before the work is commenced;
- 4) comply with all laws and safety requirements imposed by any authority or by State or national legislation.

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

Rights of recovery

We have the right to take action or institute legal proceedings, in Your name, for the recovery of payments made and expenses incurred in relation to any claim insured by this Policy, against any person, company or entity legally liable to You in respect of that claim.

You must provide Us with full information and all reasonable assistance in the recovery of those payments or expenses.

You must not enter into any agreement or make any admissions that have the effect of limiting or excluding Your rights and Our rights to recover payments and expenses without first obtaining Our approval in writing to do so.

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.

Single occurrence

We will not pay for loss of or damage to Property Insured covered 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 indemnified, less any applicable Excess, for the loss or damage.

Subrogation and recoveries

Subject to Section 67 of the *Insurance Contracts Act 1984* (Cth), all recoveries obtained from other parties will be allocated, after the settlement of any claim under this Policy as follows:

- a) firstly, to You to the extent of Your uninsured loss in respect of a claim paid under a cover section of this Policy (disregarding the amount of any Excess applicable);
- b) secondly, to Us in reimbursement of the amount paid to You in respect of that claim under that cover section; and
- c) thirdly, to You in satisfaction of any Excess amount applicable.

Any other monies remaining after these allocations will be Your property. Nothing in this condition shall prevent You and Us entering into a 'Subrogation Agreement' following a loss agreeing to a different basis of sharing, costs and expenses and the allocation of monies recovered.

All recoveries made prior to settlement of any claim under this Policy will be held by Us and applied as stated herein after settlement if any is made.

Waiver of subrogation rights

We may not be liable to pay any benefits under the 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:

- 1) We shall waive any rights and remedies or relief to which We are or may become entitled by subrogation against to:
 - a) any co-Insured (including directors, officers and Employees);
 - b) any corporation or entity (including directors, officers and Employees) owned or controlled by any Insured or against any co-owner of the Property Insured.
- 2) You may without prejudicing Your position under the Policy:
 - a) release any statutory governmental, semi-governmental or municipal authority from any liability if required at law, including by contractual agreement, to do so;
 - b) agree to enter into a contract for storage of goods or merchandise if the terms of the contract include a disclaimer clause;
 - c) 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.

PROPERTY DAMAGE COVER SECTION

Introduction

This cover section only forms part of Your Policy when Property Damage is shown as insured in the Policy Schedule.

This cover section of the Policy covers physical loss of or damage to Your Property Insured during the Period of Insurance. We do not cover the theft or breakdown of Your Property Insured under this cover section.

Definitions applicable to this cover section

The following words have the following meanings for this cover section only:

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

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

Full Value: means the amount that would be required as the Total Sum Insured, sufficient to allow Us to fully indemnify You within the terms and conditions of this cover section for a total loss of Property Insured at a particular Premises.

Landscaping: means landscaping including trees, shrubs, plants, lawns, rock work, ornamentation and edging pertaining thereto.

Limit of Liability: means 120% of the Total Sum Insured for a particular Premises, the amount of which is also subject to any increase as specifically provided under extra cover 2 'Catastrophe inflation protection', or any other amount for 'Limit of Liability' agreed by Us and specified in the Policy Schedule for the particular Premises.

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.

Total Sum Insured: means the total of all Sums Insured for Buildings, Contents, Stock and Specified Items for a particular Premises.

Your insurance under this cover section

If the Property Damage cover section is shown as insured in the Policy Schedule, then subject to the provisions of the Policy, We will cover You for physical loss of or damage to Your Property Insured at the Premises during the Period of Insurance.

What we pay

The maximum We will pay for any one claim under this cover section is the Limit of Liability that applies to the particular Premises unless it is specifically stated in this cover section that payments are made in addition to this amount, provided that:

- 1) the maximum We will pay for each Specified Item is the Sum Insured shown in the Policy Schedule for that item; and
- 2) 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, and that 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 2 methods of paying Your claims. They are 'Reinstatement or replacement' basis and 'Indemnity value' basis. The method You have chosen is shown in the Policy Schedule.

1. Building(s), Specified Items, Contents or Stock Reinstatement or replacement

Where the Policy Schedule shows that You are insured for 'Reinstatement or replacement' then, when:

- a) Buildings, Specified Items or Contents are lost or damaged We will, at Our option unless stated otherwise:
 - i) pay the cost to rebuild the Buildings at the Premises shown in the Policy Schedule or, at Your option, at another site;
 - ii) replace the Contents or Specified Items with similar property;
 - iii) pay You the amount shown on the proof of purchase for Specified Items unless the Specified Items are works of art, antiques or curios;
 - iv) pay You the amount of a valuation by a member of the Auctioneers and Valuers Association of Australia for Specified Items if the Specified Items are works of art, antiques or curios;
 - v) pay the cost of rebuilding, repairing or replacing the Buildings, Specified Items or Contents, provided that if You choose not to rebuild, repair or replace the Buildings, Specified Items or Contents, We shall effect settlement on an 'Indemnity value' basis;
- b) Stock is lost or damaged, We will, at Our option:
 - i) pay the Market Value of the Stock at the time of the loss or damage;
 - ii) pay You the Market Value of Obsolete Stock or its purchase price (net of GST where applicable), 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 a similar standard and specification as the Stock at the time it was lost or damaged; or

- iv) pay the cost of repair or replacement of the lost or damaged Stock.

‘Reinstatement or replacement’ is subject to the following conditions:

- a) the work of rebuilding, replacing or repairing must be commenced and completed by You within a reasonable time otherwise We will pay no more than the cost that would have been incurred if the work of rebuilding, replacement or reinstatement has been commenced and carried out within a reasonable period of time;
- b) when rebuilding at another site, We will not pay more than We would pay to rebuild at the Premises;
- c) when any Property Insured is damaged, but not destroyed, We will not pay more than the amount that We could have been called upon to pay for 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.

Indemnity value

Where the Policy Schedule shows that You are insured for ‘Indemnity value’ then:

- a) for any loss of or damage to Buildings, Contents or Specified Items, We will, at Our option:
 - i) repair, reinstate or replace the Building, Contents or Specified Items;
 - ii) pay You the Market Value of the Building, Contents or Specified Items at the time of its loss or damage; or
 - iii) pay the cost of repair or replacement;
- b) for any loss of or damage to Stock, We will, at Our option:
 - i) pay the Market Value of the Stock at the time of the loss or damage;
 - ii) pay You the Market Value of Obsolete Stock or its purchase price (net of GST where applicable), 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 a similar standard and specification as the Stock at the time it was lost or damaged; or
 - iv) pay the cost of repair or replacement of the lost or damaged Stock;

provided that, in all cases, where appropriate, We will reduce the amount We pay You to take into account age, wear, tear and depreciation.

2. Branded Stock

We will not sell branded Stock as salvage without Your consent.

If such branded Stock is not disposed of by sale, then the goods may be retained by You and disposed of by You, provided a reasonable salvage allowance is agreed in writing with Us for the value of the goods.

3. Extra costs of reinstatement

If You are insured under this cover section on a ‘Reinstatement or replacement’ basis, We will also pay the extra costs of ‘Reinstatement or replacement’ of Property Insured which are necessarily incurred to comply with the requirements of any Act of Parliament or regulations or any by-law or regulation of any Municipal or other statutory authority, other than those relating to the heritage status of a Building.

4. Extra costs of reinstatement: Heritage building

If You are insured under this cover section on a ‘Reinstatement or replacement’ basis for loss of or damage to any Building that is subject to any heritage listing or protection where we have been advised of the heritage status and have agreed to provide cover 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 up 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.

5. Conditions that apply to extra costs of reinstatement

The following conditions apply to the ‘Extra costs of reinstatement’ and ‘Extra costs of reinstatement: Heritage building’ provisions of this cover section:

- 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; and
- b) the amount payable will not include any additional costs in complying with any requirement that You had been required to comply with before the loss or damage occurred; and
- 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. This clause c) shall not apply to ‘Extra costs of reinstatement: Heritage building’.

Our total liability under the 'Extra costs of reinstatement' and 'Extra costs of reinstatement: Heritage building' provisions combined will be limited to:

- a) the sub limit of liability shown in the Policy Schedule for 'Extra costs of reinstatement', which shall be in addition to the Limit of Liability; or
- b) the Limit of Liability not otherwise exhausted;

whichever is the greater.

The under-insurance condition of this cover section will not be applied to the amount payable under this clause.

6. Loss of floor space

If a Building insured under this cover section on a 'Reinstatement or replacement' basis can only be rebuilt with a reduced floor space as a result of:

- a) an Act of Parliament or regulations; or
- b) a by-law or regulation of any Municipal or other statutory authority.

We will, in addition to reinstating or replacing the Building on the basis set out above, pay You the difference between:

- a) the actual cost of rebuilding the Building with the reduced floor space; and
- b) the estimated cost of rebuilding the Building with the floor space it had at the time it was damaged.

7. 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 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;
- 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 damaged Property Insured 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.

8. 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, including the foundations and services, it shall be deemed to be destroyed. In the event that the site is sold and the presence of such undamaged portion of the Building increases the value of the original site, the increased sale value shall be regarded as salvage. The value of the undamaged portion shall be agreed in writing with Us prior to sale of the site and that salvage amount shall be:

- a) payable to Us by You upon completion of the sale of the site; or
- b) deducted from the total amount otherwise payable by Us under this cover section;

whichever occurs first.

In the event that the site is not sold, then the increased site value, when applicable, shall be agreed in writing between You and Us.

In default, We and You shall submit to arbitration and be bound by the decision of the arbitrator where the salvage amount is not agreed.

Extra covers

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.

Unless stated otherwise below, any amounts payable under these extra covers apply in addition to the Limit of Liability.

1. Capital additions

If Buildings or Contents at a particular Premises 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;

We will pay up to an additional:

- a) \$500,000; or
- b) 20% of the Limit of Liability;

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) pay up to an additional 20% of the Sum Insured for Buildings; and
- b) increase the amounts payable under extra cover 1 'Capital additions' (relating to Buildings only) and additional benefit 5 'Prevention of imminent damage' under this cover section by up to 20%;

to cover any increase in building costs for labour and any other additional costs that can be directly attributed to increases in the price of services and materials as a direct result of the Catastrophe.

We will not pay:

- a) more than the increased building costs which are actually incurred by You as a direct result of the Catastrophe;
- b) any amount under this extra cover if You choose not to rebuild the Buildings (or any part of them) at the Premises shown in the Policy Schedule. We will not increase the amounts paid for loss or damage to any Property Insured other than Buildings;
- c) any claim under this extra cover if the Policy Schedule shows the Building as being insured for 'Indemnity value'.

3. Discharge of mortgages

We will pay the reasonable legal costs of discharge of a mortgage or mortgages on Buildings, Contents or Stock following settlement of a claim under this cover section on a total loss basis.

We will not pay more than:

- a) i) \$25,000; or
ii) 10% of the Total Sum Insured;
whichever is the greater, in addition to the Limit of Liability; or
- b) the Limit of Liability not otherwise exhausted;

whichever is the greater, for any one Event.

4. Environmental upgrade

We will pay the reasonable costs of repairing or replacing the Buildings and/or Contents with materials or equipment that will improve the energy or water efficiency of the Property Insured.

The most We will pay in respect of any one Event for this additional benefit is:

- a) 10% of the repair or replacement costs; or
- b) \$10,000;

whichever is the lesser.

5. Expediting expenses

We will pay for 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.

We will not pay more than:

- a) 50% of the cost of repairing, replacing or reinstating the Property Insured; or
- b) \$25,000;

whichever is the lesser.

We will not pay more than the Limit of Liability not otherwise exhausted.

6. Floating Stock

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

- a) there are at least 2 Premises specified in the Policy Schedule and a Sum Insured has been separately specified in the Policy Schedule for Stock at each Premises insured under this cover section, including the affected Premises; and
- b) You transfer the Stock between Premises as a usual business practice; and
- c) We will not increase the Total Sum Insured for the Premises by more than the total of the Stock Sums Insured for all Premises; and
- d) We will not increase the Total Sum Insured for the Premises where Stock levels in excess of the Sum Insured at the Premises have been temporarily located at that Premises for a period exceeding 90 days and where We have not agreed in writing to this extended period, during the Period of Insurance.

7. Government fees

If any of Your Property Insured is destroyed or damaged, We will pay any fee, contribution or other impost payable to any Government, Local Government or other Statutory Authority where payment of the fee, contribution or impost is necessary to the obtaining of consent to reinstate the Property Insured,

provided that We will not be liable for payment of any fines and/or penalties imposed upon You by any such authorities. The cost of government fees is included in the Limit of Liability. If the Limit of Liability is exhausted, the most We will pay under this extra cover is \$10,000 for any one Event.

8. Landscaping

We will pay for loss of or damage to Landscaping 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 pertaining to the Buildings.

We will not pay more than:

- a) \$50,000; or
- b) 20% of the Sum Insured for Buildings at the Premises where the loss or damage happened;

whichever is the lesser, for any one Event provided that the Limit of Liability is not otherwise exhausted.

We will not pay for any loss of or damage to Landscaping which occurs as a result of storm, wind or rain (including snow, sleet or hail).

9. 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 by any legal authority not to allow rebuilding or only to allow partial rebuilding of that Building at the Premises.

We will not pay more than:

- a) \$100,000; or
- b) 20% of the Sum Insured for Buildings at the Premises where the loss or damage happened;

whichever is the lesser.

The under-insurance condition does not apply to this extra cover.

10. Playing surfaces

We will pay the reasonable 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 firefighting services, police or other emergency services in attending to their duties at the Premises.

We will not pay more than:

- a) \$50,000; or
- b) the amount shown in the Policy Schedule for playing surfaces;

whichever is the greater.

11. Professional fees

We will pay the reasonable cost of surveyors', architects' and other professional fees for estimates, plans, specifications, quantities, tenders and supervision, incurred in the repair or replacement of lost or damaged Buildings. The cost of professional fees is included in the Limit of Liability. If the Limit of Liability has been exhausted, We will pay up to \$10,000 any one Event.

12. 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. The most We will pay for this extra cover is the Limit of Liability not otherwise exhausted.

13. Removal of debris

We will pay the reasonable costs incurred for the demolition, dismantling, cleaning up, shoring up, propping, underpinning or other temporary repairs and/or the 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 Premises.

We will not pay more than:

- a) i) \$100,000; or
- ii) 20% of the Total Sum Insured on Buildings and Contents shown in the Policy Schedule for the damaged Premises;

whichever is the greater; or

- b) the amount for 'Removal of debris' shown in the Policy Schedule for the Premises.

If this is insufficient and You have not exhausted the Limit of Liability for the Premises, We will pay up to the remaining balance of the Limit of Liability.

