

# Business Package Insurance

Steadfast Client Trading Platform

Policy Wording



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# Business Package Insurance

## About Zurich

The insurer of this product is Zurich Australian Insurance Limited (ZAIL), ABN 13 000 296 640, AFS Licence Number 232507. In this document, ZAIL may also be expressed as 'Zurich', 'we', 'us' or 'our'.

ZAIL is part of the Zurich Insurance Group, a leading multi-line insurer that serves its customers in global and local markets. Zurich provides a wide range of general insurance and life insurance products and services in more than 210 countries and territories. Zurich's customers include individuals, small businesses, and mid-sized and large companies, including multinational corporations.

## About Steadfast

Steadfast Group Limited (Steadfast) is a public company. It includes a large network of insurance brokerages who operate in Australia as Steadfast Brokers. This policy is available exclusively to *you* through a Steadfast broker.

Steadfast does not issue, guarantee or underwrite this policy.

## Important information about Steadfast's advice

Any advice Steadfast gives about this policy does not take into account any of *your* particular objectives, financial situation or needs. For this reason, before *you* act on Steadfast's advice, *you* should consider the appropriateness of the advice taking into account *your* own objectives, financial situation and needs.

Before *you* make any decisions about whether to acquire this policy we recommend *you* should read this insurance policy.

## About this policy

Throughout this document words are sometimes capitalised or italicised to show that words are abbreviations or have a particular defined meaning. *You* should refer to the Definitions section of this document on page 5, and the relevant *cover sections* to obtain the full meaning of such terms.

'*you*', '*your*' or '*yours*' means the person(s) or parties shown as the Insured in the *schedule*, including all *subsidiary* companies, organisations and entities incorporated in *Australia* in which *you* have a controlling interest (exceeding 50%) engaged in the *business* described in the *schedule* and not for any other purpose or activity.

## How to apply for this insurance

Throughout this document when referring to *your* Steadfast insurance broker or adviser, we may simply refer to them as *your* intermediary.

If *you* are interested in buying this product or have any inquiries about it, *you* should contact *your* intermediary who should be able to provide *you* with all the information and assistance *you* require.

If *you* are not satisfied with the information provided by *your* intermediary *you* can contact us at the address or telephone number shown on the back cover of this document. However, we are only able to provide factual information or general advice about the product. We do not give advice on whether the product is appropriate for *your* personal, objectives, needs or financial situation.

## Duty of Disclosure

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

*You* have this duty until we agree to insure *you*.

*You* have the same duty before *you* renew, extend, vary or reinstate an insurance contract.

*You* do not need to tell us anything that:

- reduces the risk we insure *you* for; or
- is common knowledge; or
- we know or should know as an insurer; or
- we waive *your* duty to tell us about.

## If you do not tell us something

If *you* do not tell us anything *you* are required to, we may cancel *your* 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.

## Our contract with you

Your policy is a contract of insurance between *you* and us and contains all the details of the cover that we provide.

Your policy is made up of:

- the policy wording which tells *you* what is covered, sets out the claims procedure, exclusions and other terms and conditions of cover;
- the *proposal*, which is the information *you* provide to us when applying for insurance cover;
- *your* most current policy *schedule* issued by us. The *schedule* is a separate document unique to *you*, which shows the insurance details relevant to *you*. It includes any changes, exclusions, terms and conditions made to suit *your* individual circumstances and may amend the policy; and
- any other written change otherwise advised by us in writing (such as an *endorsement*). These written changes vary or modify the above documents.

Please note, only those *cover sections* shown as covered in *your schedule* are insured.

This document is also the document for any offer of renewal we may make, unless we tell *you* otherwise. Please keep *your* policy in a safe place.

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

## Cooling-off Period

After *you* apply for cover and *you* have received the policy document, *you* have 21 days to check that the policy meets *your* needs. Within this time *you* may cancel the policy and receive a full refund of any *premiums* paid, unless:

- *you* have made a claim or become entitled to make a claim under *your* policy; or
- *you* have exercised any right or power *you* have in respect of *your* policy or the policy has ended.
- *Your* request will need to be in writing and forwarded to us via *your* intermediary or to the address shown on the back cover of this document.

*You* can cancel *your* policy at any time after the cooling-off period. Please refer to 3. 'Cancelling your policy' under General Conditions page 14.

## How to make a claim

If *you* need to make a claim against this policy, please refer to 1. 'Making a claim' under Claims Conditions on page 19. If *you* have any queries, please contact *your* intermediary or us as soon as possible.

## Privacy

Zurich is bound by the Privacy Act 1988. We collect, disclose and handle information, and in some cases personal or sensitive (eg health) information, about *you* ('*your details*') to assess applications, administer policies, contact *you*, enhance our products and services and manage claims ('*Purposes*'). If *you* do not provide *your* information, we may not be able to do those things. By providing us, our representatives or *your* intermediary with information, *you* consent to us using, disclosing to third parties and collecting from third parties *your details* for the *Purposes*.

We may disclose *your details*, including *your* sensitive information, to relevant third parties including *your* intermediary, affiliates of Zurich Insurance Group Ltd, other insurers and reinsurers, our banking gateway providers and credit card transactions processors, our service providers, our business partners, health practitioners, *your* employer, parties affected by claims, government bodies, regulators, law enforcement bodies and as required by law, within Australia and overseas.

We may obtain *your details* from relevant third parties, including those listed above. Before giving us information about another person, please give them a copy of this document. Laws authorising or requiring us to collect information include the Insurance Contracts Act 1984, Anti-Money Laundering and Counter-Terrorism Financing Act 2006, Corporations Act 2001, Autonomous Sanctions Act 2011, A New Tax System (Goods and Services Tax) Act 1999 and other financial services, crime prevention, trade sanctions and tax laws.

Zurich's Privacy Policy, available at [www.zurich.com.au](http://www.zurich.com.au) or by telephoning us on 132 687, provides further information and lists service providers, business partners and countries in which recipients of *your details* are likely to be located. It also sets out how we handle complaints and how *you* can access or correct *your details* or make a complaint.



## Underinsurance

Certain *cover sections*, Property Damage and Business Interruption contain Underinsurance clauses that may limit the amount that we pay when *you* have a claim. This will only happen if *you* understate a *sum insured* or *limit of liability*.

### Example:

*You* insure *your property insured* for a *sum insured* for \$1,000,000.

*Property insured* is damage amounting to \$400,000 occurs from an *event* covered by the policy.

The insurable value of such *property insured* at the commencement of the *period of insurance* calculated in accordance with the Basis of Settlement provisions of the policy was \$1,500,000.

Underinsurance applies because the *sum insured* of the *property insured* is less than 80% of the insurable value calculated in accordance with the Basis of Settlement applicable.

$$\text{Claim payment} = \frac{\$1,000,000 \times \$400,000}{\$1,500,000 \times 80\%} = \$333,333$$

In this example, we would pay \$333,333 for the cost of reinstating *your property insured*, subject to the application of any *excess(es)*.

## General Insurance Code of Practice

We are signatories to the General Insurance Code of Practice which was developed by the Insurance Council of Australia to further raise standards of practice and service across the insurance industry.

*You* can obtain more information on the Code and how it assists *you* by contacting us.

## Complaints and Disputes Resolution process

If *you* have a complaint about an insurance product we have issued or service *you* have received from us, please contact *your* intermediary to initiate the complaint with us. If *you* are unable to contact *your* intermediary *you* can contact us directly on 132 687.

We will respond to *your* complaint within 15 working days. If *you* are not satisfied with our response, *you* may have the matter reviewed through our internal dispute resolution process, which is free of charge.

If *you* are not satisfied with the outcome of the dispute resolution process and would like to take the complaint further, *you* may refer the matter to the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to *you*.

Their contact details are:

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

Email: [info@afca.org.au](mailto:info@afca.org.au)

Freecall: 1800 931 678

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

## Financial Claims Scheme

Zurich is an insurance company authorised under the Insurance Act 1973 to carry on general insurance business in Australia. As such, we are subject to prudential requirements and standards, regulated by the Australian Prudential Regulation Authority (APRA).

This policy may be a protected policy under the Federal Government's Financial Claims Scheme (FCS), which is administered by APRA.

The FCS may apply in the event that a general insurance company becomes insolvent. If the FCS applies, a person who is entitled to make a claim under this insurance policy may be entitled to a payment under the FCS. Access to the FCS is subject to eligibility criteria.

Further information about the FCS can be obtained at <http://www.fcs.gov.au>.

## Headings

Headings have been included for ease of reference, but do not form part of the policy.

## Definitions

The following definitions shall apply to the words used in *your* policy.

### Act of terrorism

*act of terrorism* means 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;
- (b) involves damage to property;
- (c) endangers life other than that of the person committing the action;
- (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.

### Aircraft

*aircraft* means any craft or object designed to travel through air or space, other than model aircraft.

### Animal(s)

*animal* means any living creature including, but not limited to, livestock, birds, fish, vermin or insects.

### Australia

*Australia* means the Commonwealth of Australia and all of its States and Territories including all external Territories.

### Automatic Teller Machine (ATM)

*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.

### Building(s)

*building* means the Building(s) at the *premises*.

*Building* includes:

- (a) sheds with a concrete floor and fixed to foundations at the *premises*;
- (b) customised and modified shipping containers or transportable buildings permanently located at the *premises* used as workshops, lunchrooms or storage and which are permanently fixed to the ground with electrical or plumbing services, as necessary;
- (c) shipping containers permanently located at the *premises* in which the *stock* of *your business* distributes is delivered to *your premises* or from which merchandise is either being loaded into, unloaded from or stored in before dispatch, provided the container doors are secured and locked when unattended;
- (d) shipping containers permanently located at the *premises* used by *you* as outbuildings in which the *stock* or *contents* of *your business* is stored, provided the container doors are secured and locked when unattended;
- (e) walls, foundations, storage tanks and sheds, awnings, exterior lights, flagpoles, masts, antennae and aerials, fixed external signs, gates, fencing, pavements, roads and other structural improvements pertaining to the *building*;
- (f) property owner's fixtures and fittings, floor coverings, plant, plumbing or wiring services that are within the *building*;
- (g) carports, pergolas and canopies;

- (h) barns and outbuildings;
- (i) external fixed items including swimming pools, saunas and spas, gangways between *buildings*, lights and signs and air conditioning units;
- (j) wharves, piers and jetties;
- (k) underground and above ground services, for which you are responsible, that are connected to any *building*.

*Building* does not include:

- (i) plant and machinery;
- (ii) *stock*;
- (iii) *contents*;
- (iv) 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 the subject of any such work and not to any other portion of the *property insured*;
- (v) land, unsealed driveways, unsealed paths, topsoil and fill, dams, reservoirs, canals, tunnels and railway tracks (not at the *premises*).

### **Business**

*business* means *your* Business(es) as described in the *schedule* (and, where applicable, as further described in any more specific underwriting information or *proposal* provided to us at the time when this insurance was negotiated).

### **Business hours**

*business hours* means when *you* or any of *your employees* are at the *business premises* for the purpose of conducting *your business*.

### **Computer equipment**

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

### **Computer virus**

*computer virus* means a corrupting, harmful, or otherwise unauthorised piece of code that infiltrates *your computer equipment*, including a set of unauthorised instructions, programmatic or otherwise, that propagates itself through *your computer equipment*. *Computer virus* includes 'trojan horses', 'worms' and 'time or logic bombs'.

### **Consequential loss**

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

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

### **Contents**

*contents* means all property belonging to *you* or which *you* are responsible for and used by *you* in the *business*.

*Contents* includes:

- (a) unused stationery and printed books;

- (b) where *you* are a tenant of a leased or rented *premises*:
  - (i) property owner's plant, fixtures and fittings, window blinds, floor coverings and *glass* for which *you* are liable under the terms of a lease or similar agreement;
  - (ii) plant, fixtures and fittings, window blinds, fixed carpets and floor coverings installed by *you* for *your* use in the *business*; and
  - (iii) awnings and signs;
- (c) *money* up to \$500;
- (d) plant and machinery, unregistered forklifts and hoists, communications systems, fixtures and fittings;
- (e) computers, word processors, printers, scanners and other peripheral equipment and other *electronic equipment* or *electronic data* processing systems;
- (f) digital or analogue telecommunication transmission and receiving equipment, lighting facilities, televisions, audio visual amplification or surveillance equipment and office machines;
- (g) *electronic data, media*, records, documents, manuscripts, plans, drawings, designs, business books, but only for the value of these materials in their unused or uninstalled state or as blank stationery;
- (h) current patterns, models, moulds, dies and casts used in the *business* but limited, unless repaired or replaced, to the value stated in *your* financial records at the time of damage;
- (i) paintings, works of art, antiques or curios;
- (j) documents of title and any other documents of aesthetic, historic, scientific or social value for past, present or future generations;
- (k) property of *your* welfare, sports and social clubs;
- (l) for the purpose of the 'Property Damage' *cover section*, *stock*, but not if it is shown as a separate item on the *schedule*; or
- (m) shipping containers not owned by *you* but temporarily in *your* possession for the delivery, unloading, loading and/or dispatch of goods and merchandise to or from the *premises*, but only to the extent that *you* are not indemnified against loss, destruction or damage thereto under any other *cover section* or policy of insurance.

*Contents* does not include:

- (i) *stock*, if it is shown as a separate item on the *schedule*;
- (ii) *buildings*;
- (iii) *specified items*;
- (iv) directors and *employees* tools of trade and personal effects;
- (v) jewellery, furs, bullion or articles containing gold or silver which are not *stock* and which exceed \$10,000 any one item;
- (vi) *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;
- (vii) live *animals*;
- (viii) plants, shrubs, lawns, growing crops, pastures and standing timber other than pot-plants;
- (ix) *customer's goods* other than customer's records and documents held or created by *you* as part of *your business*.

This definition of *contents* is subject to the 'Designation of property' as noted in the General Conditions.

### **Cover section**

*cover section* means the individual coverage that we give *you* that attaches to and forms part of *your* policy when this is shown in the *schedule*, for example Burglary Section or Glass Section.



**Customer's goods**

*customer's goods* means goods that belong to *your* customer's for which *you* are responsible or for which *you* have assumed responsibility to insure prior to any destruction or damage.

**Electronic Data**

*electronic data* means facts, concepts and information converted to a form usable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and include programmes, software and other coded instructions for such equipment.

**Electronic equipment**

*electronic equipment* means any of the following equipment provided it is owned, leased, operated or controlled by *you* and used in *your business*:

- (a) any electronic machine, device or instrument used for research, diagnosis or medical treatment;
- (b) telecommunication transmission and receiving equipment;
- (c) lighting facilities, audio visual, amplification and surveillance equipment;
- (d) office machines owned by *you* or for which *you* are legally responsible;
- (e) *computer equipment*.

**Employee**

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

*Employee* includes:

- (a) volunteers; and
- (b) students on work experience.

*Employee* does not include:

- (i) any broker, factor, consignee or contractor;
- (ii) any member of *your family*, unless that person is deemed an *employee*; or
- (iii) any partner, director or trustee unless that person is also *your employee*.

**Endorsement**

*endorsement* means an individual endorsement document that we give *you* that attaches to and forms part of *your* policy. This document varies the terms and conditions of *your* policy.

**Event or events**

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

**Excess**

*excess* means the first amount of each claim. The amount of the excess is shown in the *schedule*.

**Family**

*family* means:

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

**Flood**

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

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

**Fungus/Fungi**

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

**Glass**

*glass* means:

- (a) fixed glass forming part of or fixed to the exterior of the *building* including glass in fixed signs; or
- (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*, but does not include *your business stock*.

**Hovercraft**

*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.

**Media**

*media* means material on which data is recorded or stored, such as magnetic tapes, hard drives, cartridges, dongles, CD's, DVD's, USB's, flash drives, memory cards or floppy disks.

**Money**

*money* means cash, bank notes, currency notes, negotiable cheques, negotiable securities, travellers' cheques, debit and credit card vouchers, discount house vouchers, money orders, postal orders, unused postage stamps, revenue stamps, lottery tickets, stored value cards, public transport boarding tickets, authorised gift vouchers, valuable documents (but limited to certificates of stock, bonds, coupons and all other types of securities) and the contents of franking machines.

*Money* does not include collectable items (for example coin or stamp collections) or anticipated revenue.

**North America**

*North America* means:

- (a) the United States of America and the Dominion of Canada;
- (b) any State or Territory incorporated in, or administered by, the United States of America or Dominion of Canada; and
- (c) any Country or Territory subject to the laws of the United States of America or the Dominion of Canada.

