

Commercial/Retail/Industrial

Business Pack Insurance Policy



COMMERCIAL/RETAIL/INDUSTRIAL POLICY

Welcome to QBE Australia

In this policy booklet you'll find all the information you need to know about the type of cover(s) available, our terms and conditions, and making a claim.

Please read this booklet and make sure that you are satisfied with what we offer.

Unless we have already agreed to issue a cover note, insurance protection only begins when we receive and accept your completed application form and the premium.

This booklet and the insurance schedule we send you form your legal contract with us, so please keep them together in a safe place.

Please do not hesitate to contact your broker or agent if you have any questions about this policy booklet or your insurance cover.

About QBE Australia

QBE Insurance (Australia) Limited is a member of the QBE Insurance Group (ASX: QBE). QBE Insurance Group is Australia's largest international general insurance and reinsurance group, and one of the top 25 insurers and reinsurers worldwide. The company has been operating in Australia since 1886 and continues to provide industry-leading insurance solutions that are focussed on the needs of intermediaries and their clients.

QBE is a household name in Australian insurance, backed by sizeable assets, and well known as a strong and financially secure organisation.

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COMMERCIAL/RETAIL/INDUSTRIAL POLICY

Important information

Insurer

The Policy is underwritten by QBE Insurance (Australia) Limited, ABN 78 003 191 035, AFS Licence No. 239545 of 82 Pitt Street, Sydney.

Information about your Policy

This is the Policy wording. It tells you:

- what the Policy covers,
- what the Policy does not cover,
- how to make a claim,
- Excesses, and
- other conditions.

Details of the insurance which are particular to you are shown on the Schedule which we send to you with the Policy wording.

The date when your insurance cover ends is particularly important.

Please read this Policy carefully and retain it in a safe place.

How Goods and Services Tax affects any payments we make

The amount of premium payable by you for this policy includes an amount on account of the GST on the premium.

When we pay a claim, your GST status will determine the amount we pay.

When you are:

- (a) not registered for GST, the amount we pay is the sum insured/limit of indemnity or the other limits of insurance cover including GST.
- (b) registered for GST, we will pay the sum insured/limit of indemnity or the other limits of insurance and where you are liable to pay an amount for GST in respect of an acquisition relevant to your claim (such as services to repair a Damaged item insured under the Policy) we will pay for the GST amount.

We will reduce the GST amount we pay for by the amount of any input tax credits to which you are or would be entitled if you made a relevant acquisition. In these circumstances, the Input Tax Credit may be claimable through your Business Activity Statement (BAS).

You must advise us of your correct Australian Business Number and Taxable Percentage.

Any GST liability arising from your incorrect advice is payable by you.

Where the settlement of your claim is less than the sum insured/limit of indemnity or the other limits of insurance cover, we will only pay an amount for GST (less your entitlement for Input Tax Credit) applicable to the settlement. This means that if these amounts are not sufficient to cover your loss, we will only pay the GST relating to our settlement of the claim.

We will (where relevant) pay you on your claim by reference to the GST exclusive amount of any supply made by any business of yours which is relevant to your claim.

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

Taxable Percentage is your entitlement to an Input Tax Credit on your premium as a percentage of the total GST on that premium.

Your Duty of Disclosure

The law requires you to tell us everything you know (or could reasonably be expected to know in the circumstances) which is relevant to our decision to insure you and the terms on which we insure you.

This duty applies before you enter into a contract with us, that is, before we accept your application and also before each time you alter or renew the policy.

Each person named as the Insured has the same duty.

Penalty for Non-disclosure

If you do not tell us everything that is relevant, we may:

- reduce or refuse to pay a claim,
- cancel your Policy, or
- invalidate the policy from its beginning and not be bound by it if you act fraudulently.

You don't need to tell us anything which

- reduces the risk,
- is common knowledge,
- we already know, or ought to know in the ordinary course of our business, or
- we indicate we do not want to know.

If you are not sure that something is relevant, it is best to disclose it anyway.

Also, be sure to notify us of any changes which affect your Policy.

Evidence of value

Please retain receipts of purchase or proof of the value of all property insured by this Policy so that you can prove the amount of any loss if you have to claim under this Policy.

Full insurance – Protect your assets

If you have elected to insure your building and contents for reinstatement and replacement costs (excluding stock), the sum insured should represent the full replacement value at new costs and if this is not done losses may not be paid in full. It is your responsibility to ensure adequacy of sums insured and you should re-assess these sums insured during the currency of the policy and prior to renewal each year.

Cooling-off information

If you want to return your insurance after your decision to buy it, you may cancel it and receive a full refund. To do this you may notify your Financial Services Provider electronically or in writing within 21 days from the date the Policy commenced.

This cooling-off right does not apply if you have made or are entitled to make a claim. Even after the cooling-off period ends, you still have cancellation rights however your Financial Services Provider may deduct certain amounts from any refund for administration costs or any non-refundable taxes.

If your Policy is for an event that will start and finish within the 21 day cooling-off period, you can only exercise your right before the event starts or the expiry of the cooling-off period, whichever is the earlier. For example, for travel insurance, the commencement of the journey is the event.

Preventing our right of recovery

If you have agreed not to seek compensation from another person who is liable to compensate you for any loss, damage or liability which is covered by this Policy we will not cover you under this Policy for that loss, damage or liability.

Third party interests

You must inform us of the interests of all third parties (eg. financiers, lessors) to be covered by this insurance. We will protect their interests only if you have informed us of them and we have noted them on the Certificate.

Our Agreement

We agree to provide you with the insurance cover set out in each of the Policy sections which you select and which are listed in the Schedule.

You have paid or agree to pay us the premium set out in the current Schedule.

The insurance cover is in force for the period of insurance set out in the Schedule. We will cover you for loss, damage and liability occurring during that period of insurance, subject to the provisions of the policy.

We will not pay any more than the sum insured or limit of liability for each section which is shown in the Schedule.

We will not pay the excesses shown in the Schedule. If any loss or damage leads to a claim under more than one Section of this Policy, you must pay the highest applicable excess, but you need to pay only one excess.

Privacy

Privacy legislation regulates the way private sector organisations can collect, use, keep secure and disclose personal information. We are bound by the Privacy Act 1988 (Cth.), when collecting and handling your personal information. QBE has developed a privacy policy which explains what sort of personal information we hold about you and what we do with it.

We will only collect personal information from or about you for the purpose of assessing your application for insurance and administering your insurance policy, including any claims you make. We will only use and disclose your personal information for a purpose you would reasonably expect.

We may need to disclose personal information to our reinsurers, (who may be located overseas), insurance intermediaries, insurance reference bureaux, credit reference agencies, our advisers and those involved in the claims handling process (including assessors and investigators), for the purposes of assisting us and them in providing relevant services and products, or for the purposes of litigation. We may disclose personal information to people listed as co-insured on your policy and to family members or agents authorised by you. We may also disclose information to organisations which conduct customer service surveys on our behalf. We will request your consent to any other purpose.

By providing your personal information to us, you consent to us making these disclosures. Without your personal information we may not be able to issue insurance cover to you or process your claim.

You also have the opportunity to find out what personal information we hold about you and, when necessary, correct any errors in this information. Generally we will do this without restriction or charge. For further information about our Privacy Policy or to access or correct your personal information, please contact The Compliance Manager, QBE Insurance (Australia) Limited, GPO Box 82 Sydney NSW 2001. Telephone: (02) 9375-4656, Fax: (02) 8275-9022 or Email: compliance.manager@qbe.com

The General Insurance Code of Practice

QBE Insurance (Australia) Limited is a signatory to the General Insurance Code of Practice. The Code aims to:

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

Dispute resolution

We will do everything possible to provide a quality service to you. However, we recognise that occasionally there may be some aspect of our service or a decision we have made that you wish to query or draw to our attention.

We have a Complaints and Dispute Resolution Procedure which undertakes to provide an answer to your complaint within 15 working days.

If you would like to make a complaint or access our internal dispute resolution service please contact your nearest QBE office and ask to speak to a dispute resolution specialist.

General definitions applying to all sections of this Policy

Wherever the words listed below are used in the Policy wording, they mean what is set out below:

Word or Term	Meaning
Australia	the Commonwealth of Australia, its dependencies and Territories.
Business	the trade or occupation described in the Schedule (and no other for the purpose of this insurance) carried on at and from the location.
Business hours	your office and working hours (including overtime) during which you or your employees are on the location for the purpose of your business.
Excess	the amount specified in the Schedule, payable by you on each and every claim arising out of one event or occurrence under that Policy section. Should more than one excess be payable under this Policy for any claim or series of claims arising from the one event, such excesses shall not be aggregated and the highest single level of excess only shall apply.
Location/s	the place(s) listed in the Schedule where you carry out your business.
Market value	the retail value of items of a similar type, age and condition, with adjustment for its special features, if any. Used price guides and any other information may be used to assist in determining market value.
Money	cash, notes, negotiable instruments, cheques, postal notes, post office money orders, negotiable securities, stamps, credit card sales vouchers, instant lottery tickets, bus or transport tickets, telephone credit cards or franking machine credits.
Period of insurance	the period shown in the Policy Schedule.
Policy Schedule	the schedule of insurance, or any future renewal schedule, or endorsement schedule.
Policy Schedule	the current Schedule of Insurance which has been numbered and issued by or on behalf of us.
Safe or strongroom	a container or structure which has been specifically designed for the safe storage of money or valuables and is designed compliant with Australian standards to protect the contents against fire and to resist unauthorised opening by hand-held or power operated tools.
We, us, our	QBE Insurance (Australia) Limited, ABN 78 003 191 035
You, your	the person(s), companies or firms named on the current Policy Schedule as the 'Insured'.