14. Rewards

We will pay for the reasonable cost of any reward paid by You for information which leads to the apprehension and conviction of person(s) responsible for any loss or damage which is insured under this cover section.

We will pay no more than up to \$5,000 any one Event.

Any cover given under this extra cover shall not accumulate with any similar cover that may be given under extra covers in the Theft or Money cover sections.

15. Seasonal increase in Stock

We will automatically increase the Sum Insured in respect of Stock by 50% during the Seasonal Increase Period. If the Sum Insured in respect of Stock is included in Your Contents Sum Insured, We will only apply the seasonal increase to that portion of Your Contents Sum Insured which relates to Stock.

16. Taking inventory

We will pay 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.

We will not pay more than the Limit of Liability not otherwise exhausted.

Additional benefits

Subject to the provisions of the Policy. We will also pay for the reasonable costs necessarily incurred under the following additional benefits.

Unless stated otherwise below, any amounts payable under these additional benefits apply in addition to the Limit of Liability.

1. Costs related to damage to Glass in vacant Building(s)

If You own but do not occupy any Buildings shown as insured under this cover section at the Premises, We will cover You for the following costs directly related to the Breakage of Glass happening during the Period of Insurance 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 Insurance 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
 - v) that is in a glasshouse.
- c) of tiles on shopfronts and office fronts, other than around the broken Glass; or
- d) of plastic or perspex signs.

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

- a) cover is taken under 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 90 days and We have not agreed to an extended period in writing.

The Excess that applies to this additional benefit is:

- a) the Excess shown in the Policy Schedule; or
- b) \$500;

whichever is the greater.

2. 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 as if they were Contents.

We will not pay more than \$6,000 for any one person for any one Event. Any amount We pay for this additional benefit will be included in the Limit of Liability.

3. Fire brigade attendance fees

We will pay for any statutory charges payable by You to a fire brigade or firefighting authority for attendance at a fire or chemical emergency involving Property Insured and for the cost of refilling Your firefighting appliances used in putting out a fire at the Premises or locations adjoining the Premises and threatening the Property Insured, during the Period of Insurance.

We will not pay more than up to \$100,000 for any one Event.

4. Limited transit cover

We will cover You for loss of or damage to Stock or Contents during the Period of Insurance which are in transit anywhere in the Commonwealth of Australia and away from the Premises, caused by a collision or overturning of a conveying vehicle or any of the following events:

- a) fire or explosion;
- b) wind;
- c) acts of malicious persons;
- d) lightning or thunderbolt;
- e) implosion;

- f) earthquake, tsunami, subterranean fire or volcanic eruption, or fire resulting from any of these during any period of 72 consecutive hours following the Event;
- g) riot, civil commotion or labour disturbances; or
- h) water damage.

We will not cover You for more than:

- a) \$50,000; or
- b) 20% of the highest Sum Insured for Contents or Stock at any one Premises;

for any one Event, whichever is the lesser.

We will not cover You for any claims under this additional benefit if cover is taken under the Transit cover section of the Policy.

5. Prevention of imminent damage

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

- a) to extinguish a fire on or in the vicinity of the Premises which causes or threatens loss of or damage to Property Insured;
- b) to prevent or diminish imminent damage to Property Insured;
- c) for the temporary protection and safety of Your Property Insured at the Premises, including the employment of security services; or
- 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 Insurance.

We will not pay under this additional benefit for any loss of or damage to Your Property Insured.

6. Temporary cover for new premises

We will cover You for loss or damage occurring during the Period of Insurance to Your property at any new premises, provided that:

- a) You first occupy the new premises during the Period of Insurance;
- b) the Business carried on, at or from the new premises is the same as the Business shown in the Policy Schedule;
- c) the property at the new premises is of a similar type to that already insured under this cover section and is not of a type that is otherwise excluded under the Policy; and

- d) the Buildings at the new premises are constructed of the same materials as the Buildings at any Premises, and have the same or superior fire and burglary protection systems as those at any Premises.

We will not pay more than 50% of the highest Total Sum Insured for any Premises shown in the Policy Schedule.

We will not cover You under this additional benefit for any loss or damage at the new premises that occurs more than 60 days after You first occupy the new premises.

7. Temporary removal of Stock and Contents

We will pay up to 20% of the Sum Insured for loss or damage to Stock or Contents during the Period of Insurance if the Stock or Contents have been temporarily removed from the Premises or are in a temporary storage facility, self-storage unit or bulk storage facility as if it were at the Premises but still within the Commonwealth of Australia.

We will not pay for loss of or damage to:

- a) motor vehicles or trailers, caravans, motorcycles, Watercraft or hovercraft, unless they are:
 - i) Stock of Your Business; or
 - ii) forklift trucks and similar appliances that are used for hauling or conveying goods at the Premises;
- b) Stock that You have consigned to another party for sale unless it is owned by You or is property for which You are responsible;
- c) Stock or Contents that have been removed from the Premises in excess of 90 days at the time of the loss or damage.

8. Trace and access

We will pay up to \$35,000 for costs incurred during the Period of Insurance 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 or gas provided that the bursting, leaking, discharging or overflowing has caused or may reasonably be expected to cause damage to Property Insured.

We will also pay up to \$5,000 for the cost of reinstating parts of the Property Insured necessarily disturbed to locate the source of the problem. We will not cover the cost of repairing or reinstating any such apparatus, appliance, tank or repair which has failed due to age, wear and tear, faults in material or faulty workmanship by the installer.

We will not pay more than the Limit of Liability not otherwise exhausted.

9. Tax audit costs

We will pay the reasonable and necessary Costs You incur following notification received during the Period of Insurance

of an audit or investigation by any federal or state taxation authority 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 \$10,000 for this additional benefit.

'Costs', for the purpose of 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.

We will 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) for Costs arising from Your improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by a federal or state taxation authority 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 the Commonwealth of Australia;
- g) for Costs arising out of or relating to any fraud or fraudulent act or omission committed by You or on Your behalf; or
- h) for Costs arising from or relating to 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 federal or state taxation authority and failing to notify the taxation authority without delay;

provided further, that:

- i) You 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 taxation authority; and

- ii) You 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 HCl 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, 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 taxation authority which is or may be the subject of a claim.

10. Rewriting of records

We will pay the reasonable costs of restoring the data stored on media or the cost of clerical labour actually, necessarily and reasonably incurred in rewriting, restoring or recreating the records for:

- a) Your business books, plans, computer records, patterns and other business records that are damaged at the Premises; and
- b) business records of Your customers that are damaged at the Premises, following loss or damage to Contents covered by this cover section; and
- c) damage to Your business records stored off-site, provided that the damage would have been covered under this cover section had the business records been insured under this cover section.

We will not pay more than:

- a) \$100,000; or
- b) the amount shown in the Policy Schedule for rewriting of records; or
- c) the Limit of Liability not otherwise exhausted;

whichever is the greater, for any one Event.

Optional covers

Flood

When 'Flood' is shown as insured in the Policy Schedule, subject to the provisions of the Policy, We will cover loss of or damage to Property Insured caused by Flood and exclusion 1) I) under this cover section shall not apply.

Strata title mortgagee(s) interest

This cover applies only if You have arranged this Policy to insure only the interest of a mortgagee in a strata title unit.

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 in the Policy 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, then the difference between what the body corporate's insurance pays and the cost of the damage; or
- d) the amount sufficient to discharge the mortgage held by You over the unit at the date of the damage.

We pay only that part of the claim that applies to the interest of the mortgagee.

We only pay a claim if:

- a) a claim would be payable under this cover section (and not subject to any exclusions or other limitation in the Policy);
- b) the policy of the body corporate or similar does not apply or only partially covers the loss; 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 Extra Covers or Additional Benefits are payable under this cover section.

Exclusions applicable to this cover section

- 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, change in colour, flavour, texture or finish unless directly caused by a peril or event covered under this cover section;
 - d) inherent vice or latent defect;
 - e) loss of weight or exposure to light;
 - f) creeping, heaving, normal settling, shrinkage, seepage, vibration, expansion in Buildings, pavements, roads, car parks and the like;
 - g) i) error or omission in design, plan or specification or failure during testing;

- ii) faulty materials or workmanship;
- h) infidelity, dishonesty, embezzlement, misappropriation, or fraud including forgery, erasure, counterfeiting by You or any Employee;
- i) erosion, subsidence, landslip or mudslide or any other type of earth movement unless directly caused by a peril or event that occurs within 72 hours of, and directly because of, a peril covered under this cover section;
- j) demolition ordered by any lawful authority as a result of failure by You to comply with any lawful requirement;
- k) the action of the sea, storm surge or high water, unless caused by or arising from a direct consequence of an earthquake or seismological disturbance;
- l) Flood;
- m) 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 insurance was arranged, extended, varied or renewed;
- n) the cessation of work (whether total or partial), interruption or retarding of any process or operation as a result of any industrial dispute;
- o) data processing or media failure or breakdown or malfunction of a processing system including operator entry or omission;
- p) deliberate and unauthorised corruption, amendment or erasure of 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;
- q) Computer Virus;
- r) the gaining of unauthorised access to Your computer 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;
- s) the operation or presence of any computer program that alters or erases data or programs in a manner that is undesired by You;
- t) 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 Insured can resume normal operation;
- u) explosion or implosion of any pressure vessels (including any boilers), other than a pressure vessel used solely for domestic purposes, that have a value of more than \$250,000;

- 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;
- ii) where any safety valve limiting pressure was removed or rendered inoperative;
- iii) due to the failure of the supply of water, gas, electricity or fuel;

Exclusions 1a) to 1d), 1g), 1h), 1m), 1n), 1q), 1s) and 1u) shall not apply to loss or damage to Property Insured (not otherwise excluded) resulting from a circumstance referred to in these exclusions.

2) We will not cover loss of or damage to:

- a) Property Insured whilst it is undergoing any process where such damage results solely from that process;
- b) any Building, Contents and Stock if the Building is vacant awaiting or undergoing demolition, unless We have agreed otherwise;
- c) plants, or growing crops;
- d) Glass, unless:
 - i) such Glass suffers loss or damage caused by:
 1. fire, lightning, explosion, earthquake, subterranean fire, volcanic eruption, impact, storm, wind, rainwater, hail or snow; or
 2. strikers, locked out workers or other labour disturbances, or any other malicious persons other than where such Glass suffers Breakage; or
 - ii) You are a tenant of a building and are required by the lease to insure Glass.
- e) Animals, other than loss of or damage caused by fire, lightning, thunderbolt, explosion, impact, earthquake, storm, wind, rainwater, hail or snow, malicious acts or vandalism and while the animals are contained within a Building.

3) We will not cover loss or damage caused by or arising from:

- a) theft. 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 when Buildings are insured;
- b) any legal liability You have other than the legal liability that is covered by extra cover 13 'Removal of debris' under this cover section;
- c) the incorrect layout or placement of Buildings as a result of error in design or specification, faulty workmanship or non-compliance with the requirements of any lawful authority;

d) any unexplained inventory shortage or disappearance resulting from clerical or accounting errors, or shortage in the supply or delivery of materials or goods;

- e) contamination, pollution, smoke or smut except where caused directly by fire, lightning, explosion, impact by any road 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 water or liquid of any kind, or sprinkler leakage.

Limitations on cover applicable to this cover section

Earthquake

In respect of any loss or damage caused by earthquake, volcanic eruption, subterranean fire or tsunami, an Excess of:

- a) \$20,000; or
- b) an amount equal to 1% of the Total Sum Insured for that Premises;

whichever is the lesser, is payable by You during any one period of 72 consecutive hours.

Storm, rainwater, wind, hail or snow

Cover for damage to textile blinds and awnings, shade cloth, shade houses, fibreglass houses 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.

Conditions applicable to this cover section

These conditions apply to all covers and claims under this cover section.

1. Excess

The Excess payable for this cover section is shown in the Policy Schedule and applies to each and every claim.

Only one Excess will apply to all loss or damage resulting from bushfire, grass fire, scrub fire, storm, wind, hail or rainwater, that is continuous, is due to the same general conditions, and occurs within a 72 hour period from the first occurrence of the loss or damage.

2. 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.

3. Reinstatement

If We pay an amount for a claim for loss or damage during the Period of Insurance under this cover section We will automatically reinstate the Limit of Liability to the amount shown in the Policy Schedule. You will not be required to pay any additional premium.

4. 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.

5. 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.

6. Tenant's 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.

7. Under-insurance

In the event of loss or damage covered under this cover section:

For claims settled on a 'Reinstatement or replacement' basis, We will be liable for no greater proportion of the loss or damage than the Total Sum Insured for the particular Premises bears to 80% of the Full Value of the Buildings, Contents, Stock and Specified Items (net of any input tax credit that You could claim) at the time of the commencement of the Period of Insurance.

For claims settled on an 'Indemnity value' basis, We shall be liable for no greater proportion of the loss or damage than the Total Sum Insured for the particular Premises bears to 80% of the Full Value of the Property Insured, provided that Our liability shall not exceed the Sum Insured amount stated against each item in the Policy Schedule.

This condition does not apply:

- a) i) if the amount of any loss or damage (net of any input tax credit that You could claim) is less than 10% of the Limit of Liability applicable for the Premises;

- ii) to property forming part of the Property Insured which has been insured under this Policy for the full value stated in a valuation prepared by an Approved Valuer not less than three years before the commencement of the Period of Insurance, and which an Approved Valuer has updated not more than 12 months prior to the commencement of the Period of Insurance.

Approved Valuer: means a Certified Practising Valuer registered with the Australian Property Institute within the relevant property discipline.

- b) 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; and
- c) We will not pay more than the Limit of Liability for the Premises.

BUSINESS INTERRUPTION COVER SECTION

Introduction

This cover section only forms part of Your Policy when Business Interruption is shown as insured in the Policy Schedule.

There are 5 types of cover available under this cover section:

- Insurable Gross Profit basis;
- Annual Revenue basis;
- Weekly Revenue basis;
- Loss of Rent Receivable basis;
- Additional increase in cost of working only basis.

The Policy Schedule indicates which cover You have selected.

Definitions applicable to this cover section

The following words have the following meanings for this cover section only.

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 occurring during the Period of Insurance caused by an Event insured under the Property Damage cover section, Theft cover section,

Money cover section, Glass cover section, Transit cover section or General Property cover section.

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.

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 not later than the number of months or weeks specified in the Policy Schedule.

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

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

Revenue: means the money paid or payable to You as 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);
- tourism accommodation 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) and laundering and cleaning expenses;
- professional practitioner or consumer services provider – for services rendered and work performed in connection with Your Business;
- property owner – by tenants (being Rent Receivable), unless Loss of Rent Receivable is shown as separately insured in the Policy Schedule with a specific Sum Insured.

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 Revenues 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 for services rendered and for Rent Receivable (unless Loss of Rent Receivable is shown as separately insured in the Policy Schedule with a specific Sum Insured) 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 cover section, and which are specified in the Policy Schedule.