**Obsolete stock**

*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 used by date.

**Period of insurance**

*period of insurance* means the Period of Insurance shown in the *schedule* or any subsequent period for which we have agreed to renew or extend the cover.

**Personal injury**

*personal 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.

**Pollutants**

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

**Premises**

*premises* means the Premises at the location shown in the *schedule*. The *premises* include *buildings* and land within the legal boundaries.

**Premium**

*premium* means the amount(s) shown in the *schedule* that *you* have to pay inclusive of all charges for the cover we provide.

**Property insured**

*property insured* means the property as described on the *schedule* in respect of each *cover section*.

**Proposal**

*proposal* means the Proposal document *you* complete for this insurance.

**Safe or strongroom**

*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*.

**Schedule**

*schedule* means the Schedule document that we give *you* that attaches to and forms part of *your* policy.

**Seasonal increase period**

*seasonal increase period* means any period of time during the *period of insurance* that has turnover, sales or level 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 126 days in total during any one *period of insurance*. *You* do not have to tell us what the dates of the periods are, but if *you* claim under a policy section which has the seasonal increase cover, then *your* financial records over at least the previous two (2) *years* must substantiate the period as a seasonal increase period. If the business is less than two (2) *years*, we will use the financial records of *your business* from the date of commencement until the date of the loss or damage to substantiate *your* claim.

*You* can nominate different stock increase period(s) or higher percentage increases of *stock*. If *you* do they will be shown on *your schedule* and *you* must pay any additional *premium* that applies.

**Stock**

*stock* means products and materials *you* intend to sell, raw or consumable materials or products used by *you* in the *business* and *your* products while being made, repaired or altered.

*Stock* includes:

- (a) stock in trade and cigarettes and liquor;
- (b) items of property at *your premises* under a 'sales or return' consignment agreement;
- (c) *customer's goods*;
- (d) live *animals*, provided *your business* is a pet shop or a restaurant.

**Subsidiary**

*subsidiary* means any company in which *you* have a controlling interest. For the purpose of this definition the term 'controlling interest' shall mean the beneficial ownership of shares carrying more than 50% of votes capable of being cast at a general meeting of all shareholders of the company.

**Sum insured**

*sum insured* means the Sum Insured shown in the *schedule*.

**Vehicle**

*vehicle* means any type of machine on wheels or on caterpillar tracks (including any trailer, caravan or other apparatus attached to the machine) made or intended to be propelled other than by manual or *animal* power.

**Watercraft**

*watercraft* means anything made or intended to float or travel on or through water other than model boats.

**Year**

*year* means a period of 365 consecutive days or 366 consecutive days in a leap year.

**You, your or yours**

*you, your or yours* means the person(s) or parties shown as the Insured in the *schedule*, including all *subsidiaries* incorporated in *Australia* in which *you* engaged in the *business* described in the *schedule* and not for any other purpose or activity.

**Our Agreement**

Subject to all of the terms and conditions contained in *your* policy and payment of the *premium*, we will provide *you* with the cover shown in the *cover sections* of *your* policy up to the appropriate amount shown in the *schedule* or other limits shown in *your* policy.

**1. Approved claim preparation costs**

In addition to the amount of cover provided by each *cover section* we will pay up to \$25,000 for reasonable professional fees and such other expenses incurred by *you* for the preparation and negotiation of a claim under a *cover section*.

Provided that before *you* incur these claim preparation costs *you* must obtain our written approval to incur these costs, to which we agree not to unreasonably withhold consent.

**2. Emergency mitigation costs**

In the case of an emergency where *you* are required to prevent further loss or damage to *your property insured* as a direct result of that emergency, and the *property insured* is covered by *your* policy, we give *you* the authority to arrange these emergency repairs on our behalf.

**3. Repairs to damage by you**

When we agree that the repair of the damage can be undertaken by *you* or *your employees*, we agree to pay *your* labour costs and overhead expenses subject to the Limitations of Cover. However we will not pay more than the amount required by a competent contractor to do the same work.

**4. Payment of rewards**

In addition to the amount of cover provided in each *cover section*, we will pay up to \$5,000 for the reimbursement of any public reward expense paid by *you* to recover property or to identify the offenders responsible following loss, destruction or damage to *your* property for which a claim has been paid under *cover sections*: Property Damage, Theft, Money, Glass and Electronic Equipment of *your* policy.

Provided that:

- (a) the terms of the reward are agreed by us and approved by the relevant Authority before being offered, and
- (b) our payment does not exceed the value of the property lost destroyed or damaged.

We agree not to unreasonably withhold consent to the terms or the amount of any reward payable under this policy provision nor does our offer to pay such reward in anyway limit the amount of any reward *you* may wish to offer for *your* own account.

## Limitations of Cover

The cover provided by *your* policy is limited by the Limitations of Cover shown in the *cover sections* and the General Exclusions applicable to all *cover sections* that follow.

## General Exclusions

These exclusions apply to all *cover sections* unless expressly stated otherwise.

### 1. Acquisition of companies

The policy does not cover loss, destruction, liability or damage caused by, contributed to by or arising from:

- (a) any company or other legal entity acquired during the *period of insurance*; or
- (b) any property or liability associated with such company or any other legal entity or business undertaking or operation, unless *you* notify us in writing within 30 days of the acquisition. If the business is of a similar occupation to that stated in the *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 sections* making up *your* policy for each category of property.

### 2. Conflict

This policy does not insure claims directly or indirectly caused by, or arising from, or in consequence of, or contributed to by:

- (a) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power;
- (b) expropriation including lawful seizure, resumption, confiscation, nationalisation, destruction or damage to property by or under the order of any government or public or local authority; or
- (c) looting, sacking or pillaging following any of the *events* stated in (a) or (b) above.

### 3. Consequential loss

This policy does not insure loss of use, loss of earning capacity and any other *consequential loss*.

This exclusion does not apply to the Business Interruption *cover section* and the Public and Products Liability *cover section*.

### 4. Nuclear

This policy does not insure claims directly or indirectly caused by, or arising from, or in consequence of, or contributed to by radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion.

This Exclusion does not apply to liability arising from radioisotopes, radium or radium compounds when used away from the place where such are made or produced and when used exclusively incidental to ordinary industrial, educational, medical or research pursuits.

### 5. Non-compliance

This policy does not insure loss or damage or liability caused by or as a result of *your* failure to take reasonable precautions to comply with any relevant statutory obligations, by-laws, regulations, public authority requirements or safety requirements.



## 6. Intentional acts

This policy does not cover intentional acts by *you* or another party committed with *your* knowledge and consent and which *you* were capable of preventing.

## 7. Known defects

We will not pay for loss or damage caused by faults or defects known to *you* or any *employee* whose knowledge in law would be deemed to be *yours* and not disclosed to us at the time this insurance was arranged.

## 8. Terrorism

This policy does not insure:

- (a) *personal injury*, damage to property, legal liability, loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any *act of terrorism* regardless of any other cause or *event* contributing concurrently or in any other sequence to the *personal injury*, damage to property, legal liability, loss, damage, cost or expense; or
- (b) *personal injury*, damage to property, legal liability, loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any *act of terrorism*.

However, this exclusion does not apply to policy *cover sections*:

- (i) Theft;
- (ii) Money;
- (iii) Glass;
- (iv) General Property.

## 9. Electronic data

(a) This policy does not cover:

- (i) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of *data*;
- (ii) error in creating, amending, entering, deleting or using *data*; or
- (iii) total or partial inability or failure to receive, send, access or use *data* for any time or at all from any cause whatsoever, regardless of any other contributing cause or *event* whenever it may occur.

(b) We will not cover legal liability for communication, display, distribution or publication of *data*.

However, this exclusion 9 (b) does not apply to *personal injury*.

(c) Where an event listed below (being an event covered in Property Damage *cover section* or General Property *cover section* of this policy but for this exclusion) is caused by any of the matters described in paragraph (a) above, this policy, subject to all its provisions, will insure:

- (i) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of *data*; or
- (ii) error in creating, amending, entering, deleting or using *data*.

This exclusion does not apply where an event listed below caused any of the matters described in paragraph (a) above:

- (i) Fire;
- (ii) Lightning or thunderbolt;
- (iii) Explosion or implosion;
- (iv) Storm and wind;

- (v) *Flood*;
  - (vi) *Water damage*;
  - (vii) *Impact*;
  - (viii) *Earthquake, including tsunami, subterranean fire, volcanic eruption or fire resulting from any of these*;
  - (ix) *Theft of data solely where such theft is accompanied by theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing such data.*
- (d) For the purposes of the provision in this policy, computer systems records include *data*.
- (e) Where damage to property or property are used in this policy, they do not include *data*.

## 10. 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 *Australia* at the time of its loss or damage, except as specifically stated otherwise in the appropriate *cover section*.

## 11. 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. This exclusion does not apply to damage caused by:

- (a) lightning, earthquake, volcanic eruption, tsunami and subterranean fire;
- (b) impact by road *vehicle* or their loads, *animals*, trees or branches, meteorite, *aircraft* or other aerial devices or articles dropped from them, sonic boom or space debris, falling communication masts, towers, antennae or dishes, falling building or structures or parts thereof which do not belong to *you*;
- (c) riots, civil commotions and strikes.

This exclusion will not apply if the *premises* are partly occupied.

## General Conditions

The following general conditions apply to all *cover sections* of this policy unless expressly stated otherwise. Breach of a condition or warranty without *your* knowledge or consent or error in name, description or situation of property will not prejudice *your* rights under this policy provided notice in writing is given to us when such breach or error comes to *your* knowledge. Reasonable extra *premium* shall be paid if required, from the date of such breach or error.

### 1. 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.

### 2. 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 *sum insured* or *limit of liability*.

### 3. Cancelling your policy

#### How you may cancel

*You* may cancel the policy or a *cover section* at any time by telling us that *you* want to cancel it. *You* can do this by giving the notice to *your* intermediary.

### How we may cancel

We may only cancel a policy when the law says we can. Such cancellation shall take effect at the earlier of the following times:

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

We will cancel *your* policy by telling *you* so in writing, either in person or by post to *your* last known address. We will return the *premium* that *you* have paid for the rest of the *period of insurance* (along with GST and any relevant charges where this is allowed).

### 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, the return of *premium* calculated on the basis set out above will be made to the premium funding company.

## 4. Change to risk

Our decision to insure *you*, and the *premium* that we charge *you*, is based on information provided by *you* about *your business*, and the risks to be insured under this policy. *Your* insurance, including the amount of *premium*, may be affected if any of the facts or circumstances that existed at the start of the policy change during the *period of insurance*, including, for example:

- (a) the nature of or type of *business* carried on by *you* or *your* tenants;
- (b) other circumstances that affect the *premises* or the *property insured* in such a way as to increase the risk of damage or losses;
- (c) *your* interest in the policy ceases, including by operation of law;
- (d) the *business* is wound up or carried on by an insolvency practitioner or permanently discontinued;

*You* must immediately notify us of the above or any other changes that increase the risk insured under *your* policy.

If *you* are a property owner insuring *buildings* that *you* lease, our decision to insure *you* and the *premium* we charge *you* will take into account information about *your* tenants and how the *building* is used that *you* tell us when *you* apply for a policy with us, during the *period of insurance* and at each renewal. For this reason it is important that *you* tell us as soon as these things change.

For example, if *your building* has three (3) tenants (an accountant's office, a jeans retailer and a sandwich bar) we will calculate *your fire premium* on the sandwich bar, as it is more hazardous than either of the other two (2) occupations. If during the *period of insurance* the sandwich bar closes down and a menswear shop opens, then *you* must notify us of the change and we will calculate *your fire premium* either using the jeans retailer or menswear occupation.

If we agree to continue to insure *you* after *you* have told us of the changes *you* tell us about, we will confirm this in writing. In some cases, we may only agree to continue to insure *you* under this policy if *you* agree to pay us additional *premium*.

## 5. Designation of property

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

Provided always that this condition shall not apply to the Theft cover section with respect to tobacco, products containing tobacco, cigars, cigarettes and alcohol.

Under the Theft cover section, *stock* does not include tobacco, products containing tobacco, cigars, cigarettes or alcohol unless they are specified on the *schedule*.

## **6. How Goods and Services Tax (GST) affects any payments we make**

In the *premium*, we will charge *you* an amount on account of GST.

*You* must inform us of the extent to which *you* are entitled to an input tax credit (ITC) for that GST amount each time that *you* make a claim under this policy. No payment will be made to *you* for any GST liability that *you* may have on the settlement of a claim if *you* do not inform us of *your* entitlement or correct entitlement to an input tax credit.

Despite the other provisions of this insurance (including provisions in the policy wording, the *schedule* and any *endorsement*), our liability to *you* will be calculated taking into account:

- (a) any input tax credit to which *you* are entitled for any acquisition which is relevant to *your* claim, or which *you* would have been entitled were *you* to have made a relevant acquisition; and
- (b) also for claims for Business Interruption only, the GST exclusive amount of any supply made by *your business* which is relevant to *your* claim.

This outline of the effect of the GST on *your* policy is for general information only. *You* should not rely on this information without first seeking expert advice on the application of the GST to *your* particular circumstances.

## **7. Inflation protection**

To protect *you* from the effects of inflation, if *you* have cover under Property Damage *cover section*, we will automatically change the *sum insured* at renewal in line with movements in the Consumer Price Index or another similar index.

If the *sum insured* increases because of index linking, the new *premium* and relevant government charges will be based on the new *sum insured* shown in the *schedule*.

## **8. Inspections**

We (or agents appointed by us) have the right to inspect and examine, by mutual appointment, any *property insured*.

## **9. Jurisdiction**

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

## **10. Non-imputation**

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

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

## **11. 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* 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 this policy. Any other people not in this category or not named on the *schedule* are not covered and cannot make a claim. All third party beneficiaries must comply with the terms and conditions of the policy.

Where the separate interests of more than one party in the *property insured* are insured under this policy, any act or neglect of one party will not prejudice the rights of the remaining party or parties provided that the remaining party/ies are entirely innocent of and have no prior knowledge of any such act or neglect and 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.

## **12. Our maximum liability**

Except as otherwise stated elsewhere in this policy, the maximum amount we will pay will not exceed the amount stated in the *schedule* as the *sum insured* or the *limit of liability* for those *cover sections* selected.

The *sum insured*, *limit of liability* and sub-limits of liability shall apply in addition to, and shall not be reduced by, the amount of any applicable excess.

## **13. Reasonable care**

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

- (a) if *you* discover *your products* may be defective and the defect may cause a claim under the Public and Products Liability *cover section*, *you* must, at *your* expense, take reasonable steps to restrict, trace, recall, modify, replace or repair the products;
- (b) maintain and look after other person's or organisation's property and *buildings* used or occupied by *you*, in accordance with *your* agreement with them;
- (c) if *your* 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;
- (d) 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 all of *your* claim.

## **14. Sanctions regulation**

Notwithstanding any other terms or conditions under this policy, we shall not be deemed to provide coverage and will not make any payments nor provide any service or benefit to *you* or any other party to the extent that such cover, payment, service, benefit and/or any *business* or activity of *you* undertake, which would violate any applicable trade or economic sanctions, law or regulation.

## **15. Single occurrence**

We will not pay for loss or damage to property covered by this 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.

## **16. Subrogation and recoveries**

Notwithstanding Section 67 of the Insurance Contracts Act (Cth), monies recovered in subrogation proceedings will be applied, net of the expense of such recovery:

- (a) First to *you* to the extent of *your* insured 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 by *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.



## 17. Waiver of subrogation rights

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

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

## Claims Conditions

To enable us to process a claim under any *cover section* of this policy the following conditions apply.

### 1. Making a claim

Promptly contact *your* Steadfast intermediary or call our claims department as soon as possible on 132 687. We are available 24 hours a day.

### 2. Admitting liability

*You* must not admit liability for any loss, damage or injury, or settle or attempt to settle or defend any claim without our written consent.

### 3. Claims settlement

#### (a) ITC entitlement

If any *event* occurs which gives or may give rise to a claim *you* must tell us *your* entitlement to input tax credits for *your* insurance *premium* if *you* are registered, or should be registered for GST purposes. If the information *you* give us is incorrect, we will not cover *you* for any resulting fines, penalties or tax charges.

#### (b) Cash payments

Any cash payments made to *you* under this policy will be based on costs including GST. However, if *you* are, or would be, entitled to claim any input tax credits for the repair or replacement of the *property insured* or for other things insured by the policy we will reduce our payment to *you* by the amount of *your* input tax credit entitlement.