Property section – Fire and other insured events

1. Definitions which apply to this section

- 1.1 'Buildings' – all buildings, including alterations and additions commenced during the period of insurance if the value of such alterations and additions does not exceed 20% of the sum insured on buildings or \$500,000 whichever is the lesser.

Buildings also include:

- (a) Lessors fixtures and fittings including fixed carpets
- (b) All services to the buildings
- (c) All other structural improvements at the location including fencing, gates, paths and roadways.

- 1.2 'Contents' – all stock in trade and merchandise, including trading stock in the course of production, business furniture, machinery, plant and equipment, and includes antiques, curiosities and works of art limited to \$10,000 any one article (unless specified otherwise); belonging to you or for destruction or damage for which you are responsible or for which you have assumed responsibility to insure prior to the occurrence of any destruction or damage.

Contents also includes:

- (a) customers' goods for which you are responsible or for which you have assumed responsibility to insure prior to any destruction or damage.
- (b) the cost of repair or replacement of necessary patterns, models, moulds, dies and lasts but limited unless repaired or replaced to the value standing in your financial records
- (c) improvements, alterations, decorations, fittings and additions to leased buildings which have been made by you and for which you are not entitled to be reimbursed by the lessor in the event of destruction or damage.
- (d) lessors fixtures, fittings and fixed carpets for which you are legally responsible, unless insured by you as part of 1.1 Buildings – item (a).
- (e) the buildings (for which you are responsible under the terms of any lease), caused by theft or attempted theft.

Contents does not include money, security documents, stamps or explosives.

- 1.3 'Flood' – the inundation of normally dry land by water escaping from or released from the normal confines of any natural water course or lake (whether or not altered or modified) or any dam, reservoir or canal.

- 1.4 'Records and documents' – written, printed, filmed or taped records (including computer records), deeds, plans or drawings or documents of any other type which are:

- used in the business,
- in a building at the location, and
- are owned by you or are in your custody in the ordinary course of the business.

- 1.5 'Sea' – oceans, bays, ports or tidal waters.
- 1.6 'Stock' – the items belonging to you or for which you are legally responsible or have assumed a responsibility to insure described below:
- merchandise or materials of trade manufactured, un-manufactured or in the course of manufacture, including the value of work done,
 - materials used in making or packing,
 - consignment stock,
 - goods held in trust or on commission.
- 1.7 'Water' – includes snow, sleet or hail.

2. Cover

We will indemnify you up to the limit specified in the Schedule

- 2.1 in respect of physical loss of or damage to:
- (a) Buildings
 - (b) Contents
 - (c) Other interests as defined in the Schedule,
- directly caused by the following insured events.

3. Insured events

- 3.1 (a) Fire, but not loss or damage to any property undergoing heating or the direct application of heat. This exclusion is limited to the item(s) immediately affected and shall not apply to other property damaged as a result of such application of heat.
- 3.1 (b) Escape of molten material from its normal confines on or about the business premises but excluding:
- (i) the cost of repairing any fault which enabled such escape,
 - (ii) the cost of retrieving or removing escaped material from any escape channel or catchment area designed for the purpose,
 - (iii) loss of or damage to such escaped material,
 - (iv) loss or destruction of or damage to furnace linings, crucibles, moulds, other containers or ladles from which molten material escapes.
- 3.2 Lightning
- 3.3 Wind and water
- Wind and water including water and any other liquid discharged from mains, pipes, gutters, drains, tanks or fixed apparatus used to hold or carry liquids, but not loss or damage:
- (a) by sea, tidal wave, high water, flood, erosion, subsidence, landslide, mudslide or settling
 - (b) by steam or condensation
 - (c) by water seeping from outside the premises
 - (d) to gates, fences, retaining walls or signs, or

- (e) to property in the open air unless such property comprises part of a permanent structure designed to function without the protection of walls or roofs.
- (f) to shadesails, shade cloths, plastic or textile awnings, plastic or textile blinds.

Exclusion (d) of Insured Event 3.3 does not apply to the first \$20,000 of loss or damage in any one period of insurance, provided that you must pay the first \$250 (or any higher amount specified in the Schedule for this cover) of each and every claim arising out of one event.

We will also cover the reasonable costs incurred in locating the source of insured loss or damage, where such loss or damage is caused by bursting or leaking of any mains, pipes, gutters, drains, tanks or fixed apparatus used to hold or carry water or other liquids, is included up to the sum of \$25,000 in any one period of insurance. We will not pay for the repair or replacement of apparatus, pipe or tank itself.

3.4 Sprinkler leakage

- (a) Water discharged or leaking from any automatic sprinkler or drencher installation or tank connected therewith.
- (b) The indemnity granted shall include expenses incurred for attendance of the fire brigade for the purpose of shutting off the water supply following accidental discharge of water from the automatic sprinkler or drencher system or the cost of removal of such water or cleaning operations incidental thereto.

However, this clause 3.4 shall not include the cost of cleaning up any pollutant material which has gone beyond the boundaries of the location or has entered the public drainage system or any creeks or waterways.

3.5 Impact

Impact by:

- (a) vehicles designed for use on land
- (b) animals, excluding animals kept on the premises
- (c) a falling tree or part of a tree but not if the loss or damage is caused by you or a person acting with your express or implied consent felling or lopping trees.
- (d) a communication tower, mast, aerial, antenna or any satellite dish and other fixture attached thereto following collapse or breakage but not including damage to such tower, mast, antenna, satellite dish or fixture unless caused by an event insured by this policy.
- (e) a falling building or other structure or part thereof but not if such collapse is caused by:
 - (i) lack of maintenance to a building or structure at the location, or
 - (ii) demolition of a building or other structure at the location except for demolition following loss or damage otherwise insured by this section.

3.6 Explosion

All explosions including explosion or implosion of boilers, but excluding:

- (a) damage to boilers and/or economisers and/or pressure vessels and their contents resulting from the explosion thereof, and
- (b) damage to property which is insured by any other policy covering boiler explosion or sprinkler leakage, except for any amount beyond that payable for damage to the property under such other policy.

Exclusion (a) shall not apply to damage to a boiler or pressure vessel of up to one cubic metre capacity if caused by self explosion or implosion.

3.7 Earthquake

Earthquake, tsunami, subterranean fire or volcanic eruption, or

Fire occasioned by or in consequence of earthquake, tsunami, subterranean fire or volcanic eruption,

provided that in respect of damage occurring during any one period of forty eight (48) consecutive hours to buildings (which shall mean all buildings whether or not separated by roadways) and contents which are in the same ownership, at one location and which form one establishment, we shall not be liable to pay or contribute the lesser of:

- (a) the first \$20,000, or
- (b) an amount equal to one percent (1%) of the total sum insured at the location.

The amount calculated under Clauses 3.7(a) or 3.7(b) shall first be deducted from the amount of each claim, as finally determined, for loss arising out of any one event.

3.8 Aircraft

Aircraft and other aerial devices and/or articles dropped therefrom, sonic boom and space debris.

3.9 Riots and strikes

The acts of:

- (a) persons taking part in riots or civil commotion or strike or lock-outs or persons taking part in labour disturbances or malicious persons acting on behalf of or in connection with any political organisation, but excluding damage caused directly or indirectly by total or partial cessation of work or the retarding or interruption or cessation of any process or operation, or
- (b) any lawfully constituted authority in connection with the acts referred to in Clause 3.9(a).

3.10 Vandalism

The acts of vandals or persons of malicious intent (including persons carrying out a theft or attempted theft) but excluding:

- (a) loss or damage caused by tenants, or
- (b) persons specified in insured event 3.9, or

- (c) theft of contents,
- (d) theft of building greater than \$2,000

provided that the police are immediately informed of any damage:

We will not cover loss or damage to any item insurable under the Glass section of this Policy, whether such section is taken or not.