Weekly Benefit: means the amount shown in the Policy Schedule.

Weekly Revenue: means the amount received by You each week the Business is in operation for goods sold, services rendered or rental received less the purchase price of stock.

Insurable gross profit basis

What You are covered for

If 'Insurable Gross Profit' is shown as insured in the Policy Schedule with a specific Sum Insured, then 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 the amount of the loss resulting from such interruption or interference.

Provided that:

- a) the payment is in accordance with the 'What We Pay' provision 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, or another insurer has paid for or admitted liability in respect of such Damage;
- c) We would have paid for or admitted liability in respect of such Damage under the relevant cover section of the Policy, or another insurer would have paid for or admitted liability in respect of such Damage and it would otherwise be covered under the relevant cover section but for the application of an Excess;
- d) Our liability in no case will exceed in respect of each item the Sum Insured shown in the Policy Schedule or the sub-limit shown in this cover section, for that item; and
- e) cover for 'Item 4. Claim preparation and proving expenses' is only provided if this item is shown as insured in the Policy Schedule with a specific Sum Insured.

Insurance on an Insurable Gross Profit basis provides protection with regard to loss under:

Item 1. Insurable Gross Profit.

Item 2. Additional increase in cost of working.

Item 3. Accounts Receivable.

Item 4. Claim preparation and proving expenses.

What we pay - insurable gross profit basis

Item 1. Insurable 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.

Provided that if the Sum Insured for loss of Gross Profit at the commencement of each Period of Insurance is less than the sum produced by applying the Rate of Gross Profit to 80% of the Annual Turnover (or its proportionately increased multiple where the Indemnity Period exceeds 12 months), the amount payable for loss of Gross Profit only will be reduced so that We will be liable for no greater proportion of the loss under this item than that which the Sum Insured amount bears to 80% of the Annual Turnover (or its proportionately increased multiple, if appropriate). This provision will not apply if Your claim is for less than 10% of the Sum Insured for this item.

Item 2. Additional increase in cost of working

See 'Common clauses'.

Item 3. Accounts Receivable

See 'Common clauses'.

Item 4. Claim preparation and proving expenses

See 'Common clauses'.

Annual revenue basis

What You are covered for

If 'Annual Revenue' is shown as insured in the Policy Schedule, then 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 the amount of the loss resulting from such interruption or interference.

Provided that:

- a) the payment is in accordance with the 'What We Pay' provision for the item;
- b) We have paid for or admitted liability in respect of such Damage under the relevant cover section of the Policy, or another insurer has paid for or admitted liability in respect of such Damage;
- c) We would have paid for or admitted liability in respect of such Damage under the relevant cover section of the Policy, or another insurer would have paid for or admitted liability in respect of such Damage but for the application of an Excess;

- d) Our liability in no case will exceed in respect of each item the Sum Insured shown in the Policy Schedule or the sub-limit shown in this cover section, for that item; and
- e) cover for 'Item 4. Claim preparation and proving expenses' is only provided if this item is shown as insured in the Policy Schedule with a specific Sum Insured.

Insurance on an Annual Revenue basis provides protection with regard to loss under:

Item 1. Annual Revenue.

Item 2. Additional increase in cost of working.

Item 3. Accounts Receivable.

Item 4. Claim preparation and proving expenses.

What we pay - annual revenue basis

Item 1. Annual 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.

Provided that if the Sum Insured for loss of Revenue is less than 80% of the Annual Revenue (or its proportionately increased multiple where the Indemnity Period exceeds 12 months), the amount payable will be reduced so that We will be liable for no greater proportion of the loss under this item than that which the Sum Insured bears to 80% of the Annual Revenue (or its proportionately increased multiple, if appropriate). This provision will not apply if Your claim is for less than 10% of the Sum Insured for this item.

Item 2. Additional increase in cost of working

See 'Common clauses'.

Item 3. Accounts Receivable

See 'Common clauses'.

Item 4. Claim preparation and proving expenses

See 'Common clauses'.

Weekly revenue basis

What You are covered for

If 'Weekly Revenue' is shown as insured in the Policy Schedule with a specific Sum Insured, 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 the amount of the loss resulting from such interruption or interference.

Provided that:

- a) the payment is in accordance with the 'What We Pay' provision for the item;
- b) We have paid for or admitted liability in respect of such Damage under the relevant cover section of the Policy, or another insurer has paid for or admitted liability in respect of such Damage;
- c) We would have paid for or admitted liability in respect of such Damage under the relevant cover section of the Policy, or another insurer would have paid for or admitted liability in respect of such Damage but for the application of an Excess;
- d) Our liability in no case will exceed in respect of each item the Sum Insured shown in the Policy Schedule or the sub-limit shown in this cover section, for that item; and
- e) cover for 'Item 4. Claim preparation and proving expenses' is only provided if this item is shown as insured in the Policy Schedule with a specific Sum Insured.

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

Insurance on a Weekly Revenue basis 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 and proving expenses.

What we pay - weekly revenue basis

Item 1. Weekly Revenue

This item is limited to the loss of Weekly Revenue and the amount payable as compensation under this item will be the amount by which the Weekly Revenue during the Indemnity Period falls short of the Standard Weekly Revenue in consequence of the Damage.

Item 2. Additional increase in cost of working

See 'Common clauses'.

Item 3. Accounts Receivable

See 'Common clauses'.

Item 4. Claim preparation and proving expenses

See 'Common clauses'.

Loss of rent receivable basis

What You are covered for

If 'Loss of Rent Receivable' is shown as insured in the Policy Schedule with a specific Sum Insured, 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 the amount of the loss resulting from such interruption or interference.

Provided that:

- a) the payment is in accordance with the 'What We Pay' provision 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, or another insurer has paid for or admitted liability in respect of such Damage;
- c) We would have paid for or admitted liability in respect of such Damage under the relevant cover section of the Policy, or another insurer would have paid for or admitted liability in respect of such Damage and it would otherwise be covered under the relevant cover section but for the application of an Excess;
- d) Our liability in no case will exceed in respect of each item the Sum Insured shown in the Policy Schedule or the sub-limit shown in this cover section, for that item; and
- e) cover for 'Item 4. Claim preparation and proving expenses' is only provided if this item is shown as insured in the Policy Schedule with a specific Sum Insured.

Insurance on a Loss of Rent Receivable basis provides protection with regard to loss under:

Item 1. Loss of Rent Receivable.

Item 2. Additional increase in cost of working.

Item 3. Accounts Receivable.

Item 4. Claim preparation and proving expenses.

What we pay - loss of rent receivable basis

Item 1. Loss of Rent Receivable

The amount payable under this item will be:

- a) in respect of loss of Rent Receivable:
the amount by which the Rent Receivable during the Indemnity Period falls short of the Standard Rent Receivable, in consequence of the Damage; and
- b) in respect of additional expenditure:
the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Rent Receivable which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the amount of the reduction in Rent Receivable thereby avoided;

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

Provided that if the Sum Insured for this item is less than 80% of the Annual Rent Receivable (or its proportionately increased multiple where the Indemnity Period exceeds 12 months), the amount payable will be reduced so that We will be liable for no greater proportion of the loss under this item than that which the Sum Insured bears to 80% of the Annual Rent Receivable (or its proportionately increased multiple, if appropriate). This provision will not apply if Your claim is for less than 10% of the Sum Insured for this item.

Item 2. Additional increase in cost of working

See 'Common clauses'.

Item 3. Accounts Receivable

See 'Common clauses'.

Item 4. Claim preparation and proving expenses

See 'Common clauses'.

Additional increase in cost of working only basis

What You are covered for

If 'Additional Increase in Cost of Working' is shown as insured in the Policy Schedule with a specific Sum Insured and cover is not taken for Insurable Gross Profit, Annual Revenue, Weekly Revenue or Loss of Rent Receivable, 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 the amount of the loss resulting from such interruption or interference.

Provided that:

- a) the payment is in accordance with the 'What We Pay' provision 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, or another insurer has paid for or admitted liability in respect of such Damage;
- c) We would have paid for or admitted liability in respect of such Damage under the relevant cover section of the Policy, or another insurer would have paid for or admitted liability in respect of such Damage and it would otherwise be covered under the relevant cover section but for the application of an Excess;
- d) Our liability in no case will exceed in respect of each item the Sum Insured shown in the Policy Schedule or the sub-limit shown in this cover section, for that item; and
- e) cover for 'Item 4. Claim preparation and proving expenses' is only provided if this item is shown as insured in the Policy Schedule with a specific Sum Insured.

Insurance on an Additional increase in cost of working only basis provides protection with regard to loss under:

Item 2. Additional increase in cost of working.

Item 3. Accounts Receivable.

Item 4. Claim preparation and proving expenses.

What we pay - additional increase in cost of working only basis

Item 2. Additional increase in cost of working

See 'Common clauses'.

Item 3. Accounts Receivable

See 'Common clauses'.

Item 4. Claim preparation and proving expenses

See 'Common clauses'.

Common clauses

The following clauses are applicable:

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.

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 money paid or payable in respect of such sales, work or services will be brought into account in arriving at the Turnover, Revenue or Weekly Revenue (as the case may be) during the Indemnity Period.

Departmental

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 Rent Receivable from letting of property at the Premises will be regarded as the proceeds of one such department.

Sum Insured

Our liability to You will in no case exceed in respect of each item the Sum Insured shown in the Policy Schedule or the sub-limit shown in this cover section. Extra Covers and Additional Benefits are within the total Sum Insured of this Policy Section and not additional to the total Sum Insured.

If You have chosen Weekly Revenue, We will not pay more each week for loss of Weekly Revenue than the Weekly Benefit.

Item 2. Additional increase in cost of working

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

We will not pay more than:

- a) \$25,000; or
- b) the Sum Insured for 'Additional increase in cost of working';

whichever is the greater, for any one claim, provided that in respect of cover type 'Additional increase in cost of working only basis' We will not pay more than the Sum Insured for 'Additional increase in cost of working'.

Item 3. Accounts Receivable

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

- a) determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the Damage occurs;
- b) calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the year immediately preceding the month in which the Damage occurs, as compared with such average for the same months of the year immediately preceding the year in which the Damage occurs;
- c) the amount determined under clause a), increased or decreased by the percentage calculated under clause 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 clause 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:

- a) \$7,500; or
- b) the Sum Insured for 'Accounts Receivable';

whichever is the greater, for any one claim.

Item 4. Claim preparation and proving expenses

In addition to the amount payable under General Condition 'Claim preparation expenses' of the Policy, We will pay You:

- a) up to \$10,000; or
- b) the amount shown in the Policy Schedule;

whichever is greater 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 cover section.

Government incentives

In calculating the amount of the reduction in Gross Profit, Revenue or Weekly Revenue under Insurable Gross Profit, Annual Revenue and Weekly Revenue cover types respectively, We will include the loss of any Government approved incentives, subsidies or market development allowances to which You would have been entitled, but for the interruption or interference to Your Business.

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 cover section:

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.

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

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

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.

Salvage sale

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

- a) clause a) of Item 1. Insurable 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 pay-roll paid out of the proceeds of the salvage sale.

Turnover output

Where 'Business Interruption' has been selected and 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' provided that only one such meaning ('Turnover' or 'Output') shall be operative in connection with any one event involving Damage.

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.

If You select the cover available under this clause, the clause headed 'Alternative Trading' 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 money 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.

Extra covers

This cover section is extended to include the following extra covers. The extra covers 1 to 5 inclusive are payable provided that the Sums Insured expressed against the relevant item(s) in the Policy Schedule is not otherwise exhausted.

1. Contractual damages

Following a claim under Insurable Gross Profit, Item 1. Insurable Gross Profit, We will also pay:

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

The amount payable shall not exceed 20% of the total Sum Insured for Insurable 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 purposes of this cover section.

3. Infectious disease, etc.

We will cover You for interruption to or interference with Your Business due to:

- a) closure or evacuation of the whole or part of the Premises during the Period of Insurance by order of a competent government, public or statutory authority as a result of 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 other diseases declared to be quarantinable diseases under the *Quarantine Act 1908* (Cth) and subsequent amendments irrespective of whether discovered at the Premises, or out-breaking elsewhere;
- c) injury, illness or disease caused by the consumption of food or drink supplied at or from the Premises during the Period of Insurance;
- d) murder, suicide or threat to persons occurring at or near the Premises during the Period of Insurance; or
- e) a shark or crocodile attack occurring within a 20 kilometre radius of the Premises during the Period of Insurance.

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 Insurance to any registered vehicles or trailers owned or operated by You, while such vehicles are at the Premises or at other premises in the Commonwealth of 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 shall prevent or hinder the use of or access to the Premises provided that:

- a) the Damage would have been covered under the Property Damage cover section if the 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 interruption of or interference with Your 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.

Additional benefits

This cover section is extended to include the following additional benefits. Additional benefits 1 to 8 inclusive are payable provided that the Sums Insured expressed against the relevant item(s) in the Policy Schedule is not otherwise exhausted.

1. Computer installation

We will treat Damage to computer installations, including any ancillary equipment and data processing media, utilised by You in Your Business 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 Property Damage cover section of the Policy 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. Unspecified customers and suppliers

We will treat Damage to unspecified property at the premises of:

- a) Your suppliers, manufacturers or processors of component goods, materials or services which supply the Business directly; or
- b) Your customers of goods or materials or services (other than those services provided by any utilities);

all within the Commonwealth of Australia as Damage for the purpose of this cover section, provided that:

- a) the Damage would have been covered under the Property Damage cover section of the Policy if the unspecified property had been insured under that cover section; and
- b) Our liability will not exceed 20% 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 as part of Your Business that are:

- a) temporarily removed to other premises anywhere in the Commonwealth of Australia; or
- b) while in transit to any place in the Commonwealth of Australia;

if the following apply:

- i) the Damage would have been covered under Property Damage cover section of the Policy 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;

as Damage for the purpose of this cover section.

We will not cover You for more than 20% of the Sum Insured applicable to this cover section or the amount shown in the Policy Schedule for 'Documents', whichever is the greater.

4. Loss of attraction

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

- a) the Damage to the property of the tenant would have been covered under the Property Damage cover section of the Policy if such property had been insured under that cover section;
- b) the Damage results in a reduced pedestrian count in the 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 purposes of this cover section if the following apply:

- a) the Damage to roads, bridges and/or railway lines would have been covered under the Property Damage cover section of the Policy if such property had been 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 the 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 stored or being processed at any premises in the Commonwealth of Australia not occupied by You.

Provided that:

- a) the Damage would have been covered under the Property Damage cover section of the Policy if Your property had been insured under that cover section; and
- b) Our total liability under this additional benefit will not exceed 20% of the Sum Insured.

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 20% of the Sum Insured in respect of any one Event.