#### (c) Discharge of our liabilities

If, at any time, we pay *you* the *sum insured* for any claim under this policy, the future conduct of the claim then becomes *your* responsibility. We may also pay any Extra Covers, Additional Benefits or Optional insurance that is in addition to the *sum insured*.

### 4. Conduct of claims

- (a) We may appoint legal or other representatives to assist in the conduct of a claim;
- (b) We shall have the right and full discretion to conduct claims; and
- (c) We reserve the right to negotiate and settle any claim on terms we consider appropriate.

## **5. Cooperation**

*You* must co-operate with us fully in any investigation, negotiation, defence or settlement of any claim.

This may include attending court to give evidence.

## **6. Minimise loss**

*You* must:

- (a) take all reasonable precautions to minimise or prevent further loss, damage, injury or illness; and
- (b) take all reasonable steps to recover lost or stolen property.

## **7. Not authorise repair or replacement**

*You* must not authorise the repair or replacement of anything without our agreement.

In the case of an 'emergency migration' where *you* are required to prevent further loss or damage to *your* property as a direct result of that emergency and the property is covered by *your* policy. We give *you* authority to arrange these emergency repairs on our behalf.

## **8. Notify claim**

*You* must:

- (a) notify the police immediately following a theft or burglary or if any property is misappropriated, lost or maliciously damaged;
- (b) notify us as soon as possible and give us all the known details of the *event* including the police event number if available;
- (c) immediately send us any legal document or other communication *you* receive about the *event*.

## **9. Our rights of possession**

We, our employees or our agents have the right to enter any *building* or area where loss or damage has occurred and take possession of *property insured* or require the *property insured* to be delivered to us. We will deal with this property in a reasonable manner.

## **10. Paying your excess**

*You* must pay the excess that applies to claims under this policy. The excess that applies will depend on the circumstances of the claim. The amount of the excesses and the circumstances that each excess applies to are shown on the *schedule* or set out in the applicable *cover section*. We will tell *you* how to pay *your* excess and who to pay it to.

If more than one excess can be applied to one occurrence then *you* will only need to pay the highest excess that applies unless expressly stated otherwise in the policy.

*Sum insureds, limits of liability* and sub-limits shall apply in addition to, and shall not be reduced by, the amount of any applicable excess.

Only one excess will apply to all damage resulting from earthquake, subterranean fire, volcanic eruption, bushfire, *flood*, storm, hail or rainwater that is continuous, due to the same general conditions, and occurs within a 72-hour period from the first happening of *damage*.

## **11. 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.

## **12. Proof of fraud or dishonesty**

In the *event* of a claim, *you* must supply us with all records and documents that may assist us in substantiating and investigating any act of fraud or dishonesty and *your* rights of recovery. This includes, but is not limited, to all records (including computer, electronic and accounting records), video and audio recordings, working papers, internal memoranda, police reports, accounting records and audit documents.

### **13. Provide proof of ownership**

You must supply us with all the information and documentation that we request to prove *your* ownership or legal responsibility for the *property insured* and its value.

Examples of the type of documentation that may be required include, but are not limited to:

- (a) tax invoices and/or receipts for *property insured*;
- (b) photographs of the *property insured*;
- (c) copies of any relevant contracts or agreements;
- (d) statutory declaration verifying the details of *your* claim and any other matters connected with it;
- (e) quotes for replacement items.

We understand *you* may not keep such information for every business item *you* own, especially if items are recorded in *your* books of account. *You* or *your* accountant may have records for tax purposes and these may be sufficient to prove ownership.

### **14. Retain all damaged property**

*You* must:

- (a) retain and preserve all damaged property for our inspection prior to authorisation of repairs unless alterations and repairs are immediately necessary for safety reasons or to minimise or prevent further loss, damage or injury. If repairs are necessarily carried out without our prior approval, *you* are still required where reasonably practical, to retain and preserve all damaged property for our inspection; and
- (b) use *your* best endeavours to preserve all property, products, plant and all other things that may assist us in investigating or defending a claim against *you*, including assisting in determining if there are rights of recovery against another entity or person.

### **15. 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.

### **16. 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.

# Property Damage

## Introduction

This *cover section* only forms part of *your* policy when Property Damage is shown in the *schedule* and is limited to the *period of insurance* indicated.

This 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

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

### Catastrophe

*catastrophe* means a large scale *destructive event*, in the area in which the *premises* is located, which either:

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

### Limit of liability

*limit of liability* for the purpose of this *cover section* only, means the amount shown in the *schedule* as the Limit of Liability for a specific *premises*. Provided that this is the maximum amount that we will pay for all *damage* that arises out of any one source or original cause at such *premises* unless it is specifically stated in this *cover section* that payments are made in addition to this amount.

### Specified items

*specified items* means each item of works of art, antiques and curios which:

- (a) are not *stock*; and
- (b) which exceed \$10,000 any one item; and
- (c) which specifically described on the *schedule* for this *cover section*; or
- (d) other property that is specifically described on the *schedule* for this *cover section*.

## Cover

We will cover *you* for accidental loss or damage to *your property insured* at the *premises* during the *period of insurance*.

## Basis of Settlement

The maximum we will pay for any one claim, other than a claim for a *specified item*, under this *cover section* is the *limit of liability* shown on the *schedule* or adjusted in accordance with this *cover section*, whichever is the higher.

The maximum we will pay for each *specified item* is the *sum insured* shown in the *schedule* for that item.

For *contents* that are works of art, antiques or curios we will only pay the value of the item up to a maximum of \$10,000 for each item unless they are a *specified item*.

For any item of *contents* or for any *specified item* that is part of a pair or set, the limit applies to the pair or set.

There are two (2) methods of paying *your* claims. They are 'reinstatement or replacement' basis and 'indemnity value'. The method *you* have chosen is shown on *your schedule*.

## 1. Building(s), specified items, contents or stock – Reinstatement or replacement

Unless the *schedule* shows *you* are insured for 'Indemnity' then, when *buildings, specified items, contents* or *stock* are lost or damaged we will:

- (a) pay the cost to rebuild the *buildings* at the *premises* shown on *your schedule* or at *your* option, at another site;
- (b) repair or replace *contents, stock* or *specified items* with similar property to a condition equal to but not better than its condition when new;
- (c) pay *you* the amount shown on the proof of purchase for *specified items* unless the *specified items* are works of art, antiques and curios; or
- (d) if the *specified items* are works of art, antiques and curios, pay *you* the amount of a valuation by the Auctioneers and Valuers Association of Australia;

Reinstatement or replacement is subject to the following conditions:

- (i) 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;
- (ii) when rebuilding at another site, we will not pay more than we would pay to rebuild at the *premises*;
- (iii) 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 had been destroyed;
- (iv) 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 *Australia*.

## 2. Indemnity

If *your schedule* shows *you* are insured for 'Indemnity' then, for any loss or damage to *building* or *contents*, we will, at our option:

- (a) repair, reinstate or replace the *building* or *contents*;
- (b) pay *you* the market value of the *building* or *contents* at the time of its loss or damage; or
- (c) pay the cost of repair or replacement.

In all cases, where appropriate, we will reduce the amount we pay *you* to take into account age, wear, tear and depreciation.

The Underinsurance condition in this *cover section* is amended to read:

In the event of loss or damage to property we shall be liable for no greater proportion of the loss or damage than the *limit of liability* at the *premises* bears to eighty percent (80%) of the current value of the *property insured*, provided that our liability shall not exceed the *sum insured* stated against each item in the *schedule*.

## 3. Branded stock

We will not sell branded *stock* as salvage without *your* consent.

If such salvage is not disposed of by sale, then the goods may be retained by *you* and disposed of as *you* see fit provided a reasonable salvage allowance is agreed with us for the value of the goods.

## 4. 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*.



## 5. Extra costs of reinstatement: Heritage building

If *you* are insured under this policy section on a reinstatement or replacement basis for loss or damage to any *building* that is subject to any heritage listing or protection and *you* choose to rebuild, replace or repair the *building* at the same location, we will pay the extra costs of repairing, replacing, or reinstating the *building*, that are related to obtaining special materials or employing specialised labour to match 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.

## 6. Conditions which apply to extra costs of reinstatement

The following conditions apply:

- (a) the work of reinstatement must be commenced and completed within a reasonable time, 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 with reasonable dispatch; 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.

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

- (i) the sub limit of liability shown in the current *schedule* for 'Extra cost of reinstatement' which shall be in addition to the *sum insured*; or
- (ii) 10% of the *sum insured* for this *cover section*; or
- (iii) the balance of the *limit of liability* for this *cover section*,

whichever is the greater.

The underinsurance condition of this *cover section* will not apply to the amount payable under this clause.

## 7. 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:

- (c) the actual cost of rebuilding the *building* with the reduced floor space; and
- (d) the estimated cost of rebuilding the *building* with the floor space it had at the time it was damaged.

Provided that our total amount payable under this 'Loss of floor space' shall not exceed the *sum insured* amount in respect of the *building* which is the subject of the claim.

## 8. Output replacement

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

## 9. Stock

If *stock* is lost or damaged, we will, at our option:

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

## 10. Undamaged portions of buildings

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 shall be deemed to be destroyed.

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

Should the site not be sold, then the increased site value, when applicable shall be agreed between *you* and us, or in default, we and *you* shall submit to arbitration and be bound by the decision of the arbitrator.

## Limitation of Cover

### 1. Earthquake

If any loss is caused by earthquake, volcanic eruption, subterranean fire or tsunami, we will not pay for the first \$20,000 or 1% of the *limit of liability* at the damaged *premises* (whichever is the lower amount) of each claim caused by earthquake, tsunami, volcanic eruption or subterranean fire.

### 2. Excess

The excess that applies is shown on the *schedule*.

### 3. 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, any one *event*.

## 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 *sum insured* amount, but will not exceed the *limit of liability*.

### 1. Capital additions

If *buildings* or *contents* are insured and:

- (a) *buildings*, or part of them, are in the process of being constructed, erected, altered or added to; or
- (b) *contents*, excluding *stock*, are in the process of being installed or modified,

We will pay for loss or damage to these new additions or installations up to an additional:

- (i) \$500,000; or
- (ii) 20% of the *limit of liability*,

whichever is the lesser amount.

For example: If *your business* is retail, and the *contents* of *your* rented shop are insured for \$150,000 and *you* are refitting the shop shelving and service counters, we will not pay more than \$30,000 (20% of \$150,000), as this amount is less than \$500,000.

### 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 the 'Capital additions' (relating to *buildings* only) Extra Cover and 'Prevention of loss or damage' Additional Benefit of this *cover section* by up to 20%,

to cover any additional costs incurred in rebuilding that can be directly attributed to increases in the price of services and materials as a direct result of the *catastrophe*.

For example, if *your sum insured* for *buildings* was \$1,000,000 we would pay up to an extra \$200,000 (20% of \$1,000,000). However, this Extra cover does not operate to increase the total *sum insured* for the purposes of calculating the application of any Extra Cover or Additional Benefits or the Underinsurance provision in this *cover section*.

We will not pay more than the increased building costs which are actually incurred by *you* as a direct result of the *catastrophe*.

We will not pay any claim under this Extra Cover if *you* choose not to rebuild the *buildings* (or any part of them) at the *premises* shown on *your schedule*. We will not increase the *sum insured* to pay for damage to any *property insured* other than *buildings*.

We will not pay any claim under this Extra Cover if *your schedule* shows the *building* as being insured for 'Indemnity'.

### 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 policy on a total loss basis. We will pay up to \$25,000 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*.

We will not pay more than in respect of any one event:

- (i) 10% of the repair or replacement costs; or
- (ii) \$10,000,

whichever is the lesser.

This Extra Cover only applies if the amount payable as Extra Cost of Reinstatement has been exhausted.

## 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 in respect of any one *event*:

- (a) 50% of the cost of repairing, replacing or reinstating the *property insured*; or
  - (b) \$25,000,
- whichever is the lesser.

## 6. Floating stock

Where we pay a claim for loss of or damage to *stock* at the *premises*, we will pay more than the *stock sum insured* at that *premises* to account for the temporary transfer of *stock* between *premises* provided that:

- (a) there are at least two (2) *premises* specified on the *schedule* and the *sum insured* has been separately specified on the *schedule* for *stock* at each *premises* insured under this *cover section*, including the affected *premises*; and
- (b) *you* transfer the *stock* between *premises* as a usual business practice.

We will not pay a claim under this Extra Cover where *stock* levels in excess of the *sum insured* at a *premises* have been temporarily located at that *premises* for a period exceeding 90 days and where we have not agreed in writing to an extended period, during the *period of insurance*.

We will not pay more than the total of the *stock sum insured* for all *premises*.

For example: assume *you* operate from two (2) retail premises, each with a *stock sum insured* of \$50,000. At the time of an insured *event* that destroys the premises, *stock* at the premises where the loss occurs is valued at \$70,000 and there is \$25,000 worth of *stock* at the other premises, which is less than \$100,000 of *stock* cover at all situations, we will pay up to \$95,000.

## 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 other Government, Local Government or other Statutory Authority where payment of the fee, contribution or impost is necessary to the obtaining of consent to reinstate any *property insured* provided that we will not be liable for payment of any fines and/or penalties imposed upon *you* by any such authorities. The cost of government fees is included in the *sum insured* for *buildings*, *contents* or *stock*. If the *sum insured* is exhausted, the most we will pay under this Extra Cover is \$10,000 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*.

Landscaping includes trees, shrubs, plants, lawns, rock work, retaining walls, ornamentation and edging pertaining thereto.

We will not pay more than in respect of any one *event*:

- (i) 20% of the *building sum insured* shown on the *schedule*; or
  - (ii) \$50,000,
- whichever is the lesser.

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:

- (i) 20% of the *building sum insured* shown on the *schedule*; or
- (ii) \$100,000,

whichever is the lesser.

For example, if the *sum insured* for the *building* is \$400,000, we will not pay more than \$80,000 (20% of \$400,000), as this amount is less than \$100,000.

## **10. Metered water charges**

We will pay the costs levied on *you* by a Water Company or Authority for metered water usage arising from the escape and loss of water at the *premises* following a theft or attempted theft of parts of the *building* when *buildings* are insured.

We will not pay more than in respect of any one event:

- (i) seven (7) days; or
- (ii) \$15,000,

whichever is the lesser.

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

## **11. 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 fire fighting services, police or other emergency services in attending to their duties at the *premises*.

We will not pay more than in respect of any one event:

- (i) the amount shown on the *schedule* for playing surfaces; or
- (ii) \$50,000,

whichever is the greater.

## **12. 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 *sum insured* of the lost or damaged *buildings*. If the *sum insured* has been exhausted, we will pay up to \$10,000 any one event.

We will not pay any claim under this Extra Cover if *your schedule* shows the *building* as being insured for 'Indemnity'.



### **13. Removal and disposal of trees and branches**

If damage to *property insured* is caused by impact from trees or branches of trees, we will pay the reasonable costs associated with the removal and disposal of the tree or branches, which caused the damage.

We will also remove a standing tree or branch that forms part of a tree that caused the insured damage if:

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

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

- (a) all necessary approvals have been obtained and removal of the stump would not result in a breach of any laws, by-laws, regulations or contractual obligations; and
- (b) not removing the stump would interfere with repairing or replacing the damaged part of the *building* if required to settle *your* claim.

### **14. Removal of debris including necessary temporary repairs**

We will pay the reasonable costs of removal, storage and disposal of debris or the demolition, dismantling, cleaning up, shoring up, propping, underpinning or other temporary repairs of *property insured* by *you*. We will also pay for *your* legal liability for the cost of removal of debris from adjoining *premises*, property, services, roadways and waterways as well as on the site.

We will pay *you* up to \$100,000 or 20% of the *limit of liability* shown on the *schedule* for the damaged *premises* whichever is the greater or the amount for 'Removal of debris' shown in the *schedule*. If this is insufficient and *you* have not exhausted *your limit of liability* on the damaged items requiring demolition and/or removal of debris, we will pay up to the remaining balance of the *limit of liability*.

### **15. Rewriting of records**

We will pay the reasonable costs of restoring the *electronic data* stored on *media* or the cost of clerical labour actually, necessarily and reasonably incurred in rewriting, restoring or recreating the records at each *premises* for *business* books, plans, computer records, patterns and other business records that are damaged.

We will not pay for any loss arising from such lost *electronic data* or records or restored *electronic data* or records.