3.11 Accidental damage

- (a) Loss of or damage to buildings or contents caused by any accident except loss or damage caused by:
 - (i) Insured events 3.1 to 3.10 or by any event or circumstance excluded therein
 - (ii) theft or any attempt threat or armed hold-up
 - (iii) fraudulent or dishonest acts by your employees
 - (iv) wear and tear, fading, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good
 - (v) the action of animals (including but not limited to birds, moths, termites or other insects, vermin), rust or oxidation, mildew, mould, wet or dry rot, corrosion, change of colour, dampness of atmosphere or other variations in temperature, evaporation, disease, inherent vice or latent defect, loss of weight, change in flavour, texture or finish
 - (vi) error or omission in design, plan or specification or failure of design
 - (vii) faulty materials or faulty workmanship
 - (viii) any order of any government, public or local authority including the confiscation, nationalisation, requisition, repossession of or damage to any property
 - (ix) incorrect siting of buildings as a result of incorrect design or specification
 - (x) unexplained inventory shortage, unexplained disappearance, disappearance resulting from clerical or accounting errors or shortage in the supply or delivery of materials to or from you
 - (xi) consequential loss of any kind
 - (xii) machinery breakdown, electrical or electronic breakdown, how so ever caused
 - (xiii) computer virus
 - (xiv) any person deliberately switching off or disconnecting the power supply.
 - (xv) Loss of or damage to property directly or indirectly caused by or contributed to by normal settling, seepage, shrinkage or expansion in buildings or foundations, walls, pavements, roads and other structural improvements, creeping, heaving and vibration.

- (b) We will not cover loss or damage to:
- (i) shrubs or pot plants
 - (ii) live animals, birds or fish or any other living creature
 - (iii) any property in transit, or
 - (iv) any item insurable under the 'Glass', Machinery breakdown' or Electronic equipment Sections of this Policy
 - (v) property during the course of, and as a result of, its processing
 - (vi) alterations and additions when the value of work exceeds 10% of the sum insured or \$250,000 whichever is the lesser.
- (c) The total amount payable under Insured Event 3.11 for any one item or items which are subject to loss or damage from any one event are limited to:
- (i) the lesser of \$250,000 or the building and contents sum insured under this Property Section, or
 - (ii) the sum insured shown in the Schedule whichever is the greater
- provided that you shall bear the first \$100 (or the amount specified in the Schedule, whichever is the greater) of each and every claim arising out of one event.

4. Additional benefits

We will cover:

4.1 property temporarily removed

Property temporarily removed from the location to any other premises within Australia (and in transit there and back) excluding stock already sold and in transit to a customer, portable computers, portable hand held equipment and mobile phones, up to an amount of twenty percent (20%) of the contents and stock sum insured, but only to the extent that the sum insured on that item is not otherwise exhausted.

Insured event 3.11 (Accidental damage) does not apply to this additional benefit.

We do not cover property which has been removed for a period in excess of 90 days without our prior written agreement to continue cover

4.2 Architects and other fees

(a) Architects, surveyors and legal fees

Architects, surveyors and legal fees, all necessarily incurred in the repair or reinstatement of damage to your property following loss or damage for which a claim is admissible under this section but only to the extent that the sum insured on that item is not otherwise exhausted.

(b) Government fees

Any fee, contribution or other impost payable to any government, local government or other statutory authority, incurred by you as a condition precedent to the obtaining of consent to reinstate any property insured under this section.

We will not be liable for payment of any fine or penalty imposed on you by such authorities.

The maximum we will pay under this additional benefit 4.2(b) is \$10,000.

(c) Discharge of mortgage

Reasonable legal costs and fees payable by you to discharge any mortgage on buildings or contents that are considered by us to be a total loss.

We will pay:

- (i) for buildings or contents, up to the balance of the sum insured for the applicable item of property where such balance is not otherwise exhausted
- (ii) for buildings only and when the sum insured is exhausted, up to 10% of the sum insured for such buildings or \$25,000, whichever is the lesser.

We will also cover, in addition to the sum insured shown in the Schedule against the item (where appropriate):

4.3 Peak period increases

Peak period increases of fifty percent (50%) in the stock sum insured during the following periods (unless otherwise shown in the Schedule):

- (a) from sixty (60) days before Christmas Day to the twentieth day following, both days inclusive
- (b) from thirty (30) days before Easter Sunday to the twentieth day following, both days inclusive.

4.4 Rewriting of records

The cost of rewriting or reproducing necessary written or printed documents, computer system records, business records, plans and designs limited to an amount equal to 10% of the contents sum insured or \$50,000, whichever is the lesser.

4.5 Loss of land value

Up to \$100,000 for the reduction in land value which shall be the value certified by the valuer general or other competent person or authority selected by us, that results from the requirements of any legal authority that does not allow rebuilding or only partial rebuilding at the location following loss or damage covered under this section.

Provided that:

- (a) this shall be calculated by subtracting the land value after rebuilding or after we have agreed that rebuilding is not possible from the land value before the damage and

- (b) we will not pay more than 10% of the sum insured shown for buildings at the premises where the damage happened.

Condition 6 (Coinsurance condition) does not apply in respect of this benefit.

4.6 Fire extinguishment costs

Fire extinguishment costs to a maximum of \$25,000 covering:

- (a) wages of your employees
- (b) the cost of replenishment of fire fighting appliances or damage to materials (including employees' clothing and personal effects) unless otherwise specifically insured
- (c) the costs you are liable for under any Fire Brigade Act or similar legislation, provided always that our liability in respect of these costs shall be limited to those necessarily and reasonably incurred in extinguishing fires at or adjoining the location of the property insured by this section or immediately threatening to involve such property.

4.7 Removal of debris, temporary repairs and temporary protection

The cost of removal, storage and disposal of debris or the demolition, dismantling, shoring up, propping, underpinning or other temporary repairs and temporary protection as a direct result of an insured event up to a maximum amount of:

- (a) \$25,000, or
- (b) the amount specified in the Schedule, or
- (c) the extent that the sum insured on buildings and contents (whichever is applicable) is not otherwise exhausted,

whichever is the greater.

4.8 Employee's tools, equipment, personal effects and clothing.

Personal property of directors and employees of your business if:

- the personal property is used solely for business purposes, and
- the person to whom the personal effects belong is not named as an insured.

Cover is limited to \$5,000 any one person but if any person is entitled to indemnity under any other Policy of insurance effected by him/her or by any person other than you, this cover will only apply in respect of any amount in excess of that provided by such other Policy. There is no cover for you or any person named as the insured on your Policy Schedule.

4.9 Landscaping

Notwithstanding clause 3.11(b)(i) the cost of loss of or damage to Landscaping which shall include trees, shrubs, plants and lawns, including expenses reasonably incurred in clearing, cleaning or repairing drains, gutters, sewers, pipes, tanks or fixed apparatus resulting from an insured event (other than event 3.3).

Our liability shall not exceed the sum of \$10,000 any one loss.

4.10 New premises – temporary cover

We will temporarily extend cover provided by this section to property at any new situation first occupied by you during the period of insurance provided that:

- (a) this temporary cover period is limited to the lesser of;
 - (i) 30 days from the date you acquire or commence using the premises, or
 - (ii) the expiry date of the current Period of Insurance, or
 - (iii) the date on which the property ceases to belong to you
- (b) the property is used for the business described in the Schedule
- (c) the property is of similar type to that already insured under this cover section
- (d) the new premises comprise buildings of similar construction, fire and burglary protection as featured in any premises currently described in the Schedule
- (e) you must provide to us full details of the new premises within 30 days of the commencement of this temporary cover. If we agree to continue the cover you must pay any additional premium that we may require.

The maximum we will pay for this additional benefit is 20% of the highest sum insured shown on the Schedule for each item of property.

5. Basis of settlement of claims (Property section)

Unless otherwise specified in the Schedule, claims will be settled on the basis of reinstatement and replacement and extra costs, as follows.

5.1 Reinstatement and replacement

'Reinstatement and replacement' shall mean:

- (a) where property (excluding stock, customers goods and buildings awaiting or undergoing demolition) is destroyed, if a building the rebuilding thereof or, if property other than a building the replacement thereof by similar property, in either case in a condition equal to but not better or more extensive than its condition when new
- (b) where property (excluding stock, customers goods and buildings awaiting or undergoing demolition) is damaged, the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition when new.

The basis of settlement of any claim shall be the cost of reinstatement of the property destroyed or damaged at the time of such destruction or damage as follows:

- (i) The work of rebuilding, or replacement, or repairing as the case may be (which may be carried out upon another site and in any manner suitable to your requirements but subject to our liability not being thereby increased), must be commenced and carried out with reasonable despatch, failing which we shall effect settlement on an indemnity basis.
- (ii) When any property to which this Clause applies is damaged or destroyed in part only, our liability shall not exceed the sum specified in the Schedule.
- (iii) No payment beyond the amount which would have been payable under this section shall be made until a sum equal to the cost of reinstatement shall have been actually incurred.

All other insurances covering the property by or on your behalf shall be on a similar reinstatement basis.

- (c) where stock or customers goods are destroyed or damaged, we will, at our option:
 - (i) pay the market value at the time of the loss or damage;
 - (ii) replace or repair the stock with property or materials of the same or similar standard and specification of the stock or customers goods at the time of loss or damage;
 - (iii) pay the cost of repair or replacement.
- (d) where buildings awaiting or undergoing demolition are destroyed or damaged we will pay the salvage value of the damaged building materials, fixtures and fittings.