8. Utilities

We will treat Damage to any equipment forming part of the following utilities:

- a) any electricity supply system; or
- b) gas supply system; or
- c) water supply or sewerage works; or
- d) any telecommunications system that is land-based within the Commonwealth of Australia and supplies Your Business;

as Damage for the purposes of this cover section, provided that:

- i) the Damage to the equipment would have been covered under the Property Damage cover section of the Policy if such equipment had been 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 sewerage 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 equipment forming part of the utility which was damaged was not at or immediately adjacent to the Premises.

Optional covers

The following covers will apply if You have requested its inclusion in this cover section, and the Policy Schedule has been endorsed by Us noting the inclusion.

1. Goodwill

Following Damage to any building at the Premises We will pay, up to the Sum Insured shown in the Policy 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 and 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 building not being repaired; and
- c) the cause of the Damage to the building would have been covered under the Property Damage cover section 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 the Commonwealth of Australia to:

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

Conditions applicable to this cover section

Books of account

Any particulars or details contained in Your books of account or other business books or documents that may be required by Us for investigating or verifying any claim made under this 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.

Reinstatement of insured amount

If We pay an amount for a claim under this cover section We will automatically reinstate the Sum Insured to the amount shown in the Policy Schedule. You will not be required to pay any additional premium.

This condition does not apply if We pay the full Sum Insured for Insurable Gross Profit, Annual Revenue, Weekly Revenue or Loss of Rent Receivable in respect of a single claim under this cover section.

Seasonal increases in the Weekly Revenue Sum Insured

This condition increases the Weekly Revenue Sum Insured by 35% for any interruption or interference to the Business occurring:

- a) during the period of 60 days prior to and including Christmas Day and 21 days following Christmas Day;
- b) during the period of 42 days prior to and including Easter Tuesday and 7 days following Easter Tuesday;
- c) on any bank or public holiday;
- d) during any other period shown in the Policy Schedule for this condition.

Provided that the Damage occurs during the Period of Insurance.

THEFT COVER SECTION

Introduction

This cover section only forms part of Your Policy when Theft is shown as insured in the Policy Schedule.

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

Definitions applicable to this cover section

The following word has the following meaning for this cover section only:

Property Insured: means:

- 1) Contents including Stock;
- 2) Contents excluding Stock;
- 3) Stock;
- 4) Cigarettes/Tobacco;
- 5) Alcohol;
- 6) Specified Items;

where shown in the Policy Schedule as specifically covered with a Sum Insured.

Your insurance under this cover section

Provided the Theft cover section is shown as insured in the Policy Schedule, then subject to the provisions of the Policy, We will cover You for loss of or damage to Property Insured at the Premises during the Period of Insurance resulting from:

- a) theft or attempted theft following forcible and violent entry to or exit from the Premises;
- b) theft or attempted theft by a person unlawfully concealed at the Premises;
- c) theft or attempted theft by any person who threatens or commits physical violence to You, Your Employees or other persons;
- d) theft or attempted theft consequent upon actual, attempted or threatened armed hold-up at the Premises; or
- e) theft or attempted theft following actual forcible and violent entry into any locked cabinet and/or counter and/or showcase which is located at 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 a 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 Contents:
 - i) repair or replace the Contents; or
 - ii) pay You the cost of repair or replacement of the Contents;
 - c) with respect to Specified Items:
 - i) repair or replace the Specified Item;
 - ii) pay You the cost of repair or replacement of the Specified Item; or
 - iii) pay the Sum Insured for a Specified Item.

For each type of Property Insured, We will not pay more than the Sum Insured shown in the Policy Schedule for this cover section, except to the extent stated under the headings Extra Covers and Additional Benefits.

Excess

The Excess payable for this cover section is shown in the Policy Schedule and applies to each and every claim.

Extra covers

Subject to the provisions of the Policy, We will also pay or provide the extra covers set out below.

1. Damage to Business Premises

If You are the property owner We will cover You for the cost to repair Your property at the Premises consequent upon theft or attempted theft occurring during the Period of Insurance. We will not pay more than \$20,000 for any one claim under this extra cover.

This limit is in addition to the Sum Insured.

2. Damage to rented Premises

If You are a tenant at the Premises We will cover You for damage to the rented Premises that You occupy as a tenant if You are legally liable for that damage under Your tenancy agreement, provided that the damage is due to theft or attempted theft occurring during the Period of Insurance.

The maximum We will pay for any one claim under this extra cover is \$20,000 or the Sum Insured for this extra cover shown in the Policy Schedule.

This limit is in addition to the Sum Insured.

3. Rewards

We will pay for the reasonable cost of any reward paid by You for information which leads to the apprehension and conviction of person(s) responsible for the theft of Property Insured which is insured under this cover section.

We will pay no more than up to \$5,000 any one Event.

Provided further that any cover given under this extra cover shall not accumulate with any similar cover that may be given under extra cover 1 'Rewards' under the Money cover section of the Policy.

This extra cover operates in addition to the Sum Insured.

4. Seasonal increase period(s)

We will automatically increase the Sum Insured in respect of Stock and Contents, covered under this section excluding Cigarettes/Tobacco and Alcohol by 50% during the Seasonal Increase Period.

5. Temporary protection and security guards

We will pay for the reasonable and necessary costs of temporary protection and repairs and the employment of guards or watchman by You, for the safety and protection of the Premises pending repair of damage to Buildings at the Premises caused by a theft or attempted theft occurring during the Period of Insurance.

We will not pay more than \$10,000 for any one claim. If an occurrence results in a claim being paid under this cover section and another cover section, the highest single limit under the relevant cover section applies.

Provided further that any cover given under this extra cover shall not accumulate with any similar cover that may be given under extra cover 3 'Temporary protection and security guards' under the Money cover section of the Policy.

This extra cover operates in addition to the Sum Insured.

6. Removal of debris

We will pay for 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 Insurance.

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

Any cover given under this extra cover shall not accumulate with any similar cover that may be given under the Money cover section.

This extra cover operates in addition to the Sum Insured.

7. Removal of debris following forensic investigation

We will pay for 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.

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

Any cover given under this extra cover shall not accumulate with any similar cover that may be given under the Money cover section.

This extra cover operates in addition to the Sum Insured.

Additional benefits

Subject to the provisions of the Policy, 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 Policy 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 or attempted theft as if they were Contents.

We will not pay more than \$6,000 for any one person.

This applies in addition to the Sum Insured.

2. Employee dishonesty

We will cover You for loss of or damage to Property Insured occurring during the Period of Insurance resulting from theft, fraud or dishonesty by any of Your Employees which is discovered within 60 days of the Event.

Provided that, 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 any member of Your Family who is not Your Employee; or
- f) fraud or dishonesty committed by any of Your Employees with Your connivance.

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

Any cover given under this additional benefit shall not accumulate with any similar cover that may be given under the Money cover section.

3. Death following assault

If any person is injured while protecting or attempting to protect the Property Insured from theft and death results from that injury within 12 months, We will pay \$10,000 to the estate of that person.

Provided that any cover given under this additional benefit shall not accumulate with any similar cover that may be given under additional benefit 5 'Death following assault' under the Money cover section.

This is in addition to the Sum Insured.

4. Illegal use of corporate financial transaction card

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

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 accumulate with any similar cover that may be given under additional benefit 7 'Illegal use of corporate financial transaction card' under the Money cover section.

5. Illegal electronic funds transfer

If the Policy covers Contents or Contents including Stock under this cover section and, following entry into the Premises in connection with one of the events listed under the heading 'Your insurance under this cover section', We will pay for 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; or
- b) more than \$5,000 in total for any one Event.

6. Replacement of locks and keys

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 for a Safe or Strongroom if:

- a) as a result of theft or attempted theft 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 numbers or letters become known by any unauthorised person or are accidentally lost; or
- 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 a Safe or Strongroom because of the theft of keys or combinations during a theft or attempted theft covered under this cover section;
- b) developing images stored on media from security camera following a theft or attempted theft covered under this cover section; or
- c) restoring the security system to its former functionality following a theft or attempted theft covered under this cover section.

We will not pay more than \$10,000 for any one Event. This amount is payable in addition to the Sum Insured.

Provided further that any cover given under this additional benefit shall not accumulate with any similar cover that may be given under additional benefit 9 'Replacement of locks and keys' under the Money cover section.

7. Rewriting of documents

We will pay for any reasonable labour costs incurred in reproducing or making good Your business records if they are lost, stolen or damaged while located at Your Premises or offsite anywhere in the Commonwealth of Australia.

We will not pay more than \$25,000 in total for any one Event.

This is in addition to the Sum Insured.

8. Temporary cover for new premises

We will provide cover in the circumstances as set out under 'Your insurance under this cover section' of this cover section for Property Insured located at any new premises which You first occupy during the Period of Insurance provided that:

- a) cover is limited to a period of 60 consecutive days from the day that You first use the new premises;
- b) the loss or damage to the Property Insured occurs during the Period of Insurance;
- c) cover is only available for Property Insured that is of a similar type to that insured under this cover section;

- d) for each specific type of Property Insured cover is limited to 50% of the highest Sum Insured shown in the Policy Schedule for that type; and
- e) the new premises have building and security features that are similar to those at one of the Premises shown in the Policy Schedule having the same occupation.

You must provide Us with full details of the new premises.

If We agree to cover the Property Insured at the new premises beyond the 60 consecutive day period, You must pay any additional premium 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/Tobacco or Alcohol;
- 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 20% of the Sum Insured; and
- d) this additional benefit will not apply to any Contents or Stock which has been removed from the Premises 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 Insurance to Contents that are securely and permanently affixed (by means other than the connection to a power point) to the outside of a Building at the Premises.

We will not pay more than:

- a) \$25,000; or
- b) the Contents excluding Stock Sum Insured or the Contents including Stock Sum Insured;

whichever is the lesser, during the Period of Insurance.

11. Theft without forcible and violent entry (not Theft of Property Insured in the open air)

We will cover You for loss or damage occurring during the Period of Insurance to Contents or Stock in the Building at the Premises as a result of theft or attempted theft where there are no signs of forcible and violent entry to or exit from the Building.

We will not cover:

- a) theft or attempted theft from any open-sided structure such as, but not limited to, verandahs or yards or other open spaces even if they are partially or fully enclosed; or

- b) theft involving shoplifting.

We will not pay more than:

- a) \$20,000; or
- b) the Sum Insured for 'Theft without forcible and violent entry' shown in the Policy Schedule;

whichever is the higher, for any one Event.

12. Theft of Property Insured in the open air

We will cover You for loss of or damage to Property Insured from the Premises occurring during the Period of Insurance 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 Property Insured 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.

We will not pay more than \$5,000 subject to the Sum Insured not otherwise exhausted for any one Event.

Optional cover

We will provide the following optional cover when requested by You, when You pay any additional premium required and when it is shown in the Policy Schedule as applying.

Any amount payable under this optional cover is in addition to the Sum Insured.

Theft of Property Insured in the open air

In addition to similar cover provided elsewhere in this cover section, 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 at the Premises, during the Period of Insurance, up to the amount shown in the Policy Schedule.

We will not cover You for the theft of Property Insured 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.

Exclusions applicable to this cover section

We will not pay for:

1. Theft by persons

loss of, or damage to, Property Insured committed by You, Your directors, partners, Employees or any member of Your Family other than following forcible and violent entry by Your Employees or a member of Your Family; other than as covered under additional benefit 2 'Employee dishonesty' under this cover section.

2. Property

loss of or damage to:

- a) Money in excess of \$500;
- b) jewellery, precious metals or stones, property made of gold or silver, bullion or furs exceeding \$10,000 any one loss and \$2,000 any one item unless these items form part of Your Stock;
- c) motor vehicles, unless they are:
 - i) Stock; or
 - ii) forklift trucks and similar appliances that are used for hauling or conveying goods at the Premises;
- d) Animals unless they are insured as Stock; or
- e) plants, shrubs, landscaping materials or growing crops, pastures or standing timber.

3. Glass

the Breakage of Glass (including washbasins, sinks, toilet pans or cisterns, or the cost of replacing sign writing, ornamentation, reflective materials and burglar alarm tapes attached to broken Glass) unless it is Stock.

4. Open air

loss of or damage to Property Insured from any open space, whether fenced or unfenced, outside the walls of the Building, except as expressly provided in the additional benefit 10 'Theft of external property', additional benefit 12 'Theft of Property Insured in the open air' and optional cover 'Theft of Property Insured in the open air' under this cover section.

5. Access

loss of or damage to Property Insured if entry to the building at the Premises is gained:

- a) by use of a key or security code; or
- b) through an unlocked door or window;

except as provided for under:

- a) additional benefit 11 'Theft without forcible and violent entry (not property in the open air)' under this cover section; or
- b) additional benefit 2 'Employee dishonesty' under this cover section.

Conditions applicable to this cover section

These conditions apply 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 outside Business Hours.

2. Reinstatement

If We pay an amount for a claim under this cover section, We will automatically reinstate the Sum Insured to the amount shown in the Policy Schedule. You will not have to pay any additional premium.

MONEY COVER SECTION

Introduction

This cover section only forms part of Your Policy when Money is shown as insured in the Policy Schedule.

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

Definitions applicable to this cover section

The following words have the following meanings for this cover section only:

Financial Services Provider: means a financial organisation such as a bank, building society or credit union or an agency for any of these that is in the business of providing banking services to the public.

In Custody: 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 in the bank.

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. Transit is deemed to commence when the Safe or Strongroom is unlocked for the removal and immediate transport of the Money from the Premises. Money in transit includes Money while contained in the night safe, night depository chute or Automatic Teller Machine of any Financial Services Provider. Our liability ceases at the time Your Financial Services Provider ceases trading on the next business day following the deposit therein.

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

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

Your insurance under this cover section

Provided the Money cover section is shown as insured in the Policy Schedule, then subject to the provisions of the Policy We will cover You for loss of or damage to the following categories of Money which occurs during the Period of Insurance described below and shown as insured in the Policy Schedule:

Defined events

- 1) Money In Transit;
- 2) Money in the Building during Business Hours;
- 3) Money in the Building outside of Business Hours;

- 4) Money in the Building at any time while contained in a locked Safe or Strongroom;
- 5) Money In Custody; or
- 6) Blanket cover, being Money covered under 1) to 5) above.

What we pay

The most We will pay You in respect of each of the defined events is the Sum Insured for the relevant defined event, provided that the most that We will pay under defined event 6 'Blanket cover' for Money in the Building outside of Business Hours is \$2,500.

If We agree to pay a claim for loss of or damage to Money other than travellers' cheques, discount house vouchers, lottery tickets or Securities We will pay the amount or value of Money lost or damaged.