### **16. 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*.

### **17. Taking inventory**

We will pay up to \$10,000 any one *event* 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.

## Additional Benefits

We also provide the following Additional Benefits, subject to the exclusions and conditions of this policy, unless provided otherwise.

### 1. Costs related to damage to glass in vacant buildings

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* in 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
- (c) that is in a glasshouse.

We will not pay for the breakage of:

- (d) tiles on shopfronts and office fronts, other than around the broken *glass*; or
- (e) plastic or perspex signs.

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

- (f) *you* have selected *Glass cover section*;
- (g) *your* insured *building* is leased to a tenant; or
- (h) the *building* has remained unoccupied or untenanted for a continuous period longer than 60 days and we have not agreed to an extended period in writing.

The excess that applies to this Additional Benefit is:

- (i) the excess shown on the *schedule*; or
- (ii) \$500,

whichever is the higher.

### 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 *contents sum insured*.

### 3. Fire Brigade attendance fees

We will pay up to \$100,000 any one *event* for any statutory charges payable by *you* to a fire brigade or fire fighting authority for attendance at a fire or chemical emergency involving *property insured* and for the cost of refilling *your* fire fighting appliances used in putting out a fire at or adjoining the *premises* and threatening the *property insured*, during the *period of insurance*. The excess that applies to this Additional Benefit is \$500.

### 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 in any *vehicle* anywhere in *Australia* and away from the *premises*, caused by a collision or overturning of the conveying *vehicle* or any of the following events:

- (a) fire or explosion;
- (b) wind;
- (c) acts of malicious persons;
- (d) escape of molten material from its intended confines at the *premises*;
- (e) lightning or thunderbolt;
- (f) implosion;
- (g) earthquake, tsunami, subterranean fire or volcanic eruption, or fire resulting from any of these during any period of 72 consecutive hours following the *event*;
- (h) riot, civil commotion or labour disturbances; or
- (i) water damage or *flood*.

We will not cover *you* for more than:

- (i) \$50,000; or
  - (ii) 20% of the highest *sum insured* for *contents* or *stock* at any one *premises*,
- for each *event*, whichever is the lesser.

### 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 *your premises* which causes or threatens loss or damage to *your property insured*;
- (b) to prevent or diminish imminent damage to *your property insured*;
- (c) for 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 for:

- (i) any fines, penalties or liability incurred by *you*; or
- (ii) any loss or damage to *your property insured*.

### 6. Rewriting of records

We will pay the reasonable cost, for clerical and professional costs incurred by *you* for rewriting of records if they are lost, destroyed or damaged during the *period of insurance*, whilst located away from *your premises* anywhere in the Commonwealth of Australia, by an occurrence. We will not pay *you* for any financial loss caused by the loss of *your* records under this Additional Benefit.

We will pay up to \$25,000 under this Additional Benefit or any higher amount for Rewriting of Records shown in the *schedule*.

## **7. Temporary cover for new premises**

We will cover *you* for loss or damage occurring during the *period of insurance* to *buildings, contents* and *stock* 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 on the *schedule*;
- (c) the property at the new premises is of the same nature as the *buildings, contents* and *stock* located at a *premises* and would have been covered if they were located at a *premises*; 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 protection systems as those at the *premises*.

We will not cover *you* for more than 50% of the highest *limit of liability* for any *premises* shown on the *schedule*.

We will not cover *you* under this Additional Benefit for any loss or damage at the new premises that occurs more than 90 days after *you* first occupy the new premises. If we agree to continue the cover *you* must pay any additional premium that we may require.

For example, if *you* insure two (2) existing *premises*, one which has *limit of liability* for all *property insured* totalling \$1,000,000 and the other which has *limit of liability* for all *property insured* totalling \$2,000,000, then any new *premises* will be covered for up to \$1,000,000 (50% of \$2,000,000, the higher of the two *limit of liabilities* for all *property insured* at a *premises*).

## **8. 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 *Australia*.

For example, if the *sum insured* for *stock* is \$100,000 and there is loss or damage to *stock* that has been temporarily removed from the *premises*, we will pay up to \$20,000 (20% of \$100,000).

We will not pay for loss of or damage to:

- (a) motor *vehicles*, unless they are the *stock* of *your business*, or fork lift trucks and similar appliances that are used for hauling or conveying goods at the *premises*;
- (b) *stock* that *you* have consigned to another person 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.

## **9. Trace and access**

We will pay the reasonable costs incurred to detect the point of bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks, fixed appliances, fixed pipes or other systems, during the *period of insurance*, 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 cover the cost of reinstating parts of the *property insured* necessarily disturbed to locate the source of the problem, but 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.

## **10. Theft of part of the building**

If *you* own but do not occupy a *building* shown as insured under this cover section at a *premises*, we will cover *you* for the theft in the *period of insurance* of plant, plumbing or wiring services that are not part of that *building* but which are securely attached (by means other than the connection to a power point) to the *building* structure.

We will not pay for any loss or damage caused by *your family* or *your tenants*.

We will not pay any claims under this Additional Benefit if *you* have selected the Theft cover section of the policy.

## 11. Taxation audit costs

We will cover the reasonable and necessary costs *you* incur following notification received during the *period of insurance* of an audit or investigation by a federal or state Commissioner of Taxation relating to *your* liability to pay income tax, fringe benefits tax, capital gains tax, wholesale and sales tax, payroll tax, goods and services tax or superannuation contributions tax in respect of *your business* up to \$10,000 for this Additional Benefit.

'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.

### What you are not covered for under Taxation audit costs

We shall not be liable under this Additional Benefit:

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

### Special conditions applicable to Taxation audit costs

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

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

In the event of a claim arising:

1. *you* must at all times keep us fully and continually informed of all material developments in relation to the claim and in relation to any audit;
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. we or our duly appointed agent may make our own investigation into any matter which is or may be the subject of a claim; and

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

## Optional Extension of Cover

We will provide the following optional Extension of Cover when requested by *you*, when *you* pay any additional *premium* required and when shown on *your schedule* as applying.

Any amount payable under this optional Extension of Cover is in addition to the *limit of liability*.

### 1. 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 on the *schedule*;
- (b) the amount to repair the damage to a condition similar to but no better than when new;
- (c) if the body corporate (or similar) partially covers the loss, 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:

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

## Exclusions

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

- (a) wear and tear, gradual deterioration, scratching, denting, chipping, marring, developing flaws, normal upkeep or any gradual cause;
- (b) the actions of birds, moths, termites or other insects, vermin or rodents or damage caused by their urine or excrement;
- (c) *animals* pecking, biting, clawing, scratching, tearing or chewing *your property insured* at the *premises*, provided that this exclusion shall not apply in respect to damage by an *animal* that gives rise to subsequent loss or damage to *your property insured* occasioned by a fire, explosion or water damage only;
- (d) mechanical, hydraulic, electrical breakdown or electronic failure or malfunction;
- (e) 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;
- (f) inherent vice or latent defect;
- (g) loss of weight or exposure to light;
- (h)
  - (i) error or omission in design, plan or specification or failure during testing; or
  - (ii) faulty materials or workmanship,

provided that this Exclusion 1 (h) shall not apply to subsequent loss or damage to *your property insured* (not otherwise excluded) resulting from an event referred to in this exclusion;



- (i) infidelity, dishonesty, embezzlement, misappropriation, or fraud including forgery, erasure, counterfeiting by *you* or any *employee*;
- (j) 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;
- (k) the cessation of work (whether total or partial), interruption or retarding of any process or operation as a result of any industrial dispute;
- (l) *electronic data* processing or *media* failure or breakdown or malfunction of a processing system including operator entry or omission;
- (m) deliberate and unauthorised corruption, amendment or erasure of *electronic data* by *you* or *your* directors, partners, *employees*, officers or any other person who has an interest in the *property insured* whether acting alone or in collusion with any other person;
- (n) *computer virus*;
- (o) 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;
- (p) the operation or presence of any computer program that alters or erases *electronic data* or programs in a manner that is undesired by *you*;
- (q) 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;
- (r) 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.

Provided that we will pay for any damage to *property insured* that is not otherwise excluded that results from damage caused directly by or arising directly from any of these causes.

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

- (a) *property insured* where loss or damage results from it being processed or manufactured;
- (b) any *building*, *contents* and *stock* if the *building* is vacant awaiting or undergoing demolition, unless we have agreed otherwise;
- (c) *animals*;
- (d) standing timber, plants, growing crops, land including top soil and fill, landscaping, gardens and pastures.

Provided that:

- (i) when reinstating damage to a *building*, landscaping, plants and gardens are *property insured*; or
- (ii) potted plants are *property insured* when insured as *contents*;
- (e) *glass* or signs:
  - (i) other than the loss or damage caused by fire, storm, *flood*, wind, rain, hail, lightning, explosion, earthquake, subterranean fire, *aircraft* or other aerial devices or articles dropped therefrom, riot, civil commotion, persons acting maliciously, impact by any road *vehicle* or *animal*; or
  - (ii) except where *you* are a tenant of a *building* and are required by the lease to insure *glass*.

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 the Extra Cover 'Removal of debris including necessary temporary repairs';
  - (c) demolition ordered by any lawful authority as a result of failure by *you* to comply with any lawful requirement;
  - (d) 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;
  - (e) any unexplained inventory shortage or disappearance resulting from clerical or accounting errors, or shortage in the supply or delivery of materials or goods;
  - (f) contamination, pollution, smoke or smut except where caused directly by fire, lightning, explosion, impact by any 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, *flood*, the bursting, overflowing or discharge of tanks, apparatus or pipes containing in water or liquid of any kind, or sprinkler leakage;
  - (g) creeping, heaving, normal settling, shrinkage, seepage, vibration, expansion in *buildings*, pavements, roads, car parks and the like;
  - (h) erosion, subsidence, landslip or mudslide or any other earth movement but we will cover loss or damage caused by type of earth movement that occurs within 72 hours of, and directly because of, a storm, earthquake, subterranean fire, volcanic eruption, *flood* or water escaping from a water main owned by a water supply authority;
  - (i) the action of the sea or high water, unless caused by or arising from a direct consequence of an earthquake or seismological disturbance.
4. We will not cover loss or damage caused by:
- (a) a named cyclone named by the Bureau of Meteorology where the damage occurs;
  - (b) a bushfire occurring;
  - (c) a *flood* occurring,
- within 72 hours from the original commencement of this policy.
- Unless this policy commenced:
- (i) immediately after another insurance policy covering the same risk expired (the policy will not be regarded to have expired if cancelled), without break in cover;
  - (ii) the day *you* entered into a contract of sale to purchase the *premises*; or
  - (iii) the day *you* entered into a contract to lease the *premises*.

## Cover Section Conditions

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

### 1. Leased building clause

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

### 2. Reinstatement

If we pay an amount for a claim for loss during the *period of insurance* under this policy section we will automatically reinstate the *sum insured* to the amount shown on the *schedule*. *You* will not be required to pay any additional *premium*.

### 3. 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.

### 4. 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.

### 5. 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 policy 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;
- (c) *you* agree to pay a reasonable increase in *premium* for the additional risk.

### 6. Underinsurance

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 *limit of liability* on the *schedule* bears to 80% of the full insurable 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*.

This condition does not apply 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* shown on the *schedule* at the *premises*.

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.

Example:

Total value \$200,000

80% of value = \$160,000

Limit of liability declared is \$144,000

Therefore if a \$100,000 loss occurs, we would pay  $(\$144,000/\$160,000) \times \$100,000 = \$90,000$

We would pay \$90,000.

# Business Interruption

## Introduction

This *cover section* only forms part of *your* policy when Business Interruption is shown in the *schedule* and is limited to the *period of insurance* indicated.

There are three (3) covers available in this *cover section*:

- (a) Gross Profit basis – (Income);
- (b) Annual Revenue basis;
- (c) Weekly Revenue basis.

*Your* policy *schedule* indicates which cover has been selected by *you*.

## Definitions

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

### Annual rent receivable

*annual rent receivable* means the *rent receivable* during the twelve 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 relevant period after the *damage*.

### Annual revenue

*annual revenue* means the *revenue* earned during the twelve 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 relevant period after the *damage*.

### Annual turnover

*annual turnover* means the *turnover* during the twelve 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

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

### Gross income

*gross income* means the money paid or payable to *you* for goods sold, services rendered or rental received less the purchase price of *stock*.

### Gross profit

*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**

*indemnity period* means the period beginning from the time when the interruption or interference affects the results of *your business* in consequence of the *damage* and ending at the expiration of the maximum period specified in the *schedule* or, in the case of *weekly revenue*, ending at the earliest of either the expiration of the maximum period specified in the *schedule* or when *weekly revenue* during that period equals or exceeds 95% of *standard weekly revenue*.

**Rate of gross profit**

*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 relevant period after the *damage*.

**Rent receivable**

*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**

*revenue* means the money paid or payable to *you* as a:

- (a) wholesaler or retailer of goods – for goods sold and delivered in the course of *your business* less the cost of any related purchases (after any discounts);
- (b) motel operator – in respect of facilities, accommodation, food and drink made available and services rendered in connection with *your business*, less the cost of any related purchases (after any discounts) and laundering and cleaning expenses;
- (c) professional practitioner or consumer services provider – for services rendered and work performed in connection with *your business*;
- (d) property owner – by tenants (being *rent receivable*).

**Shortage in turnover**

*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**

*standard rent receivable* means the *rent receivable* during that period in the twelve 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 relevant period after the *damage*.

**Standard revenue**

*standard revenue* means the *revenue* earned within that period during the twelve 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 relevant period after the *damage*.

**Standard turnover**

*standard turnover* means the *turnover* during that period in the twelve 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 relevant period after the *damage*.

**Standard weekly revenue**

*standard weekly revenue* means the average of the *weekly revenues* in that period during the fifty two (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 relevant period after the *damage*.

**Turnover**

*turnover* means the amount (less discounts allowed) paid or payable to *you* for goods sold and delivered for services rendered and for *rent receivable* in the course of *your business* at the *premises*.

**Uninsured working expenses**

*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 *schedule*.

**Weekly benefit**

*weekly benefit* means the amount shown in the *schedule*.

**Weekly revenue**

*weekly revenue* means the *gross income* received by *you* for goods sold, services rendered or rental received less the purchase price of *stock*.

**Cover – Gross Profit basis – (Income)**

In the event of interruption of or interference with *your business* in consequence of *damage* to any *property insured* or any part thereof used by *you* at the *premises* for the purpose of *your business*, we will pay *you* in respect of each item selected by *you* and shown in the current *schedule*, the amount of the loss resulting from such interruption or interference.

Provided that:

- (a) the payment is in accordance with the 'Basis of Settlement' provision for the item;
- (b) we have paid for or admitted liability in respect of such *damage* 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 section of this 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; and
- (d) our liability in no case will exceed in respect of each item the *sum insured* shown in the current *schedule* for that item.

Insurance on Gross Profit basis – (Income) provides protection with regard to loss under:

- Item 1. Gross Profit (if selected).
- Item 2. Additional increase in cost of working (if selected).
- Item 3. Accounts receivable (if selected).
- Item 4. Claim preparation and proving expenses (if selected).
- Item 5. Rent receivable (if selected).



## Basis of Settlement

### Item 1. Gross profit

This item is limited to the loss of *gross profit* due to a reduction in *turnover* and the increase in *your* cost of working.

The amount payable as indemnity under this item will be:

(a) in respect of reduction in *turnover*:

the sum produced by applying the *rate of gross profit* to the *shortage in turnover* during the *indemnity period*; and

(b) in respect of the increase in cost of working:

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in *turnover* which, but for the additional expenditure, would have taken place during the *indemnity period* in consequence of the *damage*, but not exceeding the sum produced by applying the *rate of gross profit* to the amount of reduction thereby avoided,

less any sum saved during the *indemnity period* in respect of such charges and expenses of *your business* payable out of *gross profit* as may cease or be reduced in consequence of the *damage*.

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 eighty percent (80%) of the *annual turnover* (or its proportionately increased multiple where the *indemnity period* exceeds twelve 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* bears to eighty percent (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.

### Item 5. 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 eighty percent (80%) of the *annual rent receivable* (or its proportionately increased multiple where the *indemnity period* exceeds twelve 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 eighty percent (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.

## Cover – Annual Revenue basis

In the event of interruption of or interference with *your business* in consequence of *damage* to any *property insured* or any part thereof used by *you* at the *premises* for the purpose of *your business*, we will pay *you* in respect of each item selected by *you* and shown in the *schedule*, the amount of the loss resulting from such interruption or interference.