5.2 Extra cost

We will also pay in respect of property (excluding stock) insured under this section the extra cost of reinstatement including demolition or dismantling of such property necessarily incurred to comply with the requirements operative at the time of reinstatement of:

- any Act of Parliament or regulation made thereunder, or
- any by-law or regulation of any Municipal or other statutory authority,

provided in either case that:

- (a) the work of reinstatement (which may be carried out wholly or partially upon another site if the aforesaid Act, by-law or regulation of any Municipal or other statutory authority so necessitates subject to our liability not being thereby increased) must be commenced and carried out with reasonable despatch failing which we shall not be liable to make any payment beyond the amount which would have been payable under this section if this Clause had not been incorporated therein

- (b) the amount recoverable shall not include the additional cost incurred in complying with any such Act, regulation, by-law or requirement with which you had been required to comply prior to the happening of the damage
- (c) Clause 6 shall not be applied to the amount recoverable under this Clause
- (d) if the cost of reinstatement of the damage directly caused by any of the insured events is less than fifty percent (50%) of what would have been the cost of reinstatement of the property insured had such property been destroyed, the amount recoverable will
 - (i) be limited to the extra cost necessarily incurred in reinstating only that portion damaged, and
 - (ii) not include any extra cost in relation to any portion of the property not damaged, and
 - (iii) not exceed, in any event, the sum which we could have been called upon to pay if such property had been wholly destroyed.

5.3 Floor space ratio index (plot ratio)

Where buildings are damaged and reinstatement of such damage is limited or restricted by:

- (a) any Act of Parliament or regulation thereunder, or
- (b) any by-law or regulation of any Municipal or other statutory authority

resulting in either case in the reduction of the floor space ratio index (plot ratio) of the site, then we shall pay in addition to any amount payable on reinstatement of such buildings the difference between:

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

Provided that our liability under Clauses 5.1, 5.2 and 5.3 in total shall not exceed the limit of indemnity stated in the Schedule in respect of the buildings which are the subject of the claim.

5.4 Indemnity

If the basis of settlement is shown in the Schedule as Indemnity, we will pay the cost to repair or replace the insured property less an equitable amount for age, wear, tear, depreciation and will make an adjustment for the general condition and remaining useful life of the individual item or components that are damaged.

Paragraph 6.1 of the Co-insurance Condition in this 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 sum insured at the location 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.'

5.5 Undamaged foundations

Where a building, but not its foundations is destroyed and the work of reinstatement is carried out wholly or partially upon another site to meet the requirements of any Act, by-law or regulation of a Municipal or other statutory authority, the abandoned foundations shall be considered as having been destroyed. Provided that any increase in the re-sale value of the land through the presence of the abandoned foundations shall be regarded as salvage and paid by you to us.

6. Specific conditions

6.1 Co-insurance condition

In the event of loss or damage to property we shall be liable for no greater proportion of the loss or damage than the sum insured at the location bears to eighty percent (80%) of the replacement cost of the property insured at the commencement of the period of insurance (as if it had been totally destroyed), provided that our liability shall not exceed the sum insured stated against each item in the Schedule.

This condition shall not apply if the amount of any loss or damage does not exceed five percent (5%) of the total of the sums insured at the location.

6.2 Hazardous goods

Storage and use of hazardous goods usual to your business is allowed in the manner and quantities permitted by any Act of Parliament or regulation thereunder, or any by-law or regulation of any Municipal or other statutory authority. If you store or use hazardous goods other than as permitted above and such misuse or incorrect storage results in or contributes to damage or loss of property insured we may reduce or refuse to pay your claim.

6.3 Sprinkler installations

If a building insured under this section of cover is fitted with an automatic sprinkler system and you:

- (a) own the building, or
- (b) are responsible for operation or maintenance of the sprinkler system,

you must ensure that the system, including external alarms and connections to a fire station or other approved monitoring facility are at all times maintained in good condition and efficient working order.

Written notice must be provided to us of:

- (i) alterations or additions to any such installations
- (ii) any disconnection of water supply or automatic alarm system during the course of maintenance where the total period of disconnection exceeds 48 hours over any 7 consecutive days.

Compliance with this condition shall be a condition precedent to our liability.

7. Endorsement

Strata title mortgagee(s) interest.

In respect of a building which is a strata title unit, the benefits otherwise payable under Insured events 3.1 to 3.10 shall be restricted to the interest of the mortgagee(s) stated in the Schedule, as if such mortgagee(s) was (were) the only party (parties) insured in respect of such unit.

Insured event 3.11, the co-insurance condition in this section and the provisions of general condition 4.1 of this Policy do not apply in respect of such interest(s).

Business interruption section

1. Definitions

- 1.1 'Accountant' – a professional Accountant to be appointed by both you and us or failing such appointment nominated by the President of the Institute of Chartered Accountants in Australia or by the President of the Australian Society of CPA's.
- 1.2 'Annual income' – the gross income during the twelve (12) months immediately before the date of damage, to which adjustment shall be made to reflect the trend in the business and any other circumstances in order to arrive at the same result that would have been obtained had the damage not occurred.
- 1.3 'Average weekly income' – the average weekly gross income during the 52 weeks immediately before the damage (or such lesser period in the event that your business has been in operation for less than 52 weeks) to which adjustment shall be made to reflect the trend in the business and any other circumstances in order to arrive at the same result that would have been obtained had the damage not occurred.
- 1.4 'Gross income' – the money paid or payable to you for goods sold and/or services rendered or for rental received or payable (plus outgoings as defined or specified in any lease) in the course of the business less the purchase cost of stock.
- 1.5 'Indemnity period' – the period beginning with the occurrence of the damage and ending not later than the number of weeks or months stated in the Schedule during which the results of the business shall be affected in consequence of the damage.
- 1.6 'Outstanding accounts receivable' – the total amount owed to the business by customers as at the end of the month immediately prior to the date of the damage adjusted for:
 - (a) bad debts
 - (b) amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of damage) to customers' accounts in the period between the date to which the last statement relates and the date of the damage, and

- (c) any abnormal condition of trade which had or could have had a material effect on the business, so that the figures thus adjusted shall represent as nearly as reasonably practicable those which would have been attained at the date of the damage had the damage not occurred.
- 1.7 'Standard income' – the gross income during that period corresponding with the indemnity period in the twelve (12) months immediately before the date of the damage, adjusted to reflect the trend in the business and any other circumstances in order to arrive at the same result that would have been obtained had the damage not occurred.
- 1.8 'Weekly income' – the gross income received by you for each week the business is in operation.

2. Cover

- 2.1 We will indemnify you up to the limits specified in the Schedule for loss of gross income or weekly income (as selected by you and shown in the Schedule) resulting from interruption or interference to the business caused by loss or damage to property insured under the property, theft, money, general property or glass sections or any other policy insuring the same events and for which liability is admitted unless liability is not admitted solely due to the operation of or provision in any such section or policy excluding liability for loss below a specified amount, or caused by an explosion of a boiler or economiser on the premises.
- 2.2 Where gross Income has been selected, the amount payable as indemnity shall be:
- (a) Gross income
- (i) In respect of reduction of gross income, the amount by which the gross income earned during the indemnity period shall in consequence of the damage fall short of the standard income.
- (ii) Additional expenditure necessarily and reasonably incurred with our consent for the sole purpose of avoiding or diminishing the reduction in the gross income of the business caused by the loss or damage. The amount expended shall not exceed the reduction in gross income thereby avoided (less expenses saved as a result of the damage).
- (b) Claim preparation costs
- Reasonable professional fees and such other reasonable expenses as are necessarily incurred by you with our consent for preparation of claims under the Property, business interruption and theft sections of this Policy and which are not otherwise recoverable under this Policy, up to the sum of \$5,000 or the amount shown in the Schedule, whichever is the greater.
- 2.3 Where weekly income has been selected, the amount payable as indemnity, shall be:
- (a) Weekly income
- the percentage of the weekly sum insured that the reduction in your weekly income bears to the average weekly income,

provided that the interruption or interference to the business is for a period exceeding one week and our liability shall not exceed the average weekly income.

(b) Claim preparation costs

Reasonable professional fees and such other reasonable expenses as are necessarily incurred by you with our consent for preparation of claims under the property, business interruption and theft sections of this Policy and which are not otherwise recoverable under this Policy, up to the sum of \$5,000 or the amount shown in the Schedule, whichever is the greater.

2.4 Additional increased cost of working

If you have chosen to insure the additional increased cost of working, we will pay the additional expenditure, not otherwise recoverable under any other cover option in this section, you reasonably incur to minimise the effect of the loss or damage to the business during the indemnity period.

We will not pay any more than the sum insured for additional increased cost of working shown in the Schedule.

2.5 Accumulated stocks provision

In adjusting any loss, an account shall be taken and due allowance made if any shortage in gross income or weekly income due to the interruption or interference is postponed by reason of the gross income or weekly income being temporarily maintained from accumulated stocks of finished goods.