In the case of any Securities the amount of the Securities will be calculated as follows:

- 1) if the Securities can with Our approval be replaced, the cost of replacement paid or payable by You; or
- 2) otherwise, the greater of:
 - a) the price for which You purchased them; or
 - b) 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
 - c) 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.

In the case of a loss of subscription, conversion or redemption privileges through the loss of any Security, the value of such privileges will be the value immediately preceding the expiration of the subscription, conversion or redemption, in the currency in which the loss was sustained.

Losses sustained in currencies other than Australian dollars will be calculated 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, then the value shall be agreed between You and Us, or in default, We and You shall submit to mediation and be bound by the decision of the mediator.

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

If a Safe or Strongroom is lost or damaged, which is covered under additional benefit 8 'Loss of or damage to Safes or Strongrooms and cash carrying bags' under this cover section, We will, at Our option:

- 1) repair the Safe or Strongroom;

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

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

Excess

The Excess payable for this cover section is shown in the Policy Schedule and applies to each and every claim.

Extra covers

If We agree to pay a claim under this cover section for loss of 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. Rewards

We will pay for the reasonable cost of any reward paid by You for information which leads to the apprehension and conviction of person(s) responsible for any loss or damage which is insured under this cover section.

We will pay no more than up to \$5,000 for any one Event.

Provided further that any cover given under this extra cover shall not accumulate with any similar cover that may be given under extra cover 3 'Rewards' under the Theft cover section.

2. Seasonal increase of cover

We will automatically increase the Sum Insured in respect of Money by 50% during the Seasonal Increase Period.

3. Temporary protection and security guards

We will pay the reasonable and necessary costs incurred by You in effecting temporary protection, or the employment of guards or watchman, by You, to safeguard the Money at the Premises as a result of theft or attempted theft of Money occurring during the Period of Insurance and that is covered under this cover section.

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

Any cover given under this extra cover 'Temporary protection and security guards' shall not accumulate with any similar cover that may be given under extra cover 5 'Temporary protection and security guards' under the Theft cover section.

4. Removal of debris

Following a claim under this cover section for loss or damage to Money for which We have admitted liability We will pay for the cost of removal of debris and of cleaning up any damage resulting therefrom.

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

Provided further that any cover given under this extra cover shall not accumulate with any similar cover that may be given under the Theft cover section.

5. Removal of debris following forensic investigation

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

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

Provided further that any cover given under this extra cover shall not accumulate with any similar cover that may be given under the Theft cover section.

Additional benefits

Subject to the provisions of the Policy, 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 are automatically increased by 100% 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, provided that any increase in the Sums Insured for Money given under this additional benefit shall not accumulate with any increase that may be given under extra cover 2 'Seasonal increase of cover' under this cover section.

2. Directors' and Employees' tools of trade and personal effects

We will cover You for loss of or damage to the personal effects of Your directors, officers and Employees during a theft or attempted theft of Money.

We will not pay more than \$5,000 any one person and \$10,000 in respect of any one Event.

Any cover given under this additional benefit shall not accumulate with any similar cover that may be given under additional benefit 1 'Directors' and Employees' tools of trade and personal effects' under the Theft cover section.

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 Insurance.

4. Employee dishonesty

We will cover You for loss of Money as a direct result of theft or dishonesty of any of Your Employees or persons in Your service occurring during the Period of Insurance and discovered within 45 days of the Event.

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 pay more than \$5,000 for any one Event.

Any cover given under this additional benefit shall not accumulate with any similar cover that may be given under the Theft cover section.

5. Death following assault

If any person is injured while protecting or attempting to protect Money from theft and death results from that injury within 12 months, We will pay \$10,000 to the estate of that person.

Any cover given under this additional benefit shall not accumulate with any similar cover that may be given under additional benefit 3 'Death following assault' under the Theft cover section.

6. Illegal use of financial transaction or credit cards

We will cover You for loss of Money as a direct result of illegal use of financial transaction or credit cards by any unauthorised person excluding any financial loss arising from the misuse or illegal use of financial transaction or credit cards by Employees or any other person acting in collusion with an Employee.

Provided that:

- a) You must seek recovery from the financial institution prior to seeking recovery from Us; and
- b) We will not pay for loss which can be recovered or is recovered from the financial institution; and
- c) We will not pay more than \$5,000 in total for any one loss or Event.

7. Illegal use of corporate financial transaction card

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

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.

Any cover given under this additional benefit shall not accumulate with any similar cover that may be given under additional benefit 4 'Illegal use of corporate financial transaction card' under the Theft cover section.

8. Loss of or damage to safes or strongrooms and cash carrying bags

We will pay for loss of or damage to:

- a) a Safe or Strongroom or the cost of opening the Safe or Strongroom, arising from any attempt to steal Money therefrom; and
- b) Your cash carrying bag that was caused by theft or attempted theft of Money.

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

9. Replacement of locks and keys

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 if during the Period of Insurance:

- 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 numbers or letters become known by any unauthorised person or are accidentally lost; or
- 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 Safes and Strongrooms 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 covered under this cover section; and
- c) restoring the security system to its former functionality following a theft or attempted theft covered under this cover section.

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

Any cover given under this additional benefit, shall not accumulate with any similar cover that may be given under additional benefit 6 'Replacement of locks and keys' under the Theft cover section.

10. Temporary cover for new premises

Cover is extended to include Money at, or in transit to or from any new business premises occupied by You after the commencement of the Period of Insurance, within the Commonwealth of Australia, for 60 days from first being used by You (unless the Period of Insurance or Your occupancy of such premises ends sooner, whichever shall first occur), but the cover is limited to:

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

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

Full details of such additional 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 additional premises beyond this 60 day period, We may require payment of an additional premium.

11. Traveller's Money

We will pay You for loss of Money in Your custody, or in the custody of Your Employee, occurring during the Period of Insurance, while You or Your Employee are travelling for Your Business anywhere in the world.

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

Exclusions applicable to this cover section

This cover section does not cover:

1. Missing Money

loss of or damage to Money:

- a) due to shortages resulting from clerical or accounting errors, or loss due to errors in receiving or paying out;
- b) by any intentional or wilful act or omission by You or Your Employees with Your connivance other than as covered by additional benefit 4 'Employee dishonesty' under this cover section; or

- c) by any fraudulent or dishonest acts committed by You, Your Family members or any of Your Employees acting alone or in collusion with others other than as covered by the additional benefit 4 'Employee dishonesty' under this cover section.

2. Key or combination in Building

loss of Money from any Safe or Strongroom opened by a key or by use of details of a combination that are left on the Premises outside Business Hours.

3. Unattended

loss of or damage to Money in or from an unattended vehicle that is not locked.

4. Loss outside the Commonwealth of Australia

loss of or damage to Money occurring outside the Commonwealth of Australia except as provided under additional benefit 11 'Traveller's Money'.

5. Consequential Loss

loss of use, loss of earning capacity and any other Consequential Loss.

6. ATMs

loss of or damage to Money that does not belong to You in or from an Automatic Teller Machine.

Condition applicable to this cover section

Reinstatement

If We pay an amount for a claim under this cover section We will automatically reinstate the Sum Insured to the amount shown in the Policy Schedule. You will not have to pay any additional premium.

GLASS COVER SECTION

Introduction

This cover section only forms part of Your Policy when Glass is shown as insured in the Policy Schedule.

This cover section covers Breakage of Glass at the Premises.

Definitions applicable to this cover section

The following words have the following meanings for this cover section only:

External Glass: means Glass or plastic material used as Glass fixed in external windows, doors, showcases or skylights forming part of the building, and any ceramic tiled shop fronts.

Glass: means External Glass, Internal 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 in the building.

Specified Glass: means glass specifically designated in the Policy Schedule under 'Specified Glass'.

Your insurance under this cover section

Provided the Glass cover section is shown as insured in the Policy Schedule, then subject to the provisions of the Policy We will insure You for Breakage of Glass that is shown as insured in the Policy Schedule which You own or for which You are legally responsible, occurring during the Period of Insurance at the Premises.

What we pay

We will pay for the cost of replacement of the broken Glass with Glass of similar manufacture and quality including the reasonable costs for after-hours service by repairers, express delivery and overtime charges to repair or replace the broken Glass. We will also pay the extra cost necessarily incurred to comply with the minimum requirements of any statutory authority when replacing the broken Glass.

Excess

The Excess payable for this cover section is shown in the Policy Schedule and applies to each and every claim made under this cover section.

Extra covers

When We agree to pay a claim under this cover section for Breakage of Glass, We will also pay for the extra covers set out below.

1. Costs

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

- a) the cost of temporary shuttering necessary to secure otherwise exposed stock or contents pending replacement of the broken Glass;
- b) the costs incurred in replacing sign-writing, ornamentation, reflective materials and burglar alarm tapes and connections attached to the broken Glass;
- c) the cost incurred in repairing or replacing damage to window, door or showcase frames and their fittings.

We will not cover You for the cost of repairing or replacing bars, grilles or shutters.

Our liability under this extra cover during any one Period of Insurance is limited to:

- a) \$10,000; or
- b) the Sum Insured for 'Costs';

whichever is the greater.

2. Destruction of Contents or Stock

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

Our liability under this extra cover during any one Period of Insurance is limited to:

- a) the cost value (excluding profit of any kind) of Your Stock or Contents destroyed or damaged, less any amount realised from the sale or salvage; or
- b) the sum of \$10,000 or the Sum Insured for 'Destruction of Contents or Stock' (whichever is the greater);

whichever is the lesser.

3. Rewards

We will pay the reasonable cost of any reward paid by You for information which leads to the apprehension and conviction of person(s) responsible for any loss or damage which is insured under this cover section.

We will pay no more than up to \$5,000 for any one Event.

Any cover given under this extra cover shall not accumulate with any similar cover that may be given under extra covers in the Property Damage cover section.

Additional benefits

Subject to the provisions of the Policy, We will also provide the following additional benefits in this cover section.

Any amount payable under these additional benefits applies in addition to the Sum Insured.

1. Malicious damage

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

2. Signs

We will pay for the cost of replacement or repair for loss of or damage to signs at the Premises occurring during the Period of Insurance.

We will not pay more than:

- a) \$10,000; or
- b) the Sum Insured for 'Signs';

whichever is the greater, for any one Event.

Exclusions applicable to this cover section

This cover section does not cover damage to Glass:

- a) when in transit or whilst being fitted into position or removed from its fitting;
- b) forming part of Stock;
- c) in light fittings;
- d) that is cracked or imperfect prior to Breakage;
- e) that is not fit for the purpose intended; or
- f) that is in a glasshouse, conservatory or the like, television, computer screen or any domestic item such as a vase, chinaware or Glass in a photo frame.

PUBLIC AND PRODUCTS LIABILITY COVER SECTION

Introduction

This cover section only forms part of Your Policy when the Public and Products Liability cover section is shown as insured in the Policy Schedule.

Definitions applicable to this cover section

The following words have the following meanings in this cover section only:

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 Schedule 2 to the *Competition and Consumer Act 2010* (Cth), ('The Australian Consumer Law') 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, style of doing business; or
- e) an invasion of privacy;

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

Business: means the Business as described in the Policy Schedule (or as further described in any more specific underwriting information provided to Us at the time when this insurance was proposed to Us or at the time of any renewal of this Policy) and shall also include:

- a) the ownership of premises and/or the tenancy thereof 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) conducted tours 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;
- h) construction, erection, demolition, alteration or addition, not exceeding in cost the sum of \$500,000, of or to Buildings owned by You.

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

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

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

Geographical Limit: means:

- a) anywhere 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.

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

Incidental Contracts: means:

- a) any written rental agreement and/or lease of real and/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 performed by You or on Your behalf for such authorities or entities;

- c) any written contract with any railway authority for the loading, unloading and/or transport of Products, including contracts relating to the operation of railway sidings;
- d) those contracts designated in the Policy Schedule.

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

Named Insured: means:

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

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 Property Damage and/or Advertising Injury that is neither expected nor intended (except for the matters set out in item e) of the definition of 'Personal Injury') from Your standpoint.

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

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 the course of Your Business, including any packaging or containers thereof, including the design, formula or specification, directions, markings, instructions, advice or warnings given or omitted to be given in connection with such products and anything which, by law or otherwise, You are deemed to have manufactured in the course of Your Business including discontinued Products.

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

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

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

Products Liability: means Your legal liability for Personal Injury and/or Property Damage caused by or arising out of any Products or the reliance upon a representation or warranty

made at any time with respect to such Products; but only where such Personal Injury and/or Property Damage occurs away from premises owned or leased by or rented to You and after physical possession of such Products has been relinquished to others.

Property Damage: means:

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

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.

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.

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

You/Your/Insured: means each of the following 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), while such persons are acting for or on behalf of the Named Insured in the conduct of the Business and/or within the scope of their duties in such capacities;
- c) any Employee superannuation fund or pension scheme managed by or on behalf of the Named Insured, and the trustees and the directors of the trustee of any such Employee superannuation fund or pension scheme which is not administered by corporate fund managers;
- d) every principal in respect of the principal's liability arising out of:
 - i) the performance by or on behalf of the Named Insured of any contract or agreement for the performance of work for such principal, but only to the extent required by such contract or agreement

and in any event only for such coverage and limits of liability as are provided by this Policy;

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

Your insurance under this cover section

We agree (subject to the provisions 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) Property Damage; and/or
- 3) Advertising Injury;

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

Defence costs and supplementary payments

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

- 1) defend, in Your name and on Your behalf, any claim or suit against You alleging such Personal Injury, Property Damage or Advertising Injury and seeking damages on account thereof even if any of the allegations of such claim or suit 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 Our liability thereon;
- 4) pay premiums on:
 - a) bonds to release attachments for amounts not exceeding the applicable limit of liability of this Policy but We shall have no obligation to apply for or furnish any such bond;
 - 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 and/or medical and/or therapeutic relief to others at the time of any Personal Injury (other than any medical expenses, which We are prevented from paying by any law);
 - b) temporary protection of damaged or undamaged property of any person or party, including temporary repairs, shoring up and/or unpinning thereof;
 - c) purchasing and/or hiring and/or erection and dismantling of hoarding, barriers, fences and any other form of temporary protection, including such protection which You must provide in compliance with the requirements of any Government, Local Government or other Statutory Authority;
- 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 against by this cover section;
- c) any Royal Commission or Government Enquiry arising out of any alleged breach of statute, or other similar judicial enquiry into circumstances relating to any Occurrence, claim or potential claim which would be the subject of indemnity under this insurance;
- d) any enquiry, prosecution or hearing of a disciplinary nature held before a legally constituted enquiry board, committee, licensing authority or the like.