Provided that:

- (a) the payment is in accordance with the 'Basis of Settlement' provision for the item;
- (b) we have paid for or admitted liability in respect of such *damage* under the relevant section of this *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 section of this *policy*, or another insurer would have paid for or admitted liability in respect of such *damage* but for the application of an excess; and
- (d) our liability in no case will exceed in respect of each item the *sum insured* shown in the current *schedule* for that item.

We will not pay any claim under this *cover section* where the interference or interruption to *your business* is for a period of less than three (3) full continuous days.

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

Item 1. Annual Revenue (if selected).

Item 2. Additional increase in cost of working (if selected).

Item 3. Accounts receivable (if selected).

Item 4. Claim preparation and proving expenses (if selected).

## Basis of Settlement

### Item 1. Annual Revenue

This item is limited to the loss of *revenue* and increase in the cost of working. The amount payable as compensation 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.

We will reduce the amount we will pay by the amount saved during the *indemnity period* for charges and expenses of *your business* which cease or are reduced as a consequence of the loss or *damage* covered by this *cover section*.

Provided that if the insured amount for loss of *revenue* is less than eighty percent (80%) of the *annual revenue*, 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 insured amount bears to eighty percent (80%) of the *annual revenue*.

This provision will not apply if *your claim* is for less than 10% of the insured amount 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.

## Cover – Weekly Revenue basis

In the event of interruption of or interference with *your business* in consequence of *damage* to any *property insured* or any part thereof used by *you* at the *premises* for the purpose of *your business*, we will pay *you* in respect of each item selected by *you* and shown in the *schedule*, the amount of the loss resulting from such interruption or interference.

Provided that:

- (a) the payment is in accordance with the 'Basis of Settlement' provision for the item;
- (b) we have paid for or admitted liability in respect of such *damage* under the relevant section of this *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 section of this policy, or another insurer would have paid for or admitted liability in respect of such *damage* but for the application of an excess; and
- (d) our liability in no case will exceed in respect of each item the *sum insured* shown in the current *schedule* for that item.

We will not pay any claim under this *cover section* where the interference or interruption to *your business* is for a period of less than three (3) full continuous days.

Insurance on a Weekly Revenue basis provides protection with regard to loss under:

Item 1. Weekly Revenue (if selected).

Item 2. Additional increase in cost of working (if selected).

Item 3. Accounts receivable (if selected).

Item 4. Claim preparation and proving expenses (if selected).

## Basis of Settlement

### 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.

## Limitation of Cover

### 1. Excess

The excess that applies is shown on the *schedule*.

## Common clauses to this cover section

The following clauses are applicable to Gross Profit basis – (Income), Annual Revenue basis and Weekly Revenue basis:

### 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.

### **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* or *weekly revenue* 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' shown in the *schedule*,
- whichever is the greater for any one claim.

### **Item 3. Accounts receivable**

Under this item we will pay *you* up to the amount shown in the *schedule* for all sums due to *you* from debtors that *you* are unable to collect because of *damage* to records of accounts receivable. We will also pay collection expenses in excess of normal collection costs 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 (a), increased or decreased by the percentage calculated under (b) above, will be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said *damage* occurs;
- (d) the amount determined under (c) above will be increased or decreased in conformity with the normal fluctuation in the amount of accounts receivable during the fiscal month involved, consideration being given to the experience of *your business* since the last day of the last fiscal month for which statements have been rendered less:
  - (i) the amounts of such accounts evidenced by records not suffering *damage* or otherwise established or collected by *you*;
  - (ii) an amount to allow for probable bad debts that would normally have been uncollectible by *you*;
  - (iii) all unearned interest and service charges; and
  - (iv) settlement or term discounts normally allowed.

We will not pay more than:

- (a) \$7,500; or
  - (b) the *sum insured* for 'Outstanding Accounts Receivable' shown in the *schedule*,
- whichever is the greater for any one claim.

#### Item 4. Claim preparation and proving expenses

In addition to the amount payable under Our Agreement 'Claim preparation expenses' of this policy, we will pay *you* up to \$10,000 or the amount shown in the *schedule* for the costs of such reasonable professional fees as may be payable by *you* and other such reasonable expenses necessarily incurred by *you* and not otherwise recoverable, for preparation and negotiation of claims under this *cover section*.

#### Government incentives

The words 'Gross Profit', 'Revenue', 'Annual Revenue' and 'Weekly Revenue' include the loss of any Government approved incentives, subsidies or market development allowances *you* are or would have been entitled to in relation to *your business*. We will pay for the reduction in *your gross profits, gross income, annual revenue* or *weekly revenue* in relation to *your business* where such interruption results from the loss of Government approved incentives, subsidies or market development allowances to which *you* would have been entitled.

#### 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', 'Annual Revenue', 'Rate of Gross Profit', 'Standard Turnover', 'Standard Revenue' and 'Standard Weekly Revenue' shall instead have the following meanings wherever they appear in this *cover section*:

'Annual Turnover' means the actual *turnover* achieved during *your* first year of operations, from the commencement of *your business* to the date of the *damage*, converted to a 12-month equivalent figure.

'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.

'Rate of Gross Profit' means the proportion that the *gross profit* bears to the *turnover* during the period between the date of commencement of *your business* and the date of the *damage*.

'Standard Turnover' means the *turnover* achieved between the date of commencement of *your business* and the date of the *damage*, converted to the selected *indemnity period*.

'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 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 '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.

#### Sum insured

Our liability to *you* will in no case exceed in respect of each item the *sum insured* expressed against that item in the current *schedule*. 'Extra Covers' and 'Additional benefits' are within the total *sum insured* of this *cover 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*.

### 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*.

### Underinsurance deletion

No underinsurance provisions within the 'Basis of Settlement' for this *cover section* shall apply if the *sum insured* shown in the *schedule* for:

(a) Gross Profit basis; or

(b) Annual Revenue basis,

has been calculated:

(i) using the Business Interruption Calculator approved by us;

(ii) the calculation has been completed using *your* GST exclusive sales figures from *your* most recent 12 months Business Activity Statements;

(iii) a copy of the data used and the calculations are held on file; and

(iv) the calculation is completed within two (2) months of inception or renewal and the outputs of the calculations are used as the *sum insured*.

### Extra Covers

This *cover section* is extended to include the following Extra Covers. The Extra Covers 1 to 7 inclusive are payable provided that the *sum insured* expressed against the relevant item(s) in the *schedule* is not otherwise exhausted.

#### 1. Contractual damages

Following a claim under Gross Profit, Item 1 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 *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. Extension of the indemnity period

When Extra Cover 2 'Catastrophe inflation protection' in the Business Property *cover section* applies and the *indemnity period* stated in the *schedule* is 12 months or more, we will increase the *indemnity period* by a further three (3) months providing that *you* undertake the reinstatement of *your business* at the existing or an alternative premises.



#### 4. Infectious disease, etc.

We will cover *you* for interruption to or interference with *your business* due to 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:

- (a) as a result of bomb threat, vermin or pests or defects in the drains or other sanitary arrangements, occurring at the *premises*;
- (b) as 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 Biosecurity (Consequential Amendments and Transitional Provisions) Act 2015 (Cth) and subsequent amendments irrespective of whether discovered at the *premises*, or out-breaking elsewhere;
- (c) as a result of injury, illness or disease caused by the consumption of food or drink supplied at or from the *premises* during the *period of insurance*;
- (d) as a result of murder or suicide occurring at or near the *premises*; or
- (e) as a result of shark or crocodile attack occurring within a 20-kilometre radius of the *premises* during the *period of insurance*.

We will not pay any claim that is directly or indirectly caused by or arises from, or is in consequence of or contributed to the cleaning, repairing or checking of *your premises*.

#### 5. 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 *Australia* but not on a public thoroughfare.

#### 6. 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*;
- (c) the *damage* results in interruption of or interference with *your business*.

#### 7. Prevention of access by a public authority

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 9 inclusive are payable provided that the *sum insured* expressed against the relevant item(s) in the *schedule* is not otherwise exhausted.

#### 1. Computer installation

We will treat *damage* to computer installations, including any ancillary equipment and *electronic data processing media*, utilised by *you* in *your business* in *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 Property Damage cover section if the computer facilities had been insured under that cover section;
- (b) the *damage* results in *you* being unable to utilise a computer installation or any ancillary equipment in *your business*; and
- (c) the *damage* results in interruption of or interference with *your business*.

## 2. Customers and suppliers

We will treat *damage* to unspecified property within *Australia* at:

- (a) the *premises* of *your* suppliers, manufacturers or processors of component goods, materials or services (other than those services provided by any utilities) which supply the *business* directly including their direct suppliers; or
- (b) the *premises* of customers of goods or materials or services including their direct suppliers and customers;
- (c) storage premises neither owned nor operated by *you* where *you* store goods or materials; or
- (d) any other premises, including construction sites, where *you* are engaged in the performance of work in connection with the *business*,

as *damage* for the purpose of this *cover section*, provided that our liability will not exceed 20% of the *sum insured* applicable to this *cover section* or the percentage shown in this *schedule* whichever is the higher.

## 3. Deferral of Indemnity Period

If we agree that *damage* during the *period of insurance* is covered under this *cover section*, commencement of the *indemnity period* may be deferred ('Deferred Indemnity Period') to a later date at *your* option and with our consent, which shall not be unreasonably held.

Provided that the Deferred Indemnity Period commences within:

- (a) the number of months specified in the *schedule* as the *indemnity period*; or
- (b) 12 months from the date the *damage* occurred,

whichever is the earlier.

Provided further, that:

- (i) the request for the Deferred Indemnity Period must be made by *you* within the period the Deferred Indemnity Period commences, as determined above; and
- (ii) the Deferred Indemnity Period shall not extend the length of the *indemnity period* shown in the *schedule* or as varied by any Additional Benefit in this *cover section*; and
- (iii) the Deferred Indemnity Period shall in no way alter, derogate or amend the coverage under this *cover section*.

## 4. 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 *Australia*; or
- (b) while in transit to any place in *Australia*;

as *damage* for the purpose of this *cover section*, if the following apply:

- (i) the *damage* would have been covered under Property Damage *cover section* if the documents and *electronic data* files had been insured under that section;
- (ii) the *damage* results in interruption of or interference with *your business*.

We will not cover *you* for more than 20% of the *sum insured* applicable to this *cover section* or the percentage shown in this *schedule* whichever is the higher.

## 5. Loss of attraction

If *your business* is located within a multi-tenanted commercial complex, we will treat *damage* to property of a major tenant as being *damage* for the purposes of this *cover section* provided that:

- (a) the *damage* to the property of the major tenant would have been covered under the Property Damage *cover section* if such *damage* had been to *property insured* under that *cover section*;
- (b) the *damage* results in a reduced pedestrian count in such complex; and
- (c) the *damage* results in interruption of or interference with *your business*.

## 6. Roads, bridges and railway lines

We will treat *damage* to roads, bridges and/or railway lines within *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* would have been covered under the Property Damage cover section if such *damage* had been to *property insured* under that cover section;
- (b) the *damage* results in not being able to convey *stock*, components or materials used in *your business* to and from *your premises*;
- (c) the *damage* results in interruption of or interference with *your business*.

## 7. 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 *Australia* not occupied by *you*. Our total liability under this Additional Benefit will not exceed 20% of the *sum insured*.

## 8. 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 *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 occurrence.

## 9. Utilities

We will treat *damage* to the following utilities:

- (a) any electricity supply system;
- (b) any gas supply system;
- (c) water supply or sewerage works; or
- (d) any telecommunications system that is land-based within *Australia* and supplies *your business*,  
as *damage* for the purposes of this cover section, if the following apply:
  - (i) the *damage* would have been covered under the Property Damage cover section if such *damage* had been to *property insured* under that cover section;
  - (ii) the interruption of the supply extends for greater than 48 hours unless the utility which was damaged was at or immediately adjacent to *your premises*;
  - (iii) the *damage* results in hindering or stopping the supply of electricity, gas, water or sewage or telecommunications to the *premises* or sewage from the *premises*; or
  - (iv) the *damage* results in interruption of or interference with *your business*.

## Optional Extensions of Cover

We will provide the following optional Extensions of Cover when requested by *you*, when *you* pay any additional premium required and when shown on *your schedule* as applying.

### 1. Goodwill

Following *damage* to any *building* at the *premises* we will pay, up to the sub-limit of liability shown in the *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 *buildings* not being repaired; and
- (c) the cause of the *damage* to the *buildings* would have been covered by 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* or *weekly revenue* that results from an interruption to *your business* that is caused by *damage* that occurs in *Australia* to:

- (a) Specified suppliers  
property at the premises of *your* suppliers shown in the *schedule* up to an amount calculated by applying the percentage shown in the *schedule* to the *sum insured* for *gross profit*, *annual revenue* or *weekly revenue*.
- (b) Specified customers  
property at the premises of *your* customers shown in the *schedule* up to an amount calculated by applying the percentage shown in the *schedule* to the *sum insured* for *gross profit*, *annual revenue* or *weekly revenue*.

## Cover Section Conditions

### 1. 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.

### 2. Reinstatement of sum insured

If we pay an amount for a claim under this cover section we will automatically reinstate the *sum insured* to the amount shown on the *schedule*. *You* will not be required to pay any additional *premium*.

This condition does not apply if we pay the full *sum insured* for *property insured* in respect of a single claim under this cover section.

# Public and Products Liability

## Introduction

This *cover section* only forms part of *your* policy when Public and Products Liability is shown in the *schedule* and is limited to the *period of insurance* indicated.

## Definitions

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

### Advertising injury

*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 (Commonwealth) or Schedule 2 to the Competition and Consumer Act 2010 (the Australian Consumer Law) or any Fair Trading or similar legislation of any country, state or territory; or
- (c) as 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

*business* for the purpose of this *cover section* only, means the Business as described in the *schedule* (or as further described in any more specific underwriting information or *proposal* 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 fire fighting service by *you* or on *your* behalf;
- (f) private work undertaken by *your employees* for any of *your* directors, partners, proprietors, officers or executives;
- (g) the provision of any canteen, social and/or sporting clubs or welfare and/or child care facilities by *you* or on *your* behalf, which are primarily for the benefit of *your employees*.

### Compensation

*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

*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

*excess* for the purpose of this *cover section* only, 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 *schedule*. The *excess* applies to all amounts for which we will be liable, including the indemnity provided for defence costs and supplementary payments.

**General liability**

*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 limits**

*geographical limits* 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*; and
  - (ii) *products* exported to *North America* without your knowledge.

**Incidental contracts**

*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 *schedule*.

**Limit of liability**

*limit of liability* for the purpose of this cover section only, means the limits specified in the *schedule*.

**Medical persons**

*medical persons* includes but is not limited to medical practitioners, medical nurses, dentists and first aid attendants.

**Named insured**

*named insured* means:

- (a) the person(s), corporations and/or other organisations specified in the *schedule*;
- (b) all existing *subsidiary* and/or controlled corporations (including *subsidiaries* thereof) of the specified *insured* incorporated in *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 *Australia*, which are constituted or acquired by the *named insured* after the commencement of the *period of insurance* and notified to us as per the requirements of General Condition 6 'Acquisition of companies';
- (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.



## **Occurrence**

*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 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**

*personal injury* for the purpose of this cover section only, 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**

*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; or
- (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**

*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**

*property damage* means:

- (a) the 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**

*tool of trade* means a *vehicle* that has tools, implements, machinery or plant attached to or towed by the *vehicle* and is being used by *you* at *your premises* or on any *work site*. *Tool of trade* does not include any *vehicle* whilst travelling to or from a *work site* or *vehicles* that are used to carry goods to or from any premises.

**Work site**

*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**

*you / your / insured* for the purpose of this *cover section* only, means each of the following is an insured to the extent specified below:

- (a) the *named insured*;
- (b) every past, present or future director, stockholder or shareholder, partner, proprietor, officer, executive or *employee* of the *named insured* (including the spouse or any *family* member of any such person while accompanying such person on any commercial trip or function in connection with the *business*), 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 fire fighting services, charities, welfare and/or child care facilities, while acting in their respective capacities as such;
- (g) any director, partner, proprietor, officer or executive of the *named insured* in respect of private work undertaken by the *named insured's employees* for such person and any *employee* whilst actually undertaking such work;
- (h) the estates, legal representatives, heirs or assigns of:
  - (i) any deceased or insolvent persons; or
  - (ii) persons who are unable to manage their own affairs by reason of mental disorder or incapacity, who would otherwise be indemnified by this 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.