3. Additional benefits

3.1 Prevention of access

The indemnity under this section is extended to include interruption or interference with your business in consequence of:

- (a) damage by any insured event covered by the property section to property within a 20 kilometre radius of your premises or to property forming part of or contained in a complex of which the location forms part
- (b) bomb threat
- (c) closure or evacuation of all or part of the premises by order of a competent government, public or statutory authority as a result of infectious or contagious human diseases or food poisoning, murder or suicide within a 20 kilometre radius of your premises
- (d) closure or evacuation of all or part of the premises by order of a competent government, public or statutory authority as a result of vermin or other animal pests at the location
- (e) closure or evacuation of all or part of the premises by order of a competent government, public or statutory authority as a result of incorrect operation of drains or other sanitary arrangements at the location

which shall prevent or hinder the use of your building or access thereto, or results in a cessation or diminution of trade due to temporary falling away of potential customers.

Provided always that we shall not be liable for the first two (2) normal trading days of any loss resulting from the interruption or interference and our total liability shall not exceed twenty percent (20%) of the amount insured under this Policy section as gross income or weekly income, whichever is selected.

3.2 Public utilities, customers and suppliers extension

- (a) Where damage occurs within Australia at:
- (i) an electricity power station or sub station
 - (ii) a gas supplier
 - (iii) water or sewerage services
 - (iv) land based telecommunications installations
 - (v) a customer's premises,
 - (vi) a supplier or manufacturer of goods, components or materials,
 - (vii) a repairer's premises, or
 - (viii) storage or processing premises not occupied by you

and these premises supply goods or services utilised by you or you supply goods or services to them, where damage is caused by and would be covered by an insured event listed in the property section of this Policy, the consequential reduction of gross income resulting from such interruption or interference shall be deemed to be loss resulting from loss or damage to property used by you at your premises.

Provided always that:

1. under items (a)(i) to (a)(iv) above we shall not be liable for the first two (2) normal trading days of any loss resulting from the interruption or interference
2. our total liability under items (a)(v) to (a)(viii) above shall not exceed twenty percent (20%) of the amount insured under this Policy section as gross income or weekly income, whichever is selected.

3.3 Transit and transport infrastructure

Where damage occurs within Australia, but outside any premises occupied by you to:

- (i) your property while in transit by road, rail, sea or air, or
- (ii) roads, bridges and rail lines over which property is conveyed to or from your premises (but not including damage by flood),

and such damage is caused by and would be covered by an insured event listed in the property section of this Policy, the consequential reduction of gross income resulting from such interruption or interference shall be deemed to be loss resulting from loss or damage to property used by you at your premises.

Provided always that our total liability under items (a)(i) to (a)(ii) above shall not exceed twenty percent (20%) of the amount insured under this Policy section as gross income or weekly income, whichever is selected and we shall not be liable for the first two (2) normal trading days of any loss resulting from the interruption or interference:

3.4 Interim claim payments

When a claim is payable for a loss recoverable under this section we will, if required by you and at intervals to be mutually agreed, make interim payments as calculated from any loss adjuster's report or other information and documentation supplied to us.

4. Optional benefit

Outstanding accounts receivable

We will indemnify you up to the limit specified in the Schedule for loss of outstanding accounts receivable resulting from loss or damage to your business records contained in the location, by events insured by the property or theft sections of this Policy.

The Insurance is limited to:

- (a) the difference between
 - (i) the outstanding accounts receivable, and
 - (ii) the total of the amount received or traced in respect thereof
- (b) the additional expenditure incurred with our consent in tracing and establishing outstanding accounts receivable after the damage, provided that:
 - (i) if the sum insured is less than the outstanding accounts receivable, the amount payable shall be proportionally reduced
 - (ii) as soon as possible after the end of each month, you shall record and store at alternative premises the total of the outstanding accounts receivable and these figures shall be kept for a period of 12 months.

5. Departmental provision

If the business is conducted in departments the independent trading results of which are ascertainable, the cover provided by this section shall apply separately to each department affected by the loss or damage, except that if the sum insured under this section shall be less than the total of the gross income or weekly income (whichever is selected) for each department (whether affected by the loss or damage or not), the amount payable shall be proportionately reduced.

6. Special condition

On the happening of damage which results in a claim as soon as practicable you shall deliver to us a written statement of claim certified by an accountant and make available all books and records (including access to data stored on media) necessary for verification of the claim.

7. Co-insurance condition (applicable to gross income 2.2 cover only)

If the sum insured on gross income is less than 80% of the annual income (or its proportionately increased multiple where the indemnity period exceeds 12 months), the amount payable shall be proportionally reduced.

Theft section

1. Definitions

- 1.1 'Property' – The property shown in the Schedule
- 1.2 'Stock' – Stock in trade belonging to you or for which you are legally responsible, including all stock in which you may acquire an insurable interest during the period of insurance (but not including tobacco, cigarettes and cigars)
- 1.3 'Contents' – all contents used in the business including tools of trade, movable plant (excluding stock and motor vehicles), office machinery and equipment, furniture, fixtures and fittings and fixed machinery, customers' goods for which you are responsible or for which you have assumed responsibility to insure prior to any loss, destruction or damage.

2. Cover

We will pay you up to the limits specified in the Schedule, less the excess, for loss of or damage to:property.

We will pay:

- (a) for contents, the replacement value at the time of its loss or damage
- (b) for stock, the current value at the time of its loss or damage

or at our option reinstate or replace such contents or stock or any part thereof as a result of:

- 2.1 theft or attempted theft consequent upon the actual forcible and violent entry into any part of the building(s) at the location
- 2.2 theft or attempted theft thereof by a person concealed at the location followed by his/her exit therefrom after business hours
- 2.3 assault or violence, violent intimidation or threat thereof to you or your employees
- 2.4 theft, fraud or dishonesty by any of your employees provided that the loss is discovered within twenty one (21) days of its occurrence and our limit of liability, during any one period of insurance shall not exceed \$2,500 but excluding any loss by:
- theft in which any member of your household is involved as a principal or accessory
 - theft from any open space whether fenced or unfenced outside the walls of the building.

3. Exclusions

We will not cover loss of or damage to:

- 3.1 Money
- 3.2 documents, patterns, models, moulds, plans or designs, unless specified in the Schedule
- 3.3 tobacco, cigarettes or cigars, unless specified in the Schedule.

4. Theft protection condition (not a condition unless indicated in the Schedule)

If any alarm is fitted to the premises and you are responsible for this system we will not pay for loss or damage by theft unless the alarm system is:

- 4.1 maintained in good condition and is working effectively
- 4.2 regularly tested in accordance with the manufacturer's recommendations, and
- 4.3 engaged and operational during the time that the premises are closed for business and are not attended by you or any employees.

Provided that any interruption of the power supply or communications service that is used by such alarm system, or any other cause of malfunction, will not affect your cover when this interruption or malfunction is due to circumstances that are beyond your control.

Compliance with this condition shall be a condition precedent to our liability.

5. Additional benefits

5.1 Theft without forcible entry

Subject to the sum insured not being otherwise exhausted, we will cover you for losses of or damage to contents (excluding stock and customers goods) resulting from theft without forcible and violent entry from within the buildings at the location up to an amount of \$2,000 or the amount shown in the Schedule.

5.2 Replacement of locks

In addition to the total sum insured shown on the Schedule, we will also pay up to an amount of \$5,000 for the cost of re-coding or replacing locks to which keys are stolen or for the cost of replacing keys and the cost of opening safes or strongrooms.

This additional cover only applies following loss or damage resulting from an insured event and to locks securing external doors, windows and other openings of the premises. Cover is limited to the cost of replacing such locks with locks of similar type and quality.

5.3 Employee's tools, equipment, personal effects and clothing.

Personal property of directors and employees of your business if:

- the personal property is used solely for business purposes, and
- the person to whom the personal effects belong is not named as an insured.

Cover is limited to \$5,000 any one person but if any person is entitled to indemnity under any other Policy of insurance effected by him/her or by any person other than you, this cover will only apply in respect of any amount in excess of that provided by such other Policy. There is no cover for you or any person named as the insured on your Policy Schedule.

5.4 Peak period increases

Peak period increases of fifty percent (50%) in the Stock sum insured apply during the following periods (unless otherwise shown in the Schedule):

- (a) from sixty (60) days before Christmas Day to the twentieth day following, both days inclusive
- (b) from thirty (30) days before Easter Sunday to the twentieth day following, both days inclusive.

5.5 Loss of negotiable securities

If, as a result of events 2.1, 2.2 or 2.3 occurring during the period of insurance you suffer loss of cash, bank notes, negotiable cheques, Australia Post money orders, negotiable securities, sales vouchers or stamps, we will pay you the amount of such loss not exceeding in total the sum of \$100.

5.6 Temporary protection

We will pay you for the cost of temporary protection necessarily incurred to secure the safety of the property insured pending repair of the damage, provided that our total liability during any one period of insurance for all such costs of temporary protection shall be limited to the sum of \$5,000.