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

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

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

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

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

Limits of liability and excess

Subject to:

- i) the 'Claims preparation expenses' provision under 'General Policy Conditions';
 - ii) the 'Defence costs and supplementary payments' clause above; and
 - iii) sub-paragraph e) of additional benefit 'Property in Your physical or legal control' below;
- a) for General Liability the limit of liability specified in the Policy Schedule represents the maximum amount which We shall be liable to pay in respect of any one claim or series of claims arising out of any one Occurrence;
 - b) for Products Liability the limit of liability specified in the Policy Schedule represents the maximum amount which We shall be liable to pay in respect of any one claim or series of claims, and in the aggregate during any one Period of Insurance.

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

Additional benefit

Property in Your physical or legal control

Cover section exclusion 16 'Property in Your physical or legal control' under this cover section shall not apply with regard to:

- a) 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;
- b) premises or part(s) of premises (including their contents) leased or rented, or temporarily occupied by, You for the purpose of the Business;
- c)
 - i) premises (and/or) their contents temporarily occupied by You for the purpose of carrying out work in connection with Your Business; or
 - ii) 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;

- d) 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. Exclusion 20 'Vehicles' under this cover section does not apply to Property Damage arising from any Vehicle (not owned by or leased to You) whilst within the confines of Your premises or whilst left stationary in the immediate vicinity of Your premises in any public or private road or thoroughfare;
- e) any Vehicle for repair, servicing, maintenance or storage whilst within the confines of Your premises or whilst left stationary in the immediate vicinity of Your premises in any public or private road or thoroughfare subject to Our liability not exceeding \$100,000 for any one Occurrence. Exclusion 20 'Vehicles' under this cover section does not apply to Property Damage arising from any Vehicle (not owned by or leased to You) whilst within the confines of Your premises or whilst left stationary in the immediate vicinity of Your premises in any public or private road or thoroughfare;
- f) notwithstanding cover section exclusion 6 'Contractual liability', any property (except property that You own) not mentioned in paragraphs a) to d) above whilst in Your physical or legal care, custody or control whether or not You have accepted or assumed legal liability for such property, provided that Our liability under this additional benefit shall not exceed:
 - i) \$250,000; or
 - ii) the amount specified in the Policy Schedule;

whichever is greater in respect of any one claim or series of claims arising out of any one Occurrence or any other greater amount set out in the Policy Schedule.

Optional covers – applicable only where shown as insured in the policy schedule

1. Products exported to North America with Your knowledge

The cover provided by the Policy is extended to include any judgment, award or settlement made within North America or any other order made anywhere in the world to enforce such judgment, award or settlement either in whole or in part, subject to the following additional terms and exclusions in respect of any such judgment, award or settlement:

- a) cover only applies to Your legal liability in respect of Personal Injury and/or Property Damage that arises out of any Products exported to North America with Your knowledge;
- b) cover is not provided for:
 - i) Personal Injury and/or Property Damage directly or indirectly caused by or arising out of discharge, dispersal, emission, release or escape of Pollutants;
 - ii) the cost of removing, nullifying or clean-up of Pollutants;
 - iii) the cost of preventing the escape of Pollutants;
 - iv) any claim for Compensation if in North America You have:
 - a) any assets other than Products;
 - b) a related or subsidiary company;
 - c) any resident person, party or registered local entity holding Your power of attorney; and/or
 - d) any franchisor or franchisee.

2. Motor trade cover

- a) Motor trade, excluding testing and delivery.

Additional benefit 'Property in Your physical or legal control' under this cover section is extended to include Vehicles for repair, servicing, maintenance or storage whilst within the confines of Your premises or whilst left stationary in the immediate vicinity of Your premises in any public or private road or thoroughfare subject to Our liability not exceeding the Sum Insured shown in the Policy Schedule for 'motor trade, excluding testing and delivery' for any one Occurrence.

This sum insured is in addition to the cover provided under the Property in Your physical or legal control additional benefit.

An Excess of \$500 is applicable for each and every claim made under this optional cover.

Exclusion 20 'Vehicles' under this cover section does not apply to Property Damage arising from any Vehicle (not owned by or leased to You) whilst within the confines of Your premises or whilst left stationary in the immediate vicinity of Your premises in any public or private road or thoroughfare; and

- b) Motor trade, including testing and delivery.

Additional benefit 'Property in Your physical or legal control' under this cover section is extended to include:

- i) Vehicles for repairs, servicing, maintenance or storage whilst within the confines of Your premises or whilst left stationary in the immediate vicinity of Your premises in any public or private road or thoroughfare subject to Our liability not exceeding the Sum Insured shown in the Policy Schedule for 'motor trade, including testing and delivery' any one Occurrence; and
- ii) Property Damage to any registered Vehicle not owned or leased by You but in Your physical or legal control for the purpose of repairs, servicing or garaging whilst such Vehicle is on any public roadway or thoroughfare whilst being tested and/or collected and/or delivered subject to Our liability not exceeding the Sum Insured shown in the Policy Schedule for 'motor trade, including testing and delivery' for any one Occurrence;

An Excess of \$500 is applicable for each and every claim made under this optional cover.

Exclusion 20 'Vehicles' under this cover section does not apply to:

- i) Property Damage arising from any Vehicle (not owned by or leased to You) whilst within the confines of Your premises or whilst left stationary in the immediate vicinity of Your premises in any public or private road or thoroughfare; and
- ii) Property Damage to any other property not being Your own or used by You or on Your behalf caused by the Vehicle as described and used in item b) above. The maximum amount We will pay for Property Damage under this clause is the Sum Insured shown in the Policy Schedule for 'motor trade, including testing and delivery'.

The cover provided by optional covers 2a) and 2b) above shall not apply to any Property Damage arising from:

- a) the use of any unsafe or unroadworthy Vehicle unless such condition could not reasonably be detected by You. This exclusion shall not apply if such Property Damage was not caused or contributed to by such unsafe or unroadworthy condition; or
- b) the use of a Vehicle by:
 - i) any person with Your consent who is not licensed under any relevant law to drive such a Vehicle; or

- ii) anyone whose faculties are impaired by any drug or intoxicating liquor or by any person who is convicted of driving at the time of the Property Damage being under the influence of intoxicating liquor; or
- iii) anyone whose blood alcohol reading exceeds the legal limit (subject to any laws to the contrary); or
- iv) anyone who refuses to provide or allow the taking of a sample of breath, blood or urine for testing or analysis as required by the law of any State or Territory where the Property Damage occurred.

We will cover You if You have allowed a person to drive a Vehicle in Your physical or legal control and You can prove that You were not aware that the Vehicle was being driven by or in charge of that person when they were so affected or unlicensed.

Exclusions applicable to this cover section

We will not indemnify You for any claims arising from, out of, or in connection with:

1. Advertising Injury

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;
- f) incurred by any Insured whose principal occupation or business is advertising, broadcasting, publishing or telecasting.

2. Aircraft, Hovercraft or Watercraft

Personal Injury and/or Property Damage arising from:

- a) the ownership, maintenance, operation, or use by You of any Aircraft or Hovercraft;
- b) the ownership, operation or use by You of any Watercraft exceeding 10 metres in length, whilst such Watercraft is on, in or under water, provided that this exclusion does not apply to:
 - i) Watercraft used in operations carried out by any independent contractors for whose conduct You may be held liable;

- ii) floating jetties that are attached to land or some other fixed object; and
- iii) Watercraft owned by others and used by You for business entertainment.

3. Aircraft Products

Your Products that are Aircraft or Aircraft component parts used for maintaining an Aircraft in flight or moving upon the ground or used in the construction of an Aircraft hull or machinery which to Your knowledge are incorporated in an Aircraft.

4. Asbestos

directly or indirectly arising out of, resulting from, in consequence of, contributed to or aggravated by asbestos in whatever form or quantity.

5. Breach of professional duty

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:

- 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;
- c) arising out of advice given in respect of the use or storage of Your Products.

6. Contractual liability

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

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

provided that this exclusion shall not apply with regard to:

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

7. Damage to Products

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

8. Defamation

Defamation:

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

9. Electronic Data

- 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. Employer's liability

- a) Bodily Injury to any Worker in respect of which You are or would be entitled to indemnity under any policy of insurance, fund, scheme or self-insurance pursuant to or required by any legislation relating to Workers Compensation or Accident Compensation whether or not such policy, fund, scheme or self-insurance has been effected.

Provided that the 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 Your obligations pursuant to such law;

- b) liability 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 exclusions 10a) and 10b) only, the following definitions apply:

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.

Worker: means any person deemed to be a worker and in relation to whom You have an obligation to insure pursuant to any Workers Compensation Law or any voluntary worker, seconded, or work experience student covered pursuant to any Workers Compensation Law.

Workers Compensation Law: means any Commonwealth, State or Territory legislation establishing a Workers Compensation scheme and/or providing compensation and/or regulation of access to damages in relation to injuries suffered by workers in the course of their employment and/or employers obligations to be covered against liability for compensation and damages and/or management of compensation claims.

11. Faulty workmanship

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

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

any fines, penalties, punitive exemplary or aggravated damages.

13. Liquidated damages

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.

14. Loss of use

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 14b) 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.

15. Pollution

- a) Personal Injury and/or Property Damage directly or indirectly arising out of the dispersal, release, seepage, migration or escape of Pollutants into or upon land, the atmosphere or any watercourse or body of water;
- b) any costs and expenses incurred in preventing the discharge, dispersal, release, seepage, migration or escape of, or, testing and monitoring for, containing, 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 15a) and 15b) shall not apply where such discharge, dispersal, release, seepage, migration, or escape is caused by a sudden,

identifiable, unintended and unexpected event from Your standpoint which takes place in its entirety at a specific and identifiable time and place.

16. Property in Your physical or legal control

Property Damage to:

- a) property leased or rented to You;
- b) property not belonging to You but in Your physical or legal control other than the property described in additional benefit 'Property in Your physical or legal control' under this cover section.

17. Property owned by You

Property Damage to property owned by You.

18. Product guarantee

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

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

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

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

but exclusions 20a) and 20b) shall not apply to:

- i) Personal Injury where:
 - a) that compulsory liability insurance or statutory indemnity does not provide indemnity; and
 - b) 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;
- ii) 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 Business premises or on any Work Site;
- iii) the delivery or collection of goods to or from any Vehicle;

- iv) the loading or unloading of any Vehicle;
- v) any Vehicle temporarily in Your custody or control for the purpose of parking;
- vi) Property Damage 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 the Commonwealth of Australia) in the event of Your inadvertent and unintentional failure to effect Conditional Registration.

Conditions applicable to this cover section

Claims

1. Notification of occurrence, claim or suit

You shall give:

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

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

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

3. Our rights regarding claims

- a) Following the happening of any Occurrence in respect of which a claim is, or may be, made under the Policy, We have full discretion in the conduct of any legal proceedings and in the settlement of any claim. You must co-operate by giving Us any statements, documents or assistance We require. This may include giving evidence in any legal proceedings.

- b) We may at any time pay to You, in respect of all claims against You arising directly or indirectly from one source or original cause:
 - i) the amount of the limit of liability or such other amount specified in respect thereof (after deduction of any sum(s) already paid by Us, which sum(s) would reduce the amount of Our unfulfilled liability in respect thereof); or
 - ii) any lesser sum for which the claim(s) can be settled.
- c) Upon making such payment, We shall relinquish conduct and control of, and be under no further liability under the 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.

4. 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.

In particular, but without limiting the foregoing, this insurance shall indemnify each of the parties described in clauses 4a) and 4b) of 'Cross liabilities' in respect of claims made by any other of such parties.

Provided always that:

- i) each of such parties shall be separately subject to the terms, conditions, exclusions and definitions of the Policy in the same manner and to a like extent as though separate policies had been issued; and
- ii) 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 specified in the Policy Schedule.

5. Inspection and audit

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

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

6. Premium – adjustment of premium

If the first premium or any renewal premium for this Policy or any part thereof shall have been calculated on estimates provided by You, You shall keep an accurate record containing all particulars relative thereto and shall at all reasonable times allow Us to inspect such record.

You shall, where requested by Us after the expiry of each Period of Insurance, provide to Us such particulars and information as We may require as soon as reasonably practicable. The premium for such period shall thereupon be adjusted and any difference paid by or allowed to You, as the case may be, subject to retention by Us of any minimum premium that may have been agreed upon between Us and You at inception or the last renewal date of this Policy.

7. Release

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

Notwithstanding General Condition 'Waiver of Subrogation Rights' of the Policy, We agree to waive all Our rights of subrogation against any such authority or persons or parties in the event of any Occurrence for which a claim for indemnity may be made under this Policy.

8. Subrogation and allocation of the proceeds of recoveries

Subject to General Condition 'Subrogation and Recoveries', any corporation, organisation or person claiming under this insurance 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 Policy.

Should You incur any legal liability which is not covered by this 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.

TRANSIT COVER SECTION

Introduction

This cover section only forms part of Your Policy when Transit Cover is shown as insured in the Policy Schedule.

This cover section covers loss of or damage to Property Insured belonging to You or for which You are legally responsible whilst in Transit within the Commonwealth of Australia.

Definitions applicable to this cover section

The following words have the following meanings in this cover section only:

Accident: means any occurrence which results in physical loss of or damage to Property Insured which is unintended and unexpected or could not reasonably have been intended or expected by a person who has actual knowledge of the means of transportation of the Property Insured.

Conveyance: means the vehicle, aircraft, vessel or train by which Your goods are transported.

General Average: arises whenever an extraordinary sacrifice or expenditure is voluntarily and reasonably made or incurred in time of peril for the purpose of preserving goods at risk in a sea voyage.

Transit: commences when the Property Insured are first moved in the warehouse or place of storage for the purpose of immediate loading onto the carrying vehicle or other conveyance for the commencement of Transit, continues during the ordinary course of transit and terminates on delivery to any other warehouse or place of storage.

Your insurance under this cover section

If the Transit cover section is shown as insured in the Policy Schedule, then subject to the provisions of the Policy, We will pay You for loss of or damage to Your Property Insured occurring during the Period of Insurance whilst in Transit within the Commonwealth of Australia caused by:

- 1) any Accident; or
- 2) the deliberate act of a third party.

We will also pay the General Average and/or salvage contribution that You are required to pay if Your goods are 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 Policy Schedule.

In the event of a General Average contribution arising under this section, contact Us before signing any General Average bond.

What we pay

In the event of loss of or damage to Property Insured covered under this cover section, the following basis of settlement will apply:

- 1) for Property Insured sold, Your invoice value plus freight;
- 2) for Property Insured purchased, the purchase price shown on the invoice;
- 3) for other Property Insured, market value at the time of the loss plus freight if applicable.

The maximum We will pay for all loss or damage arising under this cover section during the Period of Insurance or for all loss or damage arising out of any one Event is the Sum Insured for 'Transit'.

Excess

The Excess payable for this cover section is shown in the Policy Schedule and applies to each and every claim made under this cover section.

Extra covers

This cover section is extended to include the following extra covers.