## Cover

We agree (subject to the terms, Claims Conditions, General Policy Conditions, Exclusions, definitions and *limits of liability* incorporated herein) 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) 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 *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:

1. the 'Claims preparation expenses' provision under 'Our Agreement';
2. the 'Defence costs and supplementary payments' clause above;
3. sub-paragraph (e) of Additional Benefit 'Property in your physical and legal control' below,

for:

- (a) for *general liability* the *limit of liability* specified in the *schedule* represents the maximum amount which we shall be liable to pay in respect of any one claim or series of claims arising out of any one *occurrence*;
- (b) for *products liability* the *limit of liability* specified in the *schedule* represents the maximum amount which we shall be liable to pay in respect of any one claim or series of claims for all *premises*, and in the aggregate for all *premises* 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

We also provide the following Additional Benefit in respect to this *cover section*.

#### 1. Property in your physical or legal control

Exclusion 17 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*, but no cover is provided by this policy if *you* have assumed the responsibility to insure such premises;
- (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*;
- (e) notwithstanding 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 \$250,000 or the amount specified in the *schedule*, if higher, 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 *schedule*.

## Exclusions

We do not cover any liability:

### 1. Advertising injury

in respect of *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 or hovercraft

for *personal injury* and/or *property damage* arising from:

- (a) the ownership, maintenance, operation, or use by *you* of any *aircraft* or *hovercraft*; or
- (b) any property used for the purpose of an airport or any *aircraft* landing strip.

### 3. Aircraft products

arising out of *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

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

- (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

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* 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 *schedule* or in any *endorsement(s)* to this policy.

## 7. Damage to products

for *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. Data

arising out of:

- (a) the communication, display, distribution or publication of *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 *data*;
- (c) error in creating, amending, entering, deleting or using *data*;
- (d) the total or partial inability to receive, send, access or use *data* for any time or at all,

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

## 9. Defamation

for 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.

## 10. Employers liability

- (a) for 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 this policy will respond to the extent that *your* liability would not be covered under any such policy, fund, scheme or self insurance arrangement had *you* complied with *your* obligations pursuant to such law;

- (b) imposed by:
  - (i) the provisions of any industrial award or agreement or determination or any contract of employment or workplace agreement where such liability would not have been imposed in the absence of such industrial award or agreement or determination or contract of employment or workplace agreement;
  - (ii) any law relating to *employment practices*.

For the purpose of Exclusions 10 (a) and 10 (b):

- (i) the term 'Worker' means any person deemed to be employed by *you* pursuant to any Workers Compensation Law. Voluntary workers, secondees and work experience students (if any) shall not be deemed to be *your employees*.
- (ii) the term 'Bodily Injury' means bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and/or mental injury, including loss of consortium or services resulting therefrom.

**11. Faulty workmanship**

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

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

for any fines, penalties, punitive exemplary or aggravated damages.

**13. Liquidated damages**

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

**14. Loss of use**

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

- (a) a delay in or lack of performance by *you* or on *your* behalf of any contract or agreement; or
- (b) failure of any *products* or work performed by *you* or on *your* behalf to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by *you*; but this Exclusion 14 (b) shall not apply to *your* liability for loss of use of other tangible property resulting from sudden and accidental physical loss, destruction of or damage to any *products* or work performed by *you* or on *your* behalf after such *products* or work have been put to use by any person or organisation other than *you*.

**15. Pollution**

- (a) for *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) for 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 15 (a) and 15 (b) 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 time and place.

**16. Product guarantee**

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

**17. Property in your physical or legal control**

for *loss* of or *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'.

**18. Property owned by you**

for *property damage* to property owned by *you*.



## 19. Product recall

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

## 20. Vehicles

for *personal injury* or *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);

Provided that Exclusions 20 (a) and 20 (b) shall not apply to:

- (i) *personal injury* where:
  - (1) that compulsory liability insurance or statutory indemnity does not provide indemnity; and
  - (2) 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 *Australia*) in the event of *your* inadvertent and unintentional failure to effect Conditional Registration; or
- (vii) *property damage* arising out of the movement by *you* or by any *employees of yours* of any *vehicle* or trailer not belonging to *you* which is interfering with access to or from *your premises* or any *worksite* where *you* are carrying out work, provided that 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* will be \$10,000.

## 21. Watercraft

for *personal injury* or *property damage* arising from the ownership, operation or use by *you* of any *watercraft* exceeding ten (10) metres in length, whilst such *watercraft* is on, in or under water.

Provided that Exclusion 21 shall not apply with regard to claims arising out of:

- (i) *watercraft* used in operations carried out by any independent contractors for whose conduct *you* may be held liable; or
- (ii) *watercraft* owned and operated by other and used by *you* for *your business* entertainment.

## Cover Section Conditions

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

### 1. Notification of occurrence, claim or suit

*You* shall give:

- (a) written notice (including facsimile transmission) via *your* Steadfast intermediary, to us, 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 us 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 this 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 this policy in connection with, such claim(s) except for defence costs and supplementary payments:
  - (i) recoverable from *you* in respect of the period prior to the date of such payment (whether or not pursuant to an order made subsequently); or
  - (ii) incurred by us, or by *you* with our written consent, prior to the date of such payment.

### 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 4 (a) and 4 (b) 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, claims conditions, General Policy conditions, exclusions and definitions of this 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 *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 this policy and within 3 years after the final termination of this policy but only with regard to matters which in our opinion are relevant to this 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 this 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 *limit of liability* 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.

# Theft

## Introduction

This *cover section* only forms part of *your* policy when Theft is shown in the *schedule* and is limited to the *period of insurance* indicated.

This section of the policy covers the loss of *your contents* and *stock* from theft, attempted theft, armed hold up or an actual or threatened assault. *You* are not covered for theft of *contents* and *stock* kept in the open air unless *you* have taken the Optional Extension of Cover 'Theft of property insured in the open air'.

## Definitions

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

### Category or Categories

*category* or *categories* means the category into which property can be designated from the following:

- (a) All *contents* including *stock*;
- (b) All *contents* excluding *stock*;
- (c) *stock* including goods for which *you* are responsible but excluding *cigarettes*, *cigars* and *tobacco*;
- (d) *cigarettes*, *cigars* and *tobacco*;
- (e) alcohol;
- (f) Specified Items listed in the *schedule*.

### Cigarettes, cigars and tobacco

*cigarettes*, *cigars* and *tobacco* means cigarettes, cigars and tobacco used or sold by *you* in the *business*.

## Cover

We will cover *you* for loss of or damage to *your contents* and *stock* occurring during the *period of insurance* at *your premises* caused by theft by:

1. any person who forcibly and violently enters or attempts to enter the *premises*;
2. any person unlawfully concealed at the *premises*;
3. any person who threatens or commits physical violence to *you*, *your employees* or other persons;
4. armed hold-up at the *premises*;
5. any person who breaks into any locked cabinet and/or counter and/or showcase which is located at the *premises*.

### Basis of Settlement

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 *electronic equipment* or *contents*:
  - (i) repair or replace the *electronic equipment* or *contents*; or
  - (ii) pay *you* the cost of repair or replacement of the *electronic equipment* or *contents*.
- (c) pay the *sum insured* for a specified item.

For each specific *category* or *categories*, we will not pay more than the *sum insured* shown on the current *schedule* for this *cover section*, except to the extent stated under the headings 'Extra Covers' and 'Additional Benefits'.

## Limitation of Cover

### 1. Excess

The excess that applies is shown on the *schedule*.

## Extra Covers

We will also pay or provide the Extra Covers set out below.

Any amounts payable under these Extra Covers apply in addition to the *sum insured*.

### 1. Damage to business premises

If *you* are the property owner, we will cover *you* for the cost to repair *your property insured* caused by theft or attempted theft. The maximum amount we will pay for this Extra Cover is \$20,000 any one *event*.

This limit is in addition to the *sum insured*.

### 2. Damage to rented premises

If *you* are the tenant, we will cover *you* for damage to the *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 occurring during the *period of insurance*.

The maximum we will pay for any one claim under this Extra Cover is \$20,000 any one *event* or the amount shown in the *schedule*.

### 3. Seasonal increase period

We will automatically increase the *sum insured* in respect of *stock* by 50% during the *seasonal increase period*.

### 4. Removal of debris

We will pay the cost of removal of debris and of cleaning up any damage resulting from theft or attempted theft of *property insured*.

Provided that we will not pay more than \$5,000 for any one claim.

Provided that any cover given under this Extra Cover shall not accumulate with any similar cover that may be given under the Money cover *section*.

### 5. Removal of debris following forensic investigation

We will pay 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*.

Provided that we will not pay more than \$2,000 for any one claim.

Provided that any cover given under this Extra Cover shall not accumulate with any similar cover that may be given under the Money cover *section*.

### 6. Temporary protection and security guards

We will pay 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 *building* pending repair of damage to the *building* caused by a theft or attempted theft.

We will not pay more than \$10,000 as a result of any one *event*.

Provided that any cover given under this Extra Cover shall not accumulate with any similar cover that may be given under the Money cover *section*.

### 7. Metered water charges

We will pay the costs levied on *you* by a Water Company or Authority for metered water usage arising from the theft of *insured property* or water at the *premises*.

We will not pay more than \$10,000 in total any one *event*.

Provided that any cover given under this Extra Cover shall not accumulate with any similar cover that may be given under the Property Damage cover *section*.

## Additional Benefits

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

### 1. Directors and employees tools of trade and personal effects

We will pay for loss of or damage to directors and *employees* tools of trade and personal effects caused by theft as if they were *contents*.

We will not pay more \$10,000 overall in respect of any one *event*.

This limit is in addition to the *sum insured*.

### 2. Employee dishonesty

We will cover *you* for loss to *stock, contents or electronic equipment* as a direct result of *employee* dishonesty during the *period of insurance* which is discovered within 45 days of the *employee* dishonesty occurring.

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 *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*.

We will not cover any claims under this Additional Benefit if *you* are insured under Employee Fraud *cover section*.

### 3. Death benefit

If any person is injured while protecting or attempting to protect *property insured* from theft or attempted theft and death results from this 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 the Theft *cover section*.

This is in addition to the *sum insured*.

### 4. Illegal Use of Corporate Financial Transaction Card

If the policy covers *contents* and any corporate credit and/or debit card used by the *business* is lost or stolen during the *period of insurance*, we will pay any financial loss sustained by *you* arising from the illegal use of the card by an unauthorised person.

We will not pay:

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

## 5. Illegal Electronic Funds Transfer

If the policy covers *contents* and following entry into the *premises* arising from one of the events listed under the heading 'Cover', we will pay any financial loss sustained by *you* arising from the electronic transfer of funds from *your* bank account to a bank account not controlled by *you*.

We will not pay:

- (a) 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 employee* or by any member of *your family*;
- (b) transfer of *money* via electronic funds transfer which was enabled by:
  - (i) a key; or
  - (ii) use of details of a combination, code or password, that are left in the *building* outside *business hours*;
- (c) more than \$10,000 in total for any one *event*.

## 6. Replacement of locks and keys

We will pay the reasonable cost of replacing locks, keys, magnetic keys, cards or similar devices and combinations used in the *business* if:

- (a) as a result of theft covered under this *cover section*, keys or combinations are stolen or 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 of letters become known by any unauthorised person or are accidentally lost;
- (d) circumstances have allowed the unauthorised duplication of keys, magnetic keys or cards or similar devices.

We will also pay the reasonable cost of:

- (e) opening *safes* and *strongrooms* because of the theft of or loss of keys or combinations during a theft;
- (f) replacing and developing security film exposed because of theft or attempted theft;
- (g) restoring the security system to its former functionality following a theft or attempted theft that is covered by this *cover section*.

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

Provided that any cover given under this Additional Benefit shall not accumulate with any similar cover that may be given under the Money *cover section*.

This is in addition to the *sum insured*.

## 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 *Australia*. We will not pay more than \$25,000 during any one *period of insurance*.

This is in addition to the *sum insured*.

## 8. Temporary cover for new premises

We will cover *you* for loss of *stock* or *contents* at any new premises which *you* first occupy during the *period of insurance* provided that:

- (a) cover is limited to a period of 90 consecutive days from the day that *you* first use the new premises;
- (b) cover is not available to property that cannot be correctly designated to one of the *categories* that are shown as insured in the *schedule*;



- (c) cover is only available to *contents* or *stock* that is of a similar type to that insured by this *cover section*;
- (d) for each specific *category* of property shown in the *schedule* cover is limited to 50% of the *sum insured* for that *category*; or
- (e) if more than one *premises* is shown in the *schedule* then this 50% limitation will apply to the lowest *sum insured* that applies to the specific *category* of property; and
- (f) the new premises have building and security features that are similar to those at one of the *premises* shown in the *schedule* having the same occupation.

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

If we agree to cover *stock* or *contents* at the new premises beyond the 90 consecutive day period, you must pay any additional *premium* we ask for.

## 9. Temporary removal

We will cover *your property insured* while temporarily removed to any other premises within *Australia*.

Provided that:

- (a) We will not cover *cigarettes*, *cigars* and *tobacco* products or alcoholic beverages.
- (b) We will not cover *stock* that is on consignment to other parties unless it is owned by you or is property for which you are responsible.
- (c) The maximum amount we will pay for this Additional Benefit will be 20% of the *sum insured*.
- (d) This Additional Benefit will not apply to any *property insured*, which has been removed for a period greater than 90 days without our prior written consent.

## 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 the *building*.

We will not cover you for more than:

- (a) \$25,000; or
- (b) the *contents sum insured*,

whichever is the lesser during the *period of insurance*.

## 11. Theft without forcible and violent entry (not property 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* as a result of a theft or attempted theft where there are no signs of forcible and violent entry to or exit from the *building*.

The amount we will pay is limited to:

- (a) \$20,000; or
  - (b) the *sum insured* shown for 'Theft without forcible and violent entry' on the current *schedule*,
- whichever is the higher, for any one event.

We will not cover you if the theft or attempted theft is from any open-sided structure such as, but not limited to, verandas or yards or other open spaces even if they are partially or fully enclosed. This Additional Benefit does not cover loss as a result of unexplained disappearance, shoplifting, unexplained or inventory shortage, clerical or accounting errors or shortage in supply or delivery to or from the *business premises*.

## 12. Theft of property insured in the open air

We will cover *you* for theft without forcible and violent entry of *property insured* in the open air but within the boundaries of the *premises* or contained in an unlocked *building*, up to the amount shown in the *schedule*. We will not pay more than \$5,000 or the *sum insured* shown on the current *schedule* whichever is the higher.

We will not cover *you* for the theft of property in the open air unless the *premises* outside *business hours* are fully enclosed by a locked walls or cyclone fence with padlocks or by an electronic security locking system.

## Exclusions

We will not pay for:

### 1. Theft by persons

loss of, or damage to, property committed by:

- (a) *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*; or
- (b) any person or persons while lawfully at the *building*.

### 2. Property

loss 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) *vehicles*, unless they are:
  - (i) *stock*; or
  - (ii) fork lift trucks and similar appliances that are used for hauling or conveying goods at the *premises*;
- (d) *animals* including live *animals* classified 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 or damage of *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' and Additional Benefit 12 'Theft of property in the open air'.

### 5. Access

loss or damage to *property insured* if entry is gained to the *building*:

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

Except as provided for under:

- (i) Additional Benefit 2, Employee dishonesty;
- (ii) Additional Benefit 11, Theft without forcible and violent entry (not property in the open air); and
- (iii) Additional Benefit 12, Theft of property in the open air.

## Cover Section Conditions

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 on the schedule. You will not have to pay any additional premium.*

# Money

## Introduction

This *cover section* only forms part of *your* policy when Money is shown in the *schedule* and is limited to the *period of insurance* indicated.

This section of the policy 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 *your premises*.

## Definitions

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

### Financial service provider

*financial service provider* means a bank, building society or credit union or an agency for any of these.

### In custody

*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

*in transit* means *money* in *your* personal custody or in the custody of persons authorised by *you* whilst in transit within *Australia*. Transit is deemed to commence when the *safe or strongroom* is unlocked for the removal and immediate transport of the *money* from the building. *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 service 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 *employees*.

### Money

*money* means for the purposes of the *cover section* only, *money* has the meaning in the general definitions and also includes funds held in electronic form in a bank account.