5.7 Buildings, fixtures and fittings

We will pay for:

- (a) damage to any building owned by you where such damage is caused by forcible and violent entry or exit, or any attempt thereat.
- (b) loss of or damage to fixtures, fittings and services to your building(s) caused by theft or attempted theft (with or without evidence of forcible entry). Provided that the fixtures, fittings or services are permanently fixed to the building and not attached only by a flexible cord or conduit to a gas, water or electricity supply point.

Our total liability during any one period of insurance for all such loss or damage shall be limited to the sum of \$5,000.

5.8 Rewriting records

We will pay the cost of rewriting or reproducing necessary written or printed documents, computer system records, business records, plans and designs limited to an amount not exceeding the sum of \$5,000 for any one event.

5.9 Temporary removal

We will cover your contents whilst temporarily removed from your building(s) at the location(s) specified in the schedule to any other building(s) in Australia.

Provided that we will not cover:

- (a) your stock held by others on consignment
- (b) money
- (c) directors or employees tools, equipment, personal effects and clothing
- (d) property that has been removed for a period exceeding 90 days unless we have agreed in writing to continue cover

- (e) theft unless consequent upon actual forcible and violent entry into the building at the other location.

The maximum we will pay is 20% of the total sum insured shown in the Schedule for this section of cover.

5.10 New Premises (ongoing or temporary occupation) – temporary cover

We will temporarily extend cover provided by this section to property at any new situation first occupied by you during the period of insurance provided that:

- (a) this temporary cover period is limited to the lesser of;
 - (i) 30 days from the date you acquire or commence using the premises, or
 - (ii) the expiry date of the current Period of Insurance, or
 - (iii) the date on which the property ceases to belong to you
- (b) the property is used for the business described in the Schedule
- (c) the property is of similar type to that already insured under this cover section
- (d) the new premises comprise buildings of similar construction, fire and burglary protection as featured in any premises currently described in the Schedule

You must provide to us full details of the new premises within 30 days of the commencement of this temporary cover. If we agree to continue the cover you must pay any additional premium that we may require.

The maximum we will pay for this additional benefit is 20% of the highest sum insured shown on the Schedule for each item of property

Money section

1. Cover

We will cover you up to the limits specified against each item in the schedule, less the excess, in the event of loss of or damage to money belonging to you and connected with the business:

- 1.1 in transit anywhere in Australia or in a bank's night safe. Wages and salaries subsequent to transit will be covered until disbursed provided that if not paid out by the end of business hours on the day of transit; the money shall be kept in a securely locked safe or strongroom during non-business hours
- 1.2 in the building(s) during business hours
- 1.3 in the building(s) outside business hours
- 1.4 in the building(s) whilst contained in a locked safe or strongroom
- 1.5 at your or your employee's residence
- 1.6 for damage to safes and strongrooms
- 1.7 in an Automatic Teller Machine (ATM) in the building(s).

2. Additional benefits

2.1 Peak period increases

Peak period increases of fifty percent (50%) in the sums insured apply during the following periods (unless otherwise shown in the Schedule)

- (a) from sixty (60) days before Christmas Day to bank closing time on the first banking day thereafter, both days inclusive
- (b) from thirty (30) days before Easter Sunday to bank closing time on the first banking day thereafter, both days inclusive
- (c) on gazetted public or bank holidays, such period to include adjoining weekend periods. Our liability under this clause shall cease at bank closing time on the next bank business day following the gazetted holiday.

This additional cover shall not apply to item 1.3 (money in the building(s) outside business hours).

2.2 New Premises (ongoing or temporary occupation) – temporary cover

We will temporarily extend cover provided by this section to money at any new situation first occupied by you during the period of insurance provided that:

- (a) this temporary cover period is limited to the lesser of;
 - (i) 30 days from the date you acquire or commence using the premises, or
 - (ii) the expiry date of the current Period of Insurance
- (b) the premises are used for the business described in the Schedule
- (c) the new premises comprise buildings of similar construction, fire and burglary protection as featured in any premises currently described in the Schedule.

You must provide to us full details of the new premises within 30 days of the commencement of this temporary cover. If we agree to continue the cover you must pay any additional premium that we may require.

The maximum we will pay for this additional benefit is 20% of the sum insured shown on the Schedule for each item of money cover.

3. Exclusions

We will not cover loss of money:

- 3.1 due to shortage resulting from clerical or accounting errors or loss due to errors in receiving or paying out
- 3.2 not discovered within seven (7) working days of the occurrence
- 3.3 due to your fraud or dishonesty or that of any member of your family, directors or partners
- 3.4 exceeding \$2, 500 during any one period of insurance by or through the collusion of or any act of fraud or dishonesty by any of your employees
- 3.5 carried by professional money carriers, professional carriers or common carriers

3.6 from any unattended vehicle

3.7 from any safe or strongroom opened by a key or by use of details of combination which have been left on the business premises during non business hours.

4. Theft Protection Condition (not a condition unless indicated in the Schedule)

If any alarm is fitted to the premises and you are responsible for this system we will not pay for loss or damage by theft unless the alarm system is:

- 4.1 maintained in good condition and is working effectively
- 4.2 regularly tested in accordance with the manufacturer's recommendations, and
- 4.3 engaged and operational during the time that the premises are closed for business and are not attended by you or any employees.

Compliance with this condition shall be a condition precedent to our liability.

5. Extensions where indicated on the Schedule as applying

5.1 Employee Dishonesty

Exclusion 3.4 of this section is deleted.

Definition applicable to this optional benefit – “employee(s)” means any person employed by you under a contract of service or apprenticeship but does not include:

any director, partner, trustee or principal except when performing acts within the scope of the usual duties of an employee,

any broker, factor, commission agent, consignee, contractor or other agent of the same general character.

The indemnity

We will pay you for loss of money or property (for property – as defined in the Theft section of this Policy), caused by theft, fraud or dishonesty by any of your employees provided that the loss:

- (a) occurs during the period of insurance
- (b) is discovered no later than 12 months after expiry of the period of insurance or termination of employment of the employee, whichever occurs first. Exclusion 3.2 does not apply to the cover provided under this Additional benefit.

The maximum amount we will pay for all claims during the period of insurance is the amount specified on the Policy Schedule for this additional benefit.

Automatic Extensions applicable to Employee Dishonesty cover section

Auditors Fees – With our prior approval, we will pay up to \$5,000 towards the reasonable and necessary fees payable by you to internal and/or external auditors and for other expenses which you incur in preparation of a claim under this Policy.

Unidentified Employees – If a loss is alleged to have occurred as the result of the fraud or dishonesty of any one or more of your employees and you are unable to positively identify them we will pay for the loss provided that you are able to provide evidence at your expense that the loss was due to the fraud or dishonesty of one or more employees.

Retroactive Cover – The insurance provided under this Additional Benefit also applies to any loss by fraud or dishonesty committed during the currency of any previous policy provided that:

- (a) The discovery period in such previous policy has expired
- (b) The fraud or dishonesty is discovered within
 - (i) The period of this Policy, or
 - (ii) 12 months of the termination of this Policy or 12 months after termination of the employment of the employee concerned, whichever shall first occur
- (c) the cover we provide will fall within and not be in addition to the sum insured shown in the current schedule.
- (d) We shall not be liable for any loss arising from an act of fraud or dishonesty committed more than 12 months before the inception of this section of the policy.

Exclusions applicable to Employee Dishonesty cover section

We will not pay for any loss of money or property:

1. resulting from any further act of fraud or dishonesty after you first discover that the employee has previously engaged in provable dishonest conduct or has previous convictions for dishonest acts.
2. if the only proof of loss is shortage revealed by accounting records or inventory stock-take.
3. discovered more than 12 months after the period of insurance has expired or more than 12 months after the termination of employment of the employee concerned.
4. that is not reported to us within 14 days of the discovery of any act of fraud or dishonesty on the part of any employee or any other matter in respect of which a claim may arise.
5. beyond the limit of cover stated in this additional benefit in respect of any one employee and all employees, even if the dishonest conduct continued during more than one period of insurance.

Special conditions applicable to Employee Dishonesty cover section

To the extent permitted by law you must agree to withhold any salary, commission, moneys or assets that are the property of any employee whose dishonesty has caused a claim under this cover section. Any such sum shall be deducted from the amount of the loss before any claim is made under this policy.

In the event of the sum insured being reduced by the amount of any claim payable under this additional benefit, the sum insured may be reinstated by payment of appropriate additional premium, provided that the amount by which the sum insured is reinstated shall be available only in respect of acts of fraud or dishonesty committed after such reinstatement.

5.2 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 the amount specified on the Policy Schedule 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.

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) 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 the Commonwealth of Australia or where the services giving rise to the claim are performed by persons or entities ordinarily resident outside Australia
- (g) arising out of any fraud or fraudulent act or omission committed by you or on your behalf
- (h) arising from audits or investigations which result in you, or any person acting on your behalf, becoming aware of any error or deficiency in any return of income or other documentation supplied to a state or federal Commissioner of Taxation and failing to notify the Commissioner of Taxation without delay.