1. Onforwarding Costs

Where, due to an Event covered by this cover section, the Transit is terminated short of the intended destination We will cover all reasonable costs incurred in transferring, storing and forwarding the goods to the original destination within the Commonwealth of Australia.

This extension does not include costs incurred arising from Your insolvency or financial default.

The maximum We will pay under this extra cover is \$25,000 for any one Event.

2. Removal of Debris

This cover section covers all reasonable costs and expenses incurred in unloading, removing and disposing of damaged goods and clean-up of the accident site caused by an Event insured under this cover section.

The maximum We pay under this extra cover is \$25,000 for any one Event.

Exclusions applicable to this cover section

We will not pay for loss or damage to the following property:

- 1) Money, credit cards or negotiable documents;
- 2) livestock;
- 3) explosives, petroleum products in bulk or gas in bulk;

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- 4) jewellery, watches, furs, antiques, paintings, works of art, precious/semi-precious metals or precious/semi-precious stones or articles composed of any of them;
 - 5) personal property of directors, partners and Employees of Your Business.

We will not pay for any loss of or damage to Property Insured if the loss or damage is caused by electronic or mechanical derangement unless there is visible external physical damage which occurred during Transit caused by an insured Event.

We will also not pay for:

- 1) costs or expenses resulting from any delay, loss of market, depreciation or deterioration of stock or any Consequential Loss resulting from any loss of or damage to Property Insured;
- 2) any loss from an unattended motor vehicle left overnight unless within securely locked premises;
- 3) any loss caused by Your wilful act or the wilful act committed by someone with Your knowledge or connivance;
- 4) any loss caused by loss of ordinary weight or volume, ordinary leakage or ordinary wear and tear of the Property Insured;
- 5) caused by inherent vice or nature of the Property Insured;
- 6) arising from the insolvency or financial default of the carrier, unless these circumstances were outside Your control and You could not reasonably be expected to have knowledge of it in the normal course of Your Business.

Limitations on cover applicable to this cover section

Benefit of Insurance and Waiver of Rights

The carrier or any other bailee cannot claim any benefit under this cover section.

Your rights are not prejudiced by Your agreement with the carrier prior to Transit exempting the carrier from liability but where any other person(s) is liable to compensate You for any loss or damage which is covered by this cover section but You have agreed before or after the loss of or damage to Insured Property has occurred not to seek recovery of any money from that person(s), then We will not provide cover under this cover section for such loss or damage or We may reduce Our liability under the Policy as permitted by law.

ELECTRONIC EQUIPMENT BREAKDOWN COVER SECTION

Introduction

This cover section only forms part of Your Policy when Breakdown of Electronic Equipment is shown as insured in the Policy Schedule.

This cover section covers the Breakdown of Electronic Equipment at Your Premises.

Definitions applicable to this cover section

The following words have the following meanings in this cover section only:

Breakdown: means a sudden and accidental failure of Electronic Equipment resulting in physical damage to the equipment which requires the repair or replacement of the equipment or a part of the equipment.

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 a 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.

Controlled Atmospheric Conditions: means an atmosphere in which oxygen, carbon dioxide and nitrogen concentrations as well as temperature and humidity are regulated.

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.

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.

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.

Indemnity Period: means the period beginning with the occurrence of the Breakdown and ending no later than the number of days specified in the Policy Schedule during which the results of Your Business shall be affected in consequence of the Breakdown.

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

Specified Electronic Equipment: means items of Electronic Equipment separately listed in the Policy Schedule with specific Sums Insured.

Time Excess: means the number of operating hours specified in the Policy Schedule during which You must bear the loss.

Unspecified Electronic Equipment: means items of Electronic Equipment other than Specified Electronic Equipment.

Your insurance under this cover section

If the Electronic Equipment Breakdown cover section is shown as insured in the Policy Schedule, then subject to the provisions of the Policy We will cover You for:

- a) Breakdown of Electronic Equipment which occurs at the Premises; and
- b) direct loss or damage to other property as a result of that Breakdown;

provided that the Breakdown of Electronic Equipment occurs during the Period of Insurance.

What we pay

If We agree to pay a claim for Breakdown of Electronic Equipment We will at Our option repair, rebuild or replace the Electronic Equipment that suffered the Breakdown or pay for the cost of repairing, rebuilding or replacing the Electronic Equipment. If We decide to replace the Electronic Equipment that suffered Breakdown, We will replace the Electronic Equipment 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 manufacturers, or suppliers, latest list price. We will not pay any cost of repairing or replacing any part or parts of a piece of Electronic Equipment which is greater than the cost of repairing or replacing the entire piece of such Electronic 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 occurred, 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 the Electronic Equipment, We will not pay more than the cost of repairing or replacing that component or part plus the cost of dismantling and erecting the Electronic Equipment.

Where You incur extra expense, in complying with the requirements of any Act of Parliament or Regulation made thereunder or any by-law or Regulation of any Municipal or other Statutory Authority, in the course of effecting repair or replacement of the Electronic 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 occurring.

All Electronic 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 the cost of replacement of the Electronic Equipment by an item of similar function, type, capacity and quality in a condition equal to, but not better than, the condition of the Electronic Equipment when new, subject always to the limitations provided in 'Limit to What We Pay' under this cover section.

We shall not be required to replace the Electronic 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.

Limit to what we pay

The maximum We will pay:

- 1) in respect of Unspecified Electronic Equipment for any one Event is the Sum Insured for Unspecified Electronic Equipment; and
- 2) in respect of Specified Electronic Equipment is the Sum Insured shown for the item of Specified Electronic Equipment.

Depreciation applied for replacement of computers

Where the Electronic Equipment consists of Computer Equipment, if We decide to pay You the cost to replace the Computer Equipment rather than repair it, We will apply depreciation based on the age of the Computer Equipment, but not as a result of improvements in technology or functionality.

We will apply depreciation at the rate of 10% per annum for each year from the date of manufacture, subject to a maximum reduction of 80% of the installed current replacement cost.

Excess

The Excess payable for this cover section is shown in the Policy Schedule and applies to each and every claim made under this cover section.

Extra covers

If We agree to pay a claim under this cover section for breakdown of Electronic 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 unless otherwise indicated below.

1. Hazardous Substances

If a Hazardous Substance is involved in or released by a Breakdown of the Electronic Equipment We cover You for the increase in cost to repair, replace, clean up or dispose of, damaged property.

We will not pay more than \$25,000 for each claim under this extra cover.

2. Inflation protection

The Sum Insured on items of Electronic Equipment 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 Insurance shall bear to the whole of such period.

3. Repair costs

The cost of consulting engineers' fees (excluding fees for preparing a claim) necessarily incurred with Our written consent, in the reinstatement of Electronic Equipment. 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.

4. Extra costs

We will pay the reasonable costs necessarily incurred for:

- a) cost of dismantling, re-erection, cleaning up and removal of debris;
- b) replacement of refrigerant or lubricating or insulating oil lost from Electronic Equipment as a direct result of Breakdown;
- c) charges 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 the Electronic Equipment;
- g) any customs duties and dues.

Provided that the total of all of these extra costs in clauses 4c), 4d), 4e) and 4f) are limited to 50% of the normal cost of repair payable under this part and shall be payable in addition to the applicable Sum Insured, and the amount payable for the extra costs in clauses 4a), 4b) and 4g) shall be subject to the applicable Sum Insured not otherwise exhausted.

Additional benefits

Subject to the provisions of the Policy, We will also provide the following additional benefits in this cover section.

Any amount payable under the following additional benefits applies in addition to the Sum Insured.

1. Additional items

If You hire or purchase and commission at Your Premises any items similar to items already insured under this cover section, We will consider these items to be added to the insurance by 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 extra premium on a pro-rata basis together with any applicable statutory charges;
- 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;
- e) the limits and Excess as shown in the Policy Schedule shall be the same as for similar items already insured.

2. Electronic Equipment away from the Premises

Cover is extended to include:

- a) Breakdown occurring during the Period of Insurance to Electronic Equipment away from the Premises;
- b) Breakdown of Your laptop Computer Equipment or mobile Electronic Equipment anywhere in the world if the laptop Computer Equipment or mobile Electronic Equipment is shown as insured in the Policy Schedule under the General Property cover section.

3. Restoration of Electronic Data

We will insure You for the costs of restoring Electronic Data stored on Media if:

- a) We have agreed to pay a claim under this cover section for repair or replacement of the Computer Equipment;
- b) the Electronic Data is lost or distorted during the Period of Insurance 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.

Except to the extent that such loss, damage or distortion results solely from the Breakdown of Computer Equipment covered under this cover section.

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:

- a) \$15,000; or
- b) the Sum Insured for this additional benefit;

whichever is the greater, for any one Event.

4. Computers – increased costs

We will insure You for the increased costs which You incur, such as the hiring of alternative computers, following the Breakdown of Computer Equipment for which We have agreed to pay a claim under this cover section.

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 this cover section for repair or replacement of Computer Equipment;
- b) the increased costs of working occur during the Period of Insurance and are a direct result of the Breakdown covered under this cover 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:
 - i) the first 2 working days; or
 - ii) the Time Excess;

whichever is the greater, 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 Business;
- d) any Consequential Loss;
- e) costs incurred after:
 - i) 90 days, or
 - ii) the Indemnity Period;
 whichever is the greater, from the date of Breakdown;
- f) expenses that are incurred in the replacement of the Media;
- 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:

- a) \$15,000; or
- b) the Sum Insured for this additional benefit;

whichever is the greater, for any one Event.

Exclusions applicable to this cover section

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 the 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 Electronic Equipment or any part of Electronic Equipment; or
 - k) removal or installation of underground pumps and well casings. Unless specifically noted in the Policy Schedule, this exclusion does not apply to submersible pumps.
- 4) Breakdown of Electronic Equipment which You knew or reasonably should have known to be defective before the Breakdown occurred.
- 5) any 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.
- 7) Breakdown, loss or damage caused by explosion.
- 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 insured item 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) Breakdown, loss or damage as a result of dual lifting.
- 16) Breakdown of Computer Equipment or Electronic Equipment which is useless or obsolete to Your Business.
- 17) 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'.

Conditions applicable to this cover section

1. Adherence to statutory requirements

If any Electronic 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 Electronic Equipment as specified in the license.

2. Inspection

We or Our authorised representatives have the right to make inspections of Electronic Equipment at any reasonable time. Neither this right to make inspections nor making them is an undertaking to You or others that the Electronic Equipment is safe and not hazardous or injurious to health.

3. Obligation to prevent loss

If We or Our authorised representative discover Electronic 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 Electronic Equipment causes the Breakdown of other Electronic Equipment; 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 or sub-limit in this cover section.

MACHINERY BREAKDOWN COVER SECTION

Introduction

This cover section only forms part of Your Policy when Machinery Breakdown Cover is shown as insured in the Policy Schedule.

This section covers the breakdown of Machinery at Your Premises.

Definitions applicable to this cover section

The following words have the following meanings in this cover section only:

Boilers and Pressure Plant and Pressure Pipe Systems: means the permanent structure of machinery which are subject to internal steam, gas or fluid pressure (other than atmospheric pressure) including all direct attachments connected to the permanent structure and includes with respect to Boilers the rotating, reciprocating or electrical apparatus attached to them.

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.

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

- a) any Boiler, fired or unfired pressure vessel normally subject to vacuum or internal pressure (other than static pressure of contents) any refrigerating or air conditioning vessels and piping or any other piping and its accessory equipment, but not including:
 - i) any boiler foundation, any refractory or insulating material;
 - ii) any part of a boiler or fired pressure vessel that does not contain steam or water; nor
 - iii) any buried piping, any drainage piping, any sprinkler piping and its accessory equipment;
- b) any mechanical or electrical equipment that generates, transmits or utilises mechanical or electrical power, but not including:
 - i) any vehicle, or mobile equipment;
 - ii) any Watercraft or Aircraft; or
 - iii) any elevator or escalator.

Specified Machinery: means items of Machinery separately listed in the Policy Schedule with Specific Sums Insured.

Blanket Machinery: means items of Machinery other than Specified Machinery.

Your insurance under this cover section

If the Machinery Breakdown cover section is shown as insured in the Policy Schedule, then subject to the provisions of the Policy We will cover You for:

- a) Breakdown of Machinery which occurs at the Premises; and
- b) direct loss or damage to other property as a result of that Breakdown;

provided that the Breakdown of Machinery occurs during the Period of Insurance.

What we pay

If We agree to pay a claim for Breakdown of Machinery, We will at Our option repair, rebuild or replace the Machinery that suffered the Breakdown or pay for the cost of repairing, rebuilding or replacing the Machinery. If We decide to replace the Machinery that suffered Breakdown, We will replace the Machinery 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 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 a machine 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.

Where You incur extra expense, in complying with the requirements of any Act of Parliament or Regulation made thereunder or any by-law or Regulation of any Municipal or other Statutory Authority, in the course of effecting repair or replacement of the Machinery, 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 occurrence of 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 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 when new, subject to the limitations provided in 'Limit to What We Pay' under this cover section.

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.

Limit to what we pay

The maximum We will pay:

- 1) in respect of Blanket Machinery for any one Event is the Sum Insured for Blanket Machinery; and
- 2) in respect of Specified Machinery is the Sum Insured shown for the item of Specified Machinery.

Excess

The Excess payable for this cover section is shown in the Policy Schedule and applies to each and every claim made under this cover section.

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 unless otherwise indicated below.

1. Hazardous Substances

If a Hazardous Substance is involved in or released by a Breakdown of the Machinery We cover You for the increase in cost to repair, replace, clean up or dispose of, damaged property.

We will not pay more than \$25,000 for each claim under this extra cover.

2. Inflation protection

The Sum Insured on 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 Insurance shall bear to the whole of such period.

3. Repair costs

The cost of consulting engineers' fees (excluding fees for preparing a claim) necessarily incurred with Our written consent, in the reinstatement of Machinery.

Where the Sum Insured is exhausted We will pay an additional amount of up to \$5,000 in respect of this extra cover.

4. Extra costs

We will pay the reasonable costs necessarily incurred for:

- a) 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 Breakdown;
- c) charges 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 Machinery; and
- g) any customs duties and dues.

The total of all of these extra costs in clauses 4c), 4d), 4e) and 4f) are limited to 50% of the normal cost of repair payable under this part and shall be payable in addition to the applicable Sum Insured, and the amount payable for the extra costs in clauses 4a), 4b) and 4g) shall be subject to the applicable Sum Insured not otherwise exhausted.

Additional benefit

Subject to the provisions of the Policy, We will also provide the following additional benefit.

Any amount payable under the following additional benefit applies in addition to the Sum Insured.

1. Additional items

If You hire or purchase and commission at Your Premises any items similar to items already insured under this cover section, We will consider these items to be added to the insurance by 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 extra premium on a pro-rata basis together with any applicable statutory charges;
- 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;
- e) the limits and Excess as shown in the Policy Schedule shall be the same as for similar items already insured.