## Cover

### 1. Blanket cover

When Blanket Cover is shown in the *schedule*, cover is provided in all of the circumstances described below within the categories of *money*, as if all of the Specified Covers were shown in the *schedule*.

### 2. Specified cover

When Specified Cover is shown in the *schedule*, we will cover *you* for loss of or damage to *money* occurring during the *period of insurance* the following categories of *money* described below and shown on the *schedule*:

- (a) Money in transit;
- (b) Money on the premises;
- (c) Money in a securely locked safe or strongroom; or
- (d) Money in custody.

## Basis of Settlement

The maximum amount we will pay is the *sum insured* shown on the *schedule* in respect of categories of *money*:

- (a) *money in transit* at the time of the loss or damage is the *money in transit sum insured*;
- (b) *money* on the *premises* during *business hours* at the time of the loss or damage is the *money in the building during business hours sum insured*. The maximum we will pay for *money* on the *premises* outside *business hours* is \$2,000, unless the *money* is contained in (c) below;
- (c) *money* in the *building* in securely locked *safe or strongroom* at the time of the loss or damage is the *money in the building in securely locked safe or strongroom sum insured*; or
- (d) *money in custody* at the time of the loss or damage is the *money in custody sum insured*.

If we agree to pay a claim for loss of or damage to *money* (other than certificates of stock, bonds, coupons and all other types of securities or travellers cheques) we will pay the amount of *money* lost or damaged.

In the case of any certificates of stock, bonds, coupons and all other types of securities the amount of the securities will be calculated as follows:

- (a) if the securities can with our approval be replaced, the cost of replacement paid or payable by *you*; or
- (b) otherwise, the greater of:
  - (i) the price for which *you* purchased them; or
  - (ii) the closing market value on the last business day prior to the date of discovery by *you* of the loss or destruction of the securities; or
  - (iii) if the time of discovery by *you* is after the close of the market, their closing market value on the day of discovery by *you*.

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 the *safe or strongroom* is lost or damaged, we will, at our option:

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

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

## Limitation of Cover

### 1. Excess

The excess that applies is shown on the *schedule*.

## Extra Covers

If we agree to pay a claim under this *cover section* for loss or damage to *money*, we will also pay or provide these Extra Covers set out below.

Any amounts payable under these Extra Covers apply in addition to the *sum insured*.

### 1. Reinstatement of sum insured

When a *sum insured* is reduced following a loss we will automatically increase this reduced *sum insured* to its value immediately before the loss.

However:

- (a) the maximum amount we will pay during the *period of insurance* is limited to twice the *sum insured*; and
- (b) *you* pay or agree to pay any additional *premium* we require.

### 2. Seasonal increase period

We will automatically increase the *sum insured* in respect of *money* by 50% during the *seasonal increase period*.

### 3. Removal of debris

We will pay the cost of removal of debris and of cleaning up any damage resulting from theft or attempted theft of *property insured*.

Provided that we will not pay more than \$5,000 for any one claim.

Provided that any cover given under this Extra Cover shall not accumulate with any similar cover that may be given under the Theft *cover section*.

### 4. Removal of debris following forensic investigation

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

Provided that we will not pay more than \$2,000 for any one claim.

Provided 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. 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 as a result of any one *event*.

Provided 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

We also provide the following Additional Benefits.

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 *sum insured* for *money* is automatically increased by 100% or \$75,000 whichever is the lesser on days that are gazetted bank or public holidays. This increase shall apply up until bank closing time on the next business day after such holiday.

This Additional Benefit does not apply to damage to *safes* or *strongrooms* and to *seasonal increase period*.

## **2. 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*.

## **3. Death benefit**

If any person is injured while protecting or attempting to protect *money* from theft or attempted theft and death results from this 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 the Theft *cover section*.

## **4. 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 covered under this *cover section*.

We will not cover *you* for more than \$6,000 for any one person's clothes or personal effects, and \$10,000 for any one *event*.

If *you* are insured under the Theft *cover section* the benefits payable under this Additional Benefit shall not be cumulative.

## **5. Employee dishonesty**

We will cover *you* for loss of *money* as a direct result of *employee* dishonesty during the *period of insurance* if discovered within 45 days of the *employee* dishonesty occurring.

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 *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*.

We will not pay any claims under this Additional Benefit if *you* are insured under the Employee Fraud *cover section* and further provided that any cover given under this Additional Benefit shall not accumulate with any similar cover that may be given under the Theft *cover section*.

## **6. Illegal use of financial transaction or credit cards**

Subject to a limit of \$5,000 in total any one loss or *event*, cover is included for financial loss arising from the 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 *your employees* or any other person acting in collusion with an *employee of yours*.

Provided that any cover given under this Additional Benefit shall not accumulate with any similar cover that may be given under the Theft *cover section*.



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

If *money* is stolen or there is an attempt at stealing *your money* from *your safe or strongroom* or cash carrying bag, we will pay *you*:

- (a) the cost of opening the *safe or strongroom* and of repairing or replacing any loss or damage to the *safe or strongroom* that was caused by the theft or attempted theft;
- (b) for loss of or damage to *your* cash carrying bag that was caused by the theft or attempted theft.

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

## **8. 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* during the *period of insurance* if:

- (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;
- (d) circumstances have allowed the unauthorised duplication of keys, magnetic keys or cards or similar devices.

We will also pay the reasonable cost of:

- (e) opening *safes or strongrooms* because of the theft of keys or combinations during a theft of *money* covered under this *cover section*;
- (f) developing images stored on *media* from security camera following a theft or attempted theft of *money* covered under this section.

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

Provided that any cover given under this Additional Benefit shall not accumulate with any similar cover that may be given under the Theft *cover section*.

## **9. 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 *Australia*, for 90 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 *schedule*; and
- (b) the *money* insured described in the *schedule*.

Our maximum liability under this Additional Benefit is limited to 50% of the *sum insured* shown in the *schedule* in relation to each item of *money* covered under this *cover section*.

*You* must provide us with full details of the new premises.

If we agree to cover *money* at the additional premises beyond this 90 day period, we may require payment of an additional *premium*.

## **10. Traveller's Money**

We will pay *you* for loss of *money* in *your* custody, or in the custody of *your employee*, while *you* are travelling on *your business* anywhere in the world provided that the total amount payable under this Additional Benefit is limited to \$10,000 in total any one *event*.

## Exclusions

This *cover section* does not cover:

**1. ATMs**

Loss or damage to *money* that does not belong to *you* in or from an *ATM*.

**2. Consequential loss**

Loss of use, loss of earning capacity and any other *consequential loss*.

**3. Key or combination in building**

Loss or damage of *money* from any *safe* or *strongroom* opened by a key or by use of details of a combination that are left in the *building* outside *business hours*.

**4. Loss outside the Commonwealth of Australia**

Loss or damage to *money* occurring outside *Australia* except as provided under Additional Benefit 10 'Traveller's Money'.

**5. Missing money**

Loss or damage of *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 5 'Employee dishonesty'; 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 Additional Benefit 5 'Employee dishonesty'.

**6. Professional carrier**

Loss or damage to *money* while professional money carriers, professional carriers or common carriers are carrying it.

**7. Unattended**

Loss or damage to *money* in or from an unattended *vehicle* that is not locked.

# Glass

## Introduction

This *cover section* only forms part of *your* policy when Glass is shown in the *schedule* and is limited to the *period of insurance* indicated.

This section of the policy covers the *breakage* of *glass* which *you* own or for which *you* are legally responsible, occurring during the *period of insurance* at the *premises*.

## Definitions

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

### Breakage

*breakage* means:

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

### External glass

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

### Glass

*glass* means *external glass*, *internal glass*, and *specified glass*.

### Internal 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*.

### Sign

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

### Specified glass

*specified glass* means glass specifically designated in the *schedule* under Specified Glass.

## Cover

We will pay for the cost of replacement of 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 broken *glass*. We will also pay the extra cost necessarily incurred to comply with the minimum requirements of any statutory authority when replacing the *glass*.

## Limitation of Cover

### 1. Excess

The excess that applies is shown on the *schedule*.

## Extra Covers

When we agree to pay a claim under this *cover section* for loss or damage to *glass*, we will also pay or provide the Extra Covers set out below.

Any amounts payable under these Extra Covers apply in addition to the *sum insured*.

## 1. Costs

We will pay for the following costs provided they are reasonably incurred by *you* and are directly related to *breakage* of the *glass* covered under this *cover section*:

- (a) 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;
- (d) the cost incurred in repairing or replacing tiles on shop and office fronts and around the broken *glass*.

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 the sum of \$10,000.

## 2. Destruction of Stock or Contents

We will pay for destruction of or damage to *your stock* or *contents*, caused by broken *glass* following the *breakage* of *glass* where such *breakage* 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,
- whichever is the lesser.

## Additional Benefits

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

If *you* are a tenant of leased premises and *you* are responsible under the terms of a rental agreement for insuring *external glass*, we will pay for the cost of replacement of *external glass* which has suffered malicious damage. This Additional Benefit is payable even where there is no *breakage* of *external glass*.

We will not cover *you* for more than \$10,000 in the aggregate during the *period of insurance* for all claims under this Additional Benefit.

### 2. Signs

We will cover *you* for loss or damage to *signs* at the *premises* if they break during the *period of insurance*.

We will not pay more than \$10,000 for one claim under this Additional Benefit or any higher amount shown in the current *schedule* for *signs*. The admissibility of claims for damage to *signs* shall not be contingent upon other damage to *glass*.

## Exclusions

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, china ware or *glass* in a photo frame.

# General Property

## Introduction

This *cover section* only forms part of *your* policy when General Property is shown in the *schedule* and is limited to the *period of insurance* indicated.

This policy 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

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

### Accidental

*accidental* means unexpected and unintended from *your* standpoint.

### Specified items

*specified items* means each item of property that is specifically described on the *schedule*.

### Unspecified items

*unspecified items* means each item of property which is not a *specified item* but which is part of a group or class of property described generally on the *schedule*. The group or class described may include hand tools and hand held power tools.

## Cover

We will cover *you* for *accidental* loss or damage to *your property insured* occurring anywhere in the world during the *period of insurance*.

## Basis of Settlement

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.

If we replace or pay the cost of replacing any item of *property insured*, *you* no longer have any cover for that item or the replacement item.

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 in respect of any particular group or class of *unspecified items* is the *sum insured* for that group or class of *unspecified items* set out in the *schedule*.

## Limitation of Cover

### 1. Excess

The excess that applies is shown on the *schedule*. *You* are liable for the excess for each and every claim for an *event* that results in loss or damage.

## Extra Cover

If we agree to pay a claim under this *cover section* for loss or damage to property, we will also pay or provide this Extra Cover set out below.

### 1. Reinstatement

If we pay an amount for a claim under this *cover section* we will automatically reinstate the *sum insured* to the amount shown on the *schedule*. You will not have to pay any additional *premium*.

## Additional Benefit

We will also provide the following Additional Benefit in this *cover section*, subject to the conditions, limits, general exclusions and *cover section*.

Any amount payable under this Additional benefit shall 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.

This Additional Benefit does not cover theft committed by any member of your family or by any employee of yours or committed by any person whilst lawfully at your premises.

We will not cover you under this Additional Benefit unless the *property insured* was:

- (a) in a securely locked vehicle and the theft was consequent upon forcible and violent entry to the vehicle;
- (b) securely and permanently affixed to a building or vehicle and theft is consequent upon forcible and violent removal of the property;
- (c) in a vehicle and was securely chained to that vehicle by a steel chain and a security rated 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 insured*. However we will not cover any theft by a tenant;
- (e) securely locked in a building or any part of the building and the theft is consequent upon forcible and violent entry to the building or that part of the building.

However we will not cover any theft:

- (i) committed by any person while lawfully in the building;
- (ii) of *property insured* which is unattended in areas of the building; or
- (iii) stolen as a consequence of armed hold-up or the threat of physical violence.

We will not cover you for more than \$2,000 in any one *period of insurance* under this Additional Benefit.

## Exclusions

This *cover section* does not cover:

- (a) loss or damage to any *unspecified item* of property unless your *schedule* shows that you have cover for *unspecified items*;
- (b) loss or damage caused by or arising out of:
  - (i) wear and tear, fading, gradual deterioration or developing flaws, normal upkeep or making good, or any gradual cause;
  - (ii) moths, termites or other insects or vermin;
  - (iii) scratching, biting or chewing by any animal;
  - (iv) chipping, scratching, denting or marring that does not materially affect the use or operation of the *property insured*;
  - (v) change in colour, loss of weight, change in flavour, texture or finish;

- (vi) 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;
- (vii) mechanical, hydraulic, electrical or electronic breakdown, burn-out, failure, malfunction or derangement of any equipment or device;
- (viii) smut or smoke from industrial operations (other than sudden and unforeseen resultant damage);
- (ix) 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*;
- (x) faulty materials or faulty workmanship;
- (c) loss or damage to *money* or documents of any kind;
- (d) loss of use, loss of earning capacity and any other *consequential loss*;
- (e) loss or damage to property as a result of:
  - (i) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of *electronic data*;
  - (ii) breakdown or malfunction of the processing system including operator error or omission in creating, amending, loading, deleting or using *electronic data*;
  - (iii) total or partial inability or failure to receive, send, access or use *electronic data* for any time or at all;
  - (iv) an act committed by any member of *your family* or by any *employee* of *yours* or committed by any person whilst lawfully at *your premises*.



# Machinery

## Introduction

This *cover section* only forms part of *your* policy when Machinery is shown in the *schedule* and is limited to the *period of insurance* indicated.

## Definitions

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

### Boilers and pressure plant and pressure pipe systems

*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

*breakdown* means any sudden unforeseen physical loss or damage that may include, but is not limited to, the actual breaking, seizing, deformation, burning out, explosion or implosion of any part of the *machinery* sufficient to prevent the *machinery* undertaking its normal operation and necessitating repair or replacement before normal operation can be resume and which occurs during the *period of insurance*.

*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.

### Expendable items

*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

*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

*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; or
  - (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.

## Cover

We will cover *you* for:

- (a) *breakdown* of *machinery* which occurs at the *premises*; and
- (b) direct loss or damage to other *property insured* as a result of that *breakdown*, provided that the *breakdown* of *machinery* occurs during the *period of insurance*.

## Basis of Settlement

If we agree to pay a claim for *breakdown* of *machinery*, we will at our option repair, rebuild or replace any damaged item or pay for the cost of repairing, rebuilding or replacing. If we decide to replace the damaged item, we will replace the damaged property 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 *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.

The maximum we will pay is the *sum insured* as shown in the *schedule*.

1. 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 *breakdown*.
2. All *machinery* which can be repaired must be repaired. However should the item be uneconomical to repair due solely to the nature of the *breakdown*, settlement will be as follows:
  - (a) the cost of replacement of the *machinery* by an item of similar function, type, capacity and quality in a condition equal to, but not better than, the condition of the *machinery* when new; or
  - (b) the *sum insured* for the *machinery*.
3. We shall not be required to replace the *machinery* exactly, but only as circumstances permit.
4. 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.

## Limitations of Cover

### 1. Excess

You must pay the amount of any excess shown in the *schedule* for each claim *you* make.

## Extra Covers

If we agree to pay a claim under this *cover section* for *breakdown* of *machinery*, we will also pay or provide the Extra Covers set out below.

Any amounts payable under these Extra Covers apply in addition to the *sum insured*.

### 1. Extra costs

In the event of *breakdown* we will at our option pay to *you*, up to the *sum insured* less the applicable excess, the reasonable cost of repair or replacement necessary to return the *machinery* to their former state of operation including:

- (a) cost of dismantling, re-erection, cleaning up and removal of debris;
- (b) replacement of refrigerant or lubricating or insulating oil lost from *machinery* as a direct result of *breakdown*;
- (c) charges for overtime work on public holidays where necessarily and reasonably incurred;
- (d) freight within *Australia* by any recognised scheduled service;
- (e) overseas air freight by any recognised scheduled service and/or overseas labour;
- (f) the cost of temporary repairs and/or hire of a temporary replacement item during the time taken to repair damage to any *property insured*;
- (g) any customs duties and dues.

Provided that the total of all of these extra costs in clauses 1(c), 1(d), 1(e) and 1(f) are limited to 50% of the normal cost of repair payable under this part and shall be payable in addition to the *sum insured*, and the amount payable for the extra costs in clauses 1(a), 1(b) and 1(g) shall be subject to the applicable *sum insured* not otherwise exhausted.

### 2. 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 insured*.

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

### 3. 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.

### 4. 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*. Provided that where the *sum insured* is exhausted we will pay an additional amount of up to \$5,000 in respect of this Extra Cover.