Special conditions applicable to this additional benefit

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

Machinery breakdown section

Cover

If any item or items or any part of an item referred to in the Schedule, suffers Insured damage during the period of insurance we will indemnify you in respect of such loss or damage as provided in the basis of settlement Clause.

1. Definitions which apply to this section

'Plant and machinery' refers to:

- 1.1 'Electrical and mechanical' items driven by motors, including electronic and other integral parts of the insured items including boilers, pressure vessels and pressure pipe systems as defined in 1.2 below.
- 1.2 'Boilers, pressure vessels and pressure pipe systems' means the permanent structure of those insured items 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.
- 1.3 'Plant and machinery' does not include:
 - (a) vehicles or mobile plant
 - (b) computers, electronic data processing equipment, office equipment, telecommunication transmitting and receiving equipment, audio visual amplification and surveillance equipment
 - (c) research, diagnostic and electro medical equipment

- (d) televisions, videos, gambling or amusement machines
- (e) lifts or escalators

- 1.4 'Insured damage' means sudden and unforeseen physical loss or damage to the insured item which occurs during the period of insurance and requires immediate repair or replacement to allow continuation of use.

2. Additional cover

We will indemnify you for loss or damage to property not insured under this section which is owned by you or if you are responsible for loss or damage to it provided:

- 2.1 That loss or damage occurred within the location during the period of insurance as a direct result of impact from part of an insured item of plant and machinery and
- 2.2 The loss or damage is directly caused by insured damage and occurs in circumstances where cover is provided, and not excluded under this section, and provided

We will not pay more than the sum insured or limit any one loss as specified in the Schedule for that Insured Item Of Plant And Machinery As Specified In the Schedule for loss or damage caused to the uninsured item.

3. Basis of settlement

- 3.1 In the event of insured damage under this section we will pay you up to the sum insured less the applicable excess the reasonable cost of repairs or replacement necessary to return the Insured Item to its former state of operation including:

- (a) cost of dismantling, re-erection and removal of debris
- (b) replacement of refrigerant lost from an Insured Item as a direct result of insured damage
- (c) charges for overtime and work on public holidays where necessarily and reasonably incurred
- (d) freight within the Commonwealth of Australia by any recognised scheduled service, and
- (e) hire of a temporary replacement item during the time taken to repair damage to any Insured Item

Provided the total of all these costs in clauses 3.1(c), 3.1(d) and 3.1(e) are limited to 50% of the normal cost of repair payable under this section.

Our liability inclusive of these additional costs shall not exceed the sum insured specified in the Schedule.

- 3.2 All insured damage which can be repaired must be repaired, however should the item be uneconomical to repair due solely to the nature of the insured damage, settlement will be as follows:

- (a) The cost of replacement of the Insured Item by an Item of similar function, type, capacity and quality in a condition equal to, but not better than, the condition of the insured item when new, or
- (b) The sum insured for the insured item

We will pay the lesser 3.2(a) and 3.2(b)

- 3.3 We shall not be required to replace exactly the insured item, but only as circumstances permit.
- 3.4 The value of any salvage will be subtracted from any amount payable under this section.
- 3.5 The sum insured for insured items of plant and machinery specified in the schedule shall be automatically reinstated following insured damages for no extra premium.
- 3.6 The amount of each claim otherwise payable shall be reduced by amount of the excess shown in the Schedule
- 3.7 Where components 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.

4. Extension where indicated on the Schedule as applying

Deterioration of stock in cold storage

Applies where indicated on the Schedule as being operative.

4.1 Scope of cover

We will indemnify you up to the sum insured for loss of or damage to the stock as specified whilst contained in the cold storage spaces cooled by the Insured Items nominated in the Schedule and caused by deterioration or putrefaction as a result of:

- (a) insured damage to the refrigeration machinery
- (b) sudden and unforeseen failure of the public power supply
- (c) operation of or failure to operate, controls or protective devices within the refrigeration machinery; but this does not include loss caused by the manual operation or manual setting of controls or protective devices
- (d) contamination of the stored stock by the accidental escape of refrigerant into the cold chamber, or
- (e) sudden leakage of refrigerant from the refrigeration machinery or pipe system forming part of the refrigeration machinery

occurring during the period of insurance at the location.

4.2 Basis of settlement

- (a) We will pay the cost of replacement of the lost or damaged Stock calculated immediately prior to the loss or damage occurring, but we will not pay more than the sum insured stated in the Schedule for the stock less the applicable excess.
- (b) The amount of each claim otherwise payable shall be reduced by the amount of the excess shown in the Schedule.

4.3 Exclusions – applying to this extension (In addition to the exclusions contained in Clause 5 apply to this extension).

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 for 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
 - (ii) the decision by any public power supply authority to restrict or withhold supply
 - (iii) shortage of power generation fuel or water

4.4 Special Conditions

- (a) An increase of thirty percent (30%) in the Limit of Indemnity under this extension shall apply during the following periods (unless otherwise shown in the Schedule):
 - (i) from sixty (60) days before Christmas Day to the tenth day following, both days inclusive
 - (ii) from thirty (30) days before Easter Sunday to the tenth day following, both days inclusive.

4.5 The sum insured under this extension shall be automatically re-instated following insured damage for no extra premium.

5. Exclusions applying to this section

We will not pay for:

5.1 Loss or damage caused by or arising from:

- (a) fire, smoke or soot
- (b) extinguishing a fire including subsequent demolition or repair work
- (c) lightning
- (d) chemical explosion (other than explosion of flue gas in boilers)
- (e) impact of landborne vehicles, aircraft or waterborne craft
- (f) earthquake, subterranean fire or volcanic eruption
- (g) landslip or subsidence
- (h) storm, tempest, flood, windstorm or cyclone
- (i) water escaping, discharged or leaking from any source which is external to the plant and machinery insured
- (j) theft or burglary
- (k) intentional or malicious damage, or
- (l) the carrying out of tests involving abnormal stresses, including overloading of any insured item.

5.2 The cost of:

- (a) replacement of expendable items such as belts, filters, fuses, electric heating elements, electrical contacts, thermostats, TX valves, cutting blades, crushing surfaces, glass or porcelain, ceramics, chains, seals, links, dies and moulds, conveyor belting, lubricants, fuel and any transfer media

- (b) replacement of component parts worn through normal machine operation
- (c) adjustment, cleaning, purging or recharging of refrigeration or air conditioning equipment
- (d) repairs to piping and other ancillary systems due to cracking of pipe work, or
- (e) replacement of refractory or brickwork forming part of an insured item

unless necessary as part of the rectification of insured damage not otherwise excluded under this section.

5.3 The cost of:

- (a) maintenance work including but not limited to the tightening of loose parts, recalibration or adjustments
- (b) alteration, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or as a separate operation
- (c) modification or alteration of insured plant which has suffered insured damage to enable it to operate with a more ozone friendly refrigerant gas as required by the UNEP (United Nations Environmental Protection) Montreal Protocol with respect to substances which deplete the ozone layer
- (d) replacement or repair, caused by gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation)
- (e) replacement of lighting equipment, reticulating electrical wiring, reticulating liquid and gas piping and ducting
- (f) repair of scratches or painted or polished surfaces
- (g) repair of slowly developing deformation or distortion of any part
- (h) repair of blisters, laminations, flaws or grooving even when accompanied by leakage
- (i) damage caused to insured item or items caused by any hydraulic testing
- (j) repairs to valves, fittings, glands, joints, gaskets, pipes, lines and connections which are defective or leaking
- (k) repairs to shaft keys requiring tightening, fitting renewal
- (l) damage caused by the movement of foundations, masonry or brick work, or
- (m) removal of installation of underground pumps and well casings; unless specifically noted on the Schedule, this exclusion does not include submersible pump.

5.4 Consequential loss

6. Special Conditions applying to this section

- 6.1 On the happening of any occurrence which might give rise to a claim under this section you shall in addition to complying with general conditions applicable to all sections for claims:
- (a) take all reasonable steps to minimise the extent of the loss:
 - (b) preserve any damaged or defective plant or items and make them available to us for inspection.
- 6.2 Our liability shall cease for any plant which has sustained damage and is operated without having been repaired in a manner consistent with the generally accepted rules of engineering practice.
- 6.3 The number of machine units declared on the proposal under this section must be the actual total of the machine units present at the location on the inception date of the current policy of insurance. If at the time of loss or damage it is found that the declared total number of units is less than the number present at the inception date of the current period of insurance the amount to be recovered by you will be reduced in proportion to the under-declaration.
- 6.4 Newly installed Items
- At the end of each period of insurance you shall furnish us with details of any items newly installed or which have been deleted during the period of insurance. Additional or return premiums shall be calculated corresponding to the type and value of the items and the period of insurance from the time of completion of the successful commissioning of the items. Provided that our liability for all additional items will not exceed fifty percent of the total sum insured or limit of liability as stated in the Schedule.
- 6.5 Inspection
- You shall permit us or our representative at all reasonable times the right to inspect and examine any items insured by this section.
- 6.6 This insurance only applies after completion of successful initial commissioning.