2. Increased cost of working

We will pay for costs that are incurred by You for the sole purpose of avoiding or diminishing a reduction in income from Your Business during the period that the Machinery is suffering from Breakdown provided that:

- a) these costs are additional to Your normal operating costs;
- b) these costs are incurred because of an interruption of Your normal operations that directly results from Breakdown of Machinery that is covered by this cover section;

- c) You receive Our prior written approval to incur these costs;
- d) We will not pay more than \$10,000 for increased cost of working; and
- e) We will not pay for any costs incurred during the first 48 hours following the loss.

3. Property Damage caused by flying fragments

If We agree to pay a claim under this cover section for Breakdown of Machinery, We will pay for Loss of or Damage to other property owned by You or for which You are responsible, located at the Premises, that results from flying fragments from the broken Machinery.

Subject always to the limitations provided in 'Limit to What We Pay' under this cover section and provided that the Sum Insured is not otherwise exhausted.

Optional cover

We will provide the following optional cover when requested by You, when You pay any additional premium required and when shown in the Policy Schedule as applying. This optional cover is subject to the provisions of the Policy.

Deterioration of Stock

If 'Deterioration of Stock' is shown as insured in the Policy Schedule, We will cover You for loss of perishable Stock that spoils during the Period of Insurance 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 under the Machinery Breakdown cover section or the Electronic Equipment Breakdown cover section for the Breakdown of such refrigeration or freezer unit;
- b) malfunctioning or failure of the thermostats, controls, fuses, circuit breakers or overload devices which are owned by You and are protecting a refrigeration chamber, 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 refrigeration or freezer unit.

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 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 above, We will also pay the reasonable costs incurred by You to prevent or minimise the loss of or damage to refrigerated Stock.

We will not pay more than the Sum Insured shown in the Policy Schedule for this optional cover, provided that during the Seasonal Increase Periods We will increase the Sum Insured shown in the Policy Schedule by 50%.

What You are not covered for under this Optional Cover

In addition to the cover section exclusions, 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:
 - i) the deliberate act of any public power supply authority unless performed for the sole purpose of safeguarding life or protecting a part of the supply system;
 - ii) the decision by any public power supply authority to restrict or withhold supply excepting a scheme of rationing necessitated by damage to any part of the supply system;
 - iii) shortage of power generation fuel or water.

Optional Cover 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 Us with those records upon request.

Exclusions applicable to this cover section

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 the 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 in the Policy 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) any 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.
- 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 insured item 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.
- 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'.

Conditions applicable to this cover section

1. Adherence to statutory requirements

If any 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 Machinery; 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 or sub-limit in this cover section.

GENERAL PROPERTY COVER SECTION

Introduction

This cover section only forms part of Your Policy when General Property Cover is shown as insured in the Policy Schedule.

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. Unless the item is specified the most We will pay is \$2,500.

Definitions applicable to this cover section

The following words have the following meanings for this cover section only:

Accidental: means unexpected and unintended from Your standpoint.

Property Insured: means Specified Items and Unspecified Items that are shown as insured in the Policy Schedule.

Specified Items: means each item of property that is specifically described in the Policy Schedule. Any item worth more than \$2,500 must be specified.

Unspecified Items: means items of property which are not Specified Items but which is part of a group or class of property described generally in the Policy Schedule. The group or class described may include hand tools and hand held power tools.

Your insurance under this cover section

If the General Property cover section is shown as insured in the Policy Schedule We will insure You for Accidental loss of or damage to Your Property Insured occurring anywhere in the world during the Period of Insurance.

What we pay

At Our option, We will:

- a) repair or replace the item of Property Insured (including carry case and usual accessories) to a condition equal to but not better or more extensive than its condition when new; or
- b) pay You the cost to repair or replace the Property Insured; or
- c) replace the Property Insured with a new item that has the same features or 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 is the Sum Insured for that item.

The maximum amount We will pay in respect of any one Unspecified Item is \$2,500.

The maximum We will pay during the Period of Insurance for all claims for loss of or damage to Unspecified Items is the Sum Insured for Unspecified Items.

Excess

The Excess payable for this cover section is shown in the Policy Schedule and applies to each Event unless otherwise noted on the Policy Schedule.

Additional benefits

Subject to the provisions of the Policy, We will also provide the following additional benefits 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 not belonging to You but in Your physical or legal control for the purposes of Your Business occurring during the Period of Insurance anywhere in the world, provided that the property is of a similar type to Property Insured covered under this cover section.

This additional benefit does not cover theft committed by any member of Your Family or by any Employee or committed by any person whilst lawfully at Your Premises.

We will not cover You under this additional benefit unless the property 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;
- c) on a vehicle and was securely chained to that vehicle by a steel chain and padlock;
- 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, provided that 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; or
- f) stolen as a consequence of armed hold-up or the threat of physical violence.

We will not pay more than \$2,000 in any one Period of Insurance under this additional benefit.

2. Cover for Your dog

We will cover You if Your dog suffers an Injury as the result of a sudden and unforeseen accident during the Period of Insurance, We will pay for veterinary expenses for treatment carried out by a veterinary surgeon, provided that:

- a) Your dog is in sound health and free from Injury or any physical disability (including Congenital Defects, Hereditary Defects or otherwise) at the time of commencement of the Policy; and
- b) Your dog does not participate in racing activities or training for racing activities, or dog fighting, except for under unforeseen and fortuitous circumstances at the time of the accident; and
- c) where required by either State legislation or local government regulations, Your dog is registered at the time of the accident; and
- d) Your dog is 8 weeks or older at the time any expenses are incurred; and
- e) Your dog is less than 9 years of age when Your Policy first commenced; and
- f) Your dog is not used for commercial purposes. This includes, but is not limited to, police or guard dogs, search/rescue and custom/quarantine dogs, commercial breeding dogs, or any dog which is leased or rented out. This does not apply to any dog which is used in the provision of assistance to sight or hearing impaired persons.

For the purpose of this additional benefit only, the following definitions are applicable:

- a) **Injury:** means a physical and bodily injury which occurs during the Period of Insurance and that is unforeseen and happens accidentally to Your dog as a result of external, violent and visible means;
- b) **Congenital Defect:** means a condition present at, and existing from, the time of birth or in growth and development. Examples of congenital problems include multiple rows of teeth, cleft palate, hydrocephalus, congenital heart problems and cryptorchidism (undescended testicle);
- c) **Hereditary Defect/Hereditary Condition:** means that there is a significant genetic component in the development of that particular condition in a particular breed or type of dog. The condition may manifest or show its symptoms at any time during the dog's life. Examples of hereditary conditions include hip dysplasia, elbow dysplasia, entropion eye problems in pugs and dislocating kneecaps in small breeds of dogs.

We will not pay more than \$1,000 for any one claim and in the aggregate during any one Period of Insurance.

Exclusions applicable to this cover section

This cover section does not cover:

- 1) loss of or damage to any Unspecified Item of property unless the Policy Schedule shows that You have cover for Unspecified Property.
- 2) loss or damage caused by or arising out of:
 - a) wear and tear, fading, gradual deterioration or developing flaws, normal upkeep or making good, or any gradual cause;
 - b) moths, termites or other insects or vermin;
 - c) scratching, biting or chewing by any Animal;
 - d) chipping, scratching, denting or marring that does not materially affect the use or operation of the Property Insured;
 - e) change in colour, loss of weight, change in flavour, texture or finish;
 - f) the action of light, atmospheric conditions, any form of fungus or variations or extremes of temperature, rust or oxidation, wet or dry rot, corrosion, inherent vice or latent defect;
 - g) mechanical, hydraulic, electrical or electronic breakdown, burn-out, failure, malfunction or derangement of any equipment or device;
 - h) smut or smoke from industrial operations (other than sudden and unforeseen resultant damage);
 - i) any faults or defects in any item of insured property that You or any of Your Employees knew about before taking out this cover section; or
 - j) faulty materials or faulty workmanship.
- 3) loss of or damage to Money or documents of any kind.
- 4) loss of use, loss of earning capacity and any other Consequential Loss.
- 5) loss of or damage to property as a result of:
 - a) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of data;
 - b) breakdown or malfunction of the processing system including operator error or omission in creating, amending, loading, deleting or using data;
 - c) total or partial inability or failure to receive, send, access or use data for any time or at all;
 - d) an act committed by any member of Your Family or by any Employee or committed by any person whilst lawfully at Your Premises.
- 6) loss of or damage to any Property Insured in the open air caused by wind, rain (including rainwater runoff over the surface of the land) or hail unless such property is designed to function without the protection of walls or roofs.

Optional cover

Fire, theft, collision and other expressed perils optional reduction in cover (cover option A)

When cover option A is shown as insured in the Policy Schedule, We will insure the Property Insured described in the Policy Schedule under this cover section for loss or damage caused by:

- a) fire, lightening, explosion, storm, water, earthquake, impact by vehicle and aircraft, 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; or
- d) collision or overturning of the conveying vehicle.

Condition applicable to this cover section

Reinstatement

If We pay an amount for a claim under this cover section We will automatically reinstate the Sum Insured to the amount shown in the Policy Schedule. You will not have to pay any additional premium.

TAX AUDIT COVER SECTION

Introduction

This cover section only forms part of Your Policy when Tax Audit Cover is shown as insured in the Policy Schedule.

This cover section covers the professional fees such as accountant's fees incurred by You in connection with an audit or investigation of Your Business's tax affairs by a federal or state Commissioner of Taxation.

Definitions applicable to this cover section

The following word has the following meaning for this cover section only:

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.

Your insurance under this cover section

If the Tax Audit cover section is shown as insured in the Policy Schedule, then subject to the provisions of the Policy We will cover the reasonable and necessary Costs You incur following notification received during the Period of Insurance of an audit or investigation by any federal or state taxation authority 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 Sum Insured specified in the Policy Schedule for this cover section.

Provided that if the Property Damage cover section is shown as insured in the Policy Schedule, then any amount payable under this cover section shall be in addition to any amount payable under additional benefit 9 'Tax audit costs' under the Property Damage cover section of Your Policy.

Excess

The Excess payable for this cover section is shown in the Policy Schedule and applies to each and every claim made under this cover section.

Exclusions applicable to this cover section

We shall not be liable under this cover section:

- 1) for the imposition of any tax, fines, penalties, court costs, penalty tax or interest.
- 2) for Costs incurred after completion of the audit or investigation.
- 3) where any proceedings were initiated, threatened or started prior to the commencement of the Period of Insurance.
- 4) for Costs arising from Your improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by any federal or state taxation authority 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.
- 5) for Costs from audits or investigations under customs legislation.
- 6) 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 the Commonwealth of Australia.
- 7) for Costs arising out of or relating to any fraud or fraudulent act or omission committed by You or on Your behalf.
- 8) for Costs arising from or relating to 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 any federal or state taxation authority and failing to notify the taxation authority without delay.

Conditions applicable to this cover section

These conditions apply to this cover section.

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 the taxation authority.

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:

- 1) You must at all times keep HCl fully and continually informed of all material developments in relation to the claim and in relation to any audit;
- 2) 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;
- 3) HCl or its duly appointed agent may make their 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 any matter We wish to pursue with the taxation authority which is or may be the subject of a claim; and
- 4) If We pay an amount for a claim under this cover section We will automatically reinstate the Sum Insured to the amount shown in the Policy Schedule. You will not have to pay any additional premium.

EMPLOYEE DISHONESTY COVER SECTION

Introduction

This cover section only forms part of Your Policy when Employee Dishonesty Cover is shown as insured in the Policy Schedule.

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

Definitions applicable to this cover section

The following word has the following meaning for this cover section only:

Money: means Money as defined in the General Definitions and which also includes funds held in electronic form in a bank account.

Your insurance under this cover section

If the Employee Dishonesty cover section is shown as insured in the Policy Schedule, then subject to the provisions of the Policy We will pay You for loss of Money, Contents or Stock as a result of any act of theft, fraud or dishonesty by any of Your Employees, either acting alone or in collusion with others, provided that the loss occurs during the Period of Insurance.

What we pay

We will:

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

The maximum amount We will pay for all claims during the Period of Insurance is the Sum Insured specified in the Policy Schedule for this cover section.

Excess

The Excess payable for this cover section is shown in the Policy Schedule and applies to each and every claim made under this cover section.

Additional benefits

Subject to the provisions of the Policy, 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. Unidentified Employees

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 Employees.

2. Retroactive cover

The insurance provided under this cover section also applies to any loss by fraud or dishonesty committed during the currency of any previous policy provided that:

- a) the discovery period in such previous policy has expired;
- b) the fraud or dishonesty is discovered within:
 - i) the Period of Insurance for the Policy; or
 - ii) 12 months of the termination of the Policy or 12 months after termination of the employment of the Employee concerned, whichever shall first occur;
- c) the cover We provide will fall within and not be in addition to the Sum Insured for Employee dishonesty shown in the Policy Schedule; and
- d) We shall not be liable for any loss arising from an act of fraud or dishonesty committed more than 12 months before the inception of cover provided under this cover section of the Policy.

3. Welfare, social or sporting club cover

The term 'You' is extended to include any welfare, social or sporting club formed with Your knowledge and consent which is exclusively for the benefit of Employees and their families.

Exclusions applicable to this cover section

We will not pay for any loss of Money, Contents or Stock:

- 1) resulting from any further act of fraud or dishonesty after You first discover that the Employee has previously engaged in provable dishonest conduct or has previous convictions for dishonest acts.
- 2) if the only proof of loss is shortage revealed by accounting records or inventory Stock-take.
- 3) if the loss was discovered more than 12 months after the Period of Insurance has expired or more than 12 months after the termination of employment of the Employee concerned.
- 4) that is not reported to Us within 21 days of the discovery of any act of fraud or dishonesty on the part of any Employee or any other matter in respect of which a claim may arise.
- 5) beyond the Sum Insured stated in the Policy Schedule for this cover section in respect of a series of related, continuous or repeated acts of fraud or dishonesty (whether by any one Employee or any number of Employees in collusion) even if the dishonest conduct continued during more than one Period of Insurance.

Conditions applicable to this cover section

The following conditions apply to this cover section:

- 1) To the extent permitted by law You must agree to withhold any salary, commission, monies or assets that are the property of any Employee whose dishonesty has caused a claim under this cover section. Any such sum shall be deducted from the amount of the loss before any claim is made under this cover section.
- 2) In the event of the Sum Insured being reduced by the amount of any claim payable under this cover section We will automatically reinstate the Sum Insured, provided that:
 - a) the amount by which the Sum Insured is reinstated shall be available only in respect of acts of fraud or dishonesty committed after such reinstatement; and
 - b) You pay the premium We require for the reinstatement of Sum Insured.



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