## Additional Benefits

We will also provide the following Additional Benefits in this *cover section*, subject to the policy limits, conditions and exclusions except as provided otherwise.

### 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 on the *schedule* shall be the same as for similar items already insured.

## 2. Property damage caused by flying fragments

We will indemnify *you* for *breakdown* of property not insured under this *cover section* which is owned by *you* or if *you* are responsible for *breakdown* to it, provided:

- (a) the loss or damage occurred within the *premises* during the *period of insurance* as a direct result of impact from any part of an insured item from the *machinery*; and
- (b) the loss or damage is directly caused by *breakdown* and occurs in circumstances where cover is provided and not excluded under this *cover section*.

We will not pay more than the amount shown in the *schedule* and provided that the *sum insured* is not otherwise exhausted.

## 3. Increased Cost of Working

We will pay for costs incurred by *you* for the sole purpose of avoiding or diminishing a reduction in income from *your business* during the period that *your machinery* is damaged provided that:

- (a) these costs are additional to *your* normal operating costs;
- (b) these costs are incurred because of an interruption to *your* normal operations that directly results from *breakdown* to *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 \$2,500 or the amount shown in the *schedule*, if higher, for increased cost of working; and
- (e) We will not pay for any cost incurred during the first forty eight (48) hours following the loss.

## Exclusions

We will not cover *you* for:

1. the cost of repair or replacement of *expendable items* other than *expendable items* which are necessary for the repair.
2. the costs incurred in repairing wear and tear or gradual deterioration including:
  - (a) wear and tear due to normal operation;
  - (b) wearing or wasting away of material caused by normal operation or resulting from atmospheric conditions, rust, erosion, or oxidation;
  - (c) damage to a safety or protective device caused by its own operation;
  - (d) the chipping or scratching of painted or polished surfaces; or
  - (e) slowly developing deformation or distortion.
3. the cost of:
  - (a) carrying out of normal maintenance, such as the tightening of loose parts, recalibration or adjustments;
  - (b) alteration, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or at a separate operation;
  - (c) modification or alteration of insured plant to enable replacement or repair, caused by gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);
  - (d) replacement of lighting equipment, reticulated electrical wiring, reticulated liquid and gas piping and ducting;
  - (e) repair of scratches chipping or discolouration to painted or polished surfaces, unless resulting from insured damage;
  - (f) repair of a slowly developing deformation, distortion or fatigue of any part;
  - (g) repair of blisters, laminations, flaws or grooving even when accompanied by leakage;

- (h) repairs to valves, fittings, glands, joints, gaskets, pipes, lines and connections which are defective or leaking;
  - (i) repairs to shaft keys requiring tightening, fitting or renewal;
  - (j) damage caused by the movement of foundations, masonry or brick work unless this results from *breakdown* of any *machinery* or any part of *machinery*; or
  - (k) removal or installation of underground pumps and well casings. Unless specifically noted on the *schedule*, this exclusion does not apply to submersible pumps.
4. *breakdown* of *machinery* which you knew or reasonably should have known to be defective before the *breakdown* occurred.
  5. any loss of use or *consequential loss* of any kind.
  6. we will not cover 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) the sea, including tidal wave, tsunami or high-water;
    - (d) fire, smoke or soot;
    - (e) water seeping or percolating the *building* from outside;
    - (f) water, liquids or substances discharged or other means used to extinguish a fire;
    - (g) 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 *cover 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 2 'Hazardous substance'.

## Optional Extension of Cover A – Deterioration of Stock

### 1. Cover

If 'Deterioration of Stock' is shown in the *schedule* then we will pay up to the stated *sum insured* 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 this *cover section* for the *breakdown* of such *machinery*;
- (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 *machinery* or *pressure pipe systems*.

### 2. Basis of Settlement

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 Defined 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 on the current *schedule* for this optional cover, except to the extent stated during *seasonal increase period*.

### 3. Extra Covers

If we agree to pay a claim under this Optional Extension of Cover A – 'Deterioration of Stock', we will also pay or provide the Extra Covers set out below.

#### 1. 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*.

#### 2. Seasonal increase period

We will automatically increase the *sum insured* in respect of *stock* by 50% during the *seasonal increase period*.

### 4. Exclusions

In addition to the Exclusions for this *cover section*, we will not pay for:

- (a) any loss or damage due to shrinkage, inherent defects or diseases;
- (b) loss or damage caused by improper storage, collapse of the packing material or storage structure;
- (c) penalties or delay or detention or *consequential loss* or damage or liability of any nature whatsoever; and
- (d) loss or damage following loss of public power supply due to:
  - (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.

## 5. Special condition

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.

## Cover Section Conditions

### 1. Adherence to statutory requirements

If any insured 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 *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 insured equipment 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 *insured property*; 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*.



# Electronic Equipment

## Introduction

This *cover section* only forms part of *your* policy when Electronic Equipment is shown in the *schedule* and is limited to the *period of insurance* indicated.

## Definitions

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

### Breakdown

*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.

### Expendable items

*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

*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.

## Cover

We will cover *you* for:

- (a) *electronic equipment* which occurs at the *premises*; and
  - (b) direct loss or damage to other *property insured* as a result of that *breakdown*,
- provided that the *electronic equipment* occurs during the *period of insurance*.

## Basis of Settlement

If we agree to pay a claim for *breakdown of property insured*, we will at our option repair, rebuild or replace any damaged item or pay for the cost of repairing, rebuilding or replacing. If we decide to replace the damaged item, we will replace the damaged property 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 *computer equipment* or *electronic equipment* which is greater than the cost of repairing or replacing the entire piece of such *computer equipment* or *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*, we will not be liable to pay more than the cost necessary to repair, rebuild or replace the item at the time the *breakdown* occurred.

Where the *breakdown* is confined to a component or part of a *computer equipment* or *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 *computer equipment* or *electronic equipment*.

The maximum we will pay is the *sum insured* as shown in the *schedule*.

1. 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*.

2. 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 as follows:
  - (a) 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; or
  - (b) the *sum insured* for the *electronic equipment*.
3. We shall not be required to replace the *electronic equipment* exactly, but only as circumstances permit.
4. 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.

## Limitations of Cover

### 1. Depreciation

If we decide to pay you the cost to replace a laptop computer, notebook or desktop computer rather than repair it, we will apply depreciation based on the age of the computer, but not as a result of improvements in technology or functionality.

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

### 2. Excess

You must pay the amount of any excess shown in the *schedule* for each claim you make.

## 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*.

### 1. Extra costs

In the event of *breakdown* we will at our option pay to you, up to the *sum insured* less the applicable excess, the reasonable cost of repair or replacement necessary to return the *electronic equipment* to their former state of operation including:

- (a) cost of dismantling, re-erection, cleaning up and removal of debris;
- (b) replacement of refrigerant or lubricating or insulating oil lost from *electronic equipment* as a direct result of *breakdown*;
- (c) charges for overtime work on public holidays where necessarily and reasonably incurred;

- (d) freight within *Australia* by any recognised scheduled service;
- (e) overseas air freight by any recognised scheduled service and/or overseas labour;
- (f) the cost of temporary repairs and/or hire of a temporary replacement item during the time taken to repair damage to any *property insured*;
- (g) any customs duties and dues.

Provided that the total of all of these extra costs in clauses 1(c), 1(d), 1(e) and 1(f) are limited to 50% of the normal cost of repair payable under this part and shall be payable in addition to the *sum insured*, and 1(a), 1(b) and 1(g) shall be subject to the applicable *sum insured* not otherwise exhausted.

## 2. 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 insured*.

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

## 3. 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.

## 4. Repair costs

The cost of consulting 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.

## Additional Benefit

We will also provide the following Additional Benefit in this *cover section*, subject to the policy limits, conditions and exclusions except as provided otherwise.

### 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 *property insured* 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 on the *schedule* shall be the same as for similar items already insured.

### 2. Electronic equipment away from the premises

Cover is extended to:

- (a) loss or damage occurring during the *period of insurance* to laptop computers, notebooks, or mobile *electronic equipment* away from the *premises*;
- (b) *breakdown* of your laptop computers, notebooks, or mobile *electronic equipment* anywhere in *Australia* provided that the laptop computers, notebooks, or mobile *electronic equipment* are specified in the *schedule* under the General Property *cover section*.

### 3. Restoration of computer 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 the Electronic Equipment *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:

- (i) loss or distortion of *electronic data* due to defects in the *media*;
- (ii) any *consequential loss*;
- (iii) restoration of *electronic data* other than that which is lost or distorted after the most recent functional back-up;
- (iv) 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*;
- (v) loss or damage of, or distortion to, *electronic data* caused by a *computer virus*;
- (vi) 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:
  - (1) the erasure, destruction, corruption, misappropriation or misinterpretation of *electronic data*;
  - (2) any error in creating, amending, entering, deleting or using *electronic data*;
  - (3) the inability to receive, transmit or use *electronic data*; or
  - (4) 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 Electronic Equipment *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 \$15,000 or the amount shown in the *schedule* (whichever is the higher) for each claim under this Additional Benefit.

### 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 computers which we have agreed to pay a claim for under Electronic Equipment *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 Electronic Equipment *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 Electronic Equipment *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

We will not cover *you* for:

- (i) costs incurred in respect of the first two (2) working days following the *breakdown* of *your computer equipment*;
- (ii) 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.
- (iii) any increased costs that are not necessary and reasonable to minimise any interruption to the *business*;
- (iv) any *consequential loss*;
- (v) costs incurred after 90 days from the date of *breakdown*;
- (vi) expenses that are incurred in the replacement of the *media*;
- (vii) the cost of reinstating the *electronic data* contained on the *media*.

If we agree to pay a claim, we will pay the actual amount of the increased costs of working, less the charges and expenses of the *business* that cease or are reduced as a consequence of the loss or damage.

We will not pay more than \$15,000 or the amount shown in the *schedule* (whichever is the higher) for each claim under this Additional Benefit.

## Exclusions

We will not cover *you* for:

1. the cost of repair or replacement of *expendable items* other than *expendable items* which are necessary for the repair.
2. the costs incurred in repairing wear and tear or gradual deterioration including:
  - (a) wear and tear due to normal operation;
  - (b) wearing or wasting away of material caused by normal operation or resulting from atmospheric conditions, rust, erosion, or oxidation;
  - (c) damage to a safety or protective device caused by its own operation;
  - (d) the chipping or scratching of painted or polished surfaces; or
  - (e) slowly developing deformation or distortion.
3. the cost of:
  - (a) carrying out of normal maintenance, such as the tightening of loose parts, recalibration or adjustments;
  - (b) alteration, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or at a separate operation;
  - (c) modification or alteration of insured plant to enable replacement or repair, caused by gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);
  - (d) replacement of lighting equipment, reticulated electrical wiring, reticulated liquid and gas piping and ducting;
  - (e) repair of scratches chipping or discolouration to painted or polished surfaces, unless resulting from insured damage;
  - (f) repair of a slowly developing deformation, distortion or fatigue of any part;
  - (g) 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
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. we will not cover 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) the sea, including tidal wave, tsunami or high-water;
  - (d) fire, smoke or soot;
  - (e) water seeping or percolating the *building* from outside;
  - (f) water, liquids or substances discharged or other means used to extinguish a fire;
  - (g) 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 *cover 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 *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 2 'Hazardous substance'.

## Cover Section Conditions

### 1. Adherence to statutory requirements

If any insured 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 insured 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 *insured property*; 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*.



# Employee Fraud

## Introduction

This *cover section* only forms part of *your* policy when Employee Fraud Section is shown in the *schedule* and is limited to the *period of insurance* indicated.

This section of the policy covers *your loss* for theft of *your* property or *money* by any of *your employees* which occurs during the *period of insurance*.

## Definitions

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

### Employee fraud

*employee fraud* means the unlawful taking of *property* by *your employee*, whether acting alone or in collusion with others, with the intent to:

- (a) cause loss to *you*; or
- (b) benefit any person or organisation other than *you*.

### Property

*property* means any *property*, including *money*, that belongs to *you* or which *you* are legally responsible for.

### You or Your

*you* or *your*, for the purpose of this *cover section* only, is extended to include:

- (a) any superannuation or pension scheme formed by *you* and exclusively for the benefit of *employees*, but does not include any scheme that is administered by a professional funds manager; and
- (b) any welfare, social or sporting club formed with *your* knowledge and consent exclusively for the benefit of *employees* and their families.

## Cover

We will pay up to the *sum insured* for the value of *property* that is lost as a direct result of *employee fraud* that occurs during the *period of insurance*.

Provided that:

1. *you* are able to identify which of *your employees* are responsible; and
2. the *employee fraud* is discovered:
  - (a) during the *period of insurance*; or
  - (b) within one (1) *year* that follows the *period of insurance* or within one (1) *year* of the date upon which *your employee* committing the *employee fraud* ceased to be in *your* employment, whichever occurs first.

## Limitations of Cover

### 1. Excess

*You* are liable for the excess for each and every claim resulting from an *event*.

### 2. Discovery

We will not pay for any loss caused by a particular *employee* that occurs after:

- (a) *you* become aware of an act of *employee fraud* by that particular *employee*; or
- (b) *you* suspect that an *employee* has committed an act of *employee fraud*.

### 3. Reduced sum insured

The *sum insured* for the *period of insurance* will be reduced by any payment made or due to be made under this *cover section*.

## Extra Covers

If we agree to pay a claim under this *cover section* for *employee fraud*, we will also pay or provide these Extra Covers set out below.

### 1. Auditors and Accountants

We will accept as proof of *your* loss, a certified statement from *your* auditors or accountants that shows the value of the *property* that is lost.

### 2. Automatic reinstatement

When the *sum insured* is reduced following the discovery of *employee fraud* covered by this *cover section*, we will automatically increase the reduced amount to the *sum insured* shown in the *schedule*.

Provided that:

- (a) *you* pay the additional *premium* that we require;
- (b) the maximum amount we will pay for all acts of *employee fraud* involving a specific *employee* remains limited in the aggregate to the *sum insured*; and
- (c) such reinstatement shall occur only once.

### 3. Cost of recovery

When *you* sustain a loss that is greater than the *sum insured* paid for this *cover section*, we will pay up to an additional 20% of the *sum insured* for costs and expenses *you* have reasonably incurred in an attempt to recover lost *property*.

## Additional Benefits

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

### 1. Continuity of cover

If this *cover section* has been taken up in substitution for any prior *employee fraud* / crime policy / fidelity policy or similar coverage held by *you* with any other insurer and cover under this *cover section* commences immediately after cover under the prior policy/coverage ends, then this *cover section* extends to cover any *employee fraud* discovered during the *period of insurance* where that *employee fraud* is not covered by the previous policy/coverage solely because it was not discovered during the *period of insurance* of the previous policy/coverage or any applicable extended reporting period.

Provided that:

- (a) the amount of the loss shall form part of and will not be in addition to the *sum insured*;
- (b) the *property* lost would have been covered under this *cover section* if this *cover section* had been in force when the *employee fraud* causing the loss was committed; and
- (c) we will pay the lesser of:
  - (i) the amount which would have been payable under the prior policy/coverage if the prior policy/coverage had continued in force or had applied at the date of discovery of the *employee fraud*; or
  - (ii) the *sum insured* at the date of substitution.

### 2. Unidentifiable employee

If *you* suffer *employee fraud*, but are unable to identify the specific *employee* whose conduct has given rise to the loss, we will pay for the loss.

Provided that:

- (a) *you* have insured for the conduct of all *employees*; and
- (b) *you* can satisfactorily demonstrate that the loss was caused by the dishonest conduct of one or more *employees*.

## Exclusions

We will not pay for:

### 1. Trading losses

any loss resulting directly or indirectly from trading in securities or derivatives whether or not in *your* name and whether or not in a genuine or fictitious account.

### 2. Inventory / Profit and loss

loss where proof of its existence or amount depends on any comparison of inventory records with a physical count or a profit and loss computation.

## Special Condition

### 1. Recoveries

Following a loss, *you* must retain, to the extent allowed by law, all monies and other assets that are due to any of *your* employees involved in the loss as we will treat these monies or assets as a deduction from the amount of the loss.

**Zurich Australian Insurance Limited**  
ABN 13 000 296 640, AFS Licence No: 232507  
Head Office: 5 Blue Street, North Sydney NSW 2060

Client enquiries  
Telephone: 132 687  
[www.zurich.com.au](http://www.zurich.com.au)



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