Electronic equipment section

Cover

If any insured item or items of electronic plant or any part of an item of electronic plant specified in the Schedule which is at the location or is at other premises for the sole purpose of maintenance, repair or service suffers insured damage during the period of insurance, we will indemnify you as provided in the Basis of settlement.

1. Definitions which apply to this section

- 1.1 'Insured damage' means sudden and unforeseen physical loss or damage to the insured item which occurs during the period of insurance and requires immediate repair or replacement to allow continuation of use, caused by vibration, power surge, low voltage, mechanical, electrical and electronic breakdown.

- 1.2 'Electronic plant' means all computers, word processors including all ancillary equipment attached thereto, software, other electronic equipment as specified in the Schedule as insured items.
- 1.3 'Software' means the collection of programs which cause a computer to perform a desired operation or series of operations.
- 1.4 'Electronic data' means the information stored on the electronic data media.
- 1.5 'Electronic data media' means the discs or tapes used in the computer to store the information.

2. Basis of settlement

- 2.1 In the event of insured damage to the insured item of electronic plant we will pay the cost of replacement or repairs necessary to return the insured item to its former state of operation including:

- (a) cost of dismantling, re-erection and removal of debris
- (b) charges for overtime and work on public holidays where necessarily and reasonably incurred, and
- (c) freight within the Commonwealth of Australia by any recognised scheduled service

provided that the costs in clauses 2.1(b) and 2.1(c) are limited to 50% of the normal cost of repair payable under this Section.

Our liability inclusive of these additional costs shall not exceed the sum insured specified in the Schedule.

- 2.2 No deduction will be made for depreciation or parts replaced except for valves, tubes (including picture and x-ray tubes) and light sources. We will deduct a proportion of the replacement cost of these items being the proportion which the period of use up to the time of failure, bears to the normal service life expected by the manufacturer or supplier.

- 2.3 All insured damage which can be repaired, must be repaired, however, should the item be uneconomical to repair due solely to the nature of the insured damage, settlement will be as follows:

- (a) the sum insured for the insured item as stated in the Schedule, or
- (b) for insured items less than six years old the cost of replacement of the insured item by an item of similar, function, type, capacity and quality and in a condition equal to but not better than, the condition of the Insured Item when new, or
- (c) for insured items six years or older, the installed value of the Insured Item will be depreciated by 10% per annum for each year of service to a maximum of 70%.

our liability will be the lesser of 2.3(a), 2.3(b) or 2.3(c) less the applicable excess.

- 2.4 The value of any salvage will be subtracted from the amount payable under this clause.

- 2.5 If more than one insured item is lost or damaged in one occurrence, we will apply only the highest of the excess applicable to such insured items.

- 2.6 The amount of each claim otherwise payable shall be reduced by the amount of this excess shown in the Schedule.

3. Exclusions

This section does not cover:

- 3.1 Insured damage to electronic data and electronic data media unless you have computers insured.

- 3.2 Insured damage caused by atmospheric conditions, moisture or changes in temperature unless directly resulting from damage to or malfunction of air conditioning equipment, or

- 3.3 The cost of:

- (a) replacement of expendable items such as batteries, valves, x-ray and picture tubes, belts, chains, tapes, cards, ribbons, filters, tubes, electric heating elements or electrical contacts, or
- (b) replacement of component parts worn through normal use or operation

unless necessary as part of the rectification of insured damage not otherwise excluded under this section.

- 3.4 The cost of:

- (a) maintenance work
- (b) alterations, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or as a separate operation
- (c) replacement or repair following gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation)
- (d) temporary repairs unless they constitute part of the final repairs and do not increase the total repair costs
- (e) repairs of scratches to painted or polished surfaces, or
- (f) anything to the extent you are entitled to recover the costs of labour or parts under a maintenance agreement, warranty, guarantee or indemnity in your favour by the manufacturer of the relevant insured item or any other person.

- 3.5 Loss or damage caused by:

- (a) software viruses or other disruptive programming techniques.

- 3.6 Consequential loss of any kind or description whatsoever, subject to any extension selected by you.

4. Special conditions applying to this section

- 4.1 This Insurance only applies after completion of successful initial commissioning.

5. Electronic data and electronic data media

5.1 Scope of cover

We will indemnify you for insured damage to the electronic data and electronic data media caused solely as the result of insured damage to the computer which is specified in the Schedule for an amount not exceeding the sub-limit.

5.2 Basis of settlement

We will pay you for such insured damage up to the sum insured less the applicable excess specified in the Schedule including:

- (a) the actual cost of replacement of lost or damaged electronic data media by new unused materials
- (b) any expenses which can be proved to have been incurred by you only for the purpose of restoring the electronic data by reproduction of data or information in a condition equivalent to that existing prior to insured damage and necessary to allow operation of the insured item to continue in the normal manner. Lost electronic data may be reproduced in an updated form if the cost of doing so is no greater than that of reinstatement in the original form.

And provided:

- (c) We shall only be liable for costs and expenses incurred within a period of twelve (12) months following the insured damage within the period of insurance.
- (d) This extension only applies whilst the insured electronic data media is:
 - (i) at the location
 - (ii) at a media storage location, or
 - (iii) temporarily at an alternative location for processing purposes or in transit between any of these locations.
- (e) The amount of each claim otherwise payable shall be reduced by the amount of the excess shown in the Schedule.

5.3 Exclusions – applying to this extension (in addition the exclusions contained in this Section apply to this extension)

We will not pay for:

- (a) loss or distortion of electronic data contained on the electronic data media while mounted in or on any machine for use of processing unless such loss or distortion occurs:
 - (i) at the location due to insured damage to an insured computer which is specified in the Schedule, or
 - (ii) at another location temporarily for processing purposes due to insured damage to the insured computer which would be indemnifiable if the insured computer were insured under this section.
- (b) loss or distortion caused by computer virus being an executable programme or computer code segment that is self-replicating, requires a host programme or executable disc segment in which it can be contained

and which destroys or alters the host programme or other computer code or data causing undesired programme or computer system operation.

- (c) wasting or wearing away or wearing out caused by or naturally resulting from ordinary use or working or gradual deterioration
- (d) loss or damage caused by atmospheric conditions, moisture or changes in temperature unless directly resulting from damage to air-conditioning equipment which would be indemnifiable if the equipment were insured under this Section
- (e) consequential loss of any kind or description whatsoever
- (f) work undertaken without our approval other than for minor or provisional repairs. There is no cover under this extension with respect to any insured item which has been operated without being satisfactorily repaired following insured damage.

5.4 Special Condition – applying to Clause 5

It is a condition precedent to indemnity under this extension that you must have duplicate copies of updated file media stored off site at alternative premises.

6. Increased cost of working

6.1 Scope of cover

- (a) We will indemnify you as set out in 6.2 below up to the sum insured for any additional costs of operating your business directly resulting from interruption or interference to your business as defined in the schedule but only if:
 - (i) the interruption or interference is as a result of insured damage to the insured computer which is specified in the Schedule and
 - (ii) the interruption or interference is caused solely as a result of insured damage.

We will deduct from the amount payable by us any sum saved during the period of the interruption in respect of charges and expenses of the business which may cease or be reduced as a result of the insured damage, including any such savings occurring by reason of the interruption of the normal operation of the electronic operation of the data processing system.

6.2 Basis of settlement

- (a) We will pay you for the additional expenditure incurred over and above the normal expenses which would have been incurred by you for the operation of your insured computer by the use of substitute equipment to maintain normal business operation during the interruption up to the sum insured specified in the Schedule, less the applicable excess including:
 - (i) the actual hire charges incurred for the rental of substitute equipment, and
 - (ii) the cost of additional personnel and transport expenses incurred with the use of the substitute equipment.

- (b) The indemnity period and the time excess shall commence upon the commencement of use of a substitute insured computer.
- (c) We will be liable for additional expenditure incurred during the actual period of the interruption but not exceeding the period specified in the Schedule as the indemnity period.
- (d) The total of all claims payable under this extension during the period of insurance shall not exceed the aggregate of the sum insured stated in the Schedule.
- (e) We will not be liable for loss, damage or costs incurred by you during the time excess.
- (f) The amount of each claim otherwise payable shall be reduced by the amount of the excess shown in the Schedule.

6.3 Exclusions – applying to this extension (In addition the exclusions contained in this section apply to this extension)

We will not pay for:

- (a) the costs incurred during:
 - (i) interruption due to the carrying out of alterations, additions, or improvements to the insured computer
 - (ii) interruption due to the carrying out of cleaning, adjustment, inspection or maintenance of the insured computer, or
 - (iii) the extension of any interruption due to any measure, restriction or regulation imposed by any government, public or local authority.
- (b) Additional costs incurred where the period of interruption otherwise applicable is increased beyond four (4) weeks due to delay in the repair or replacement of items manufactured outside Australia where such delay results from:
 - (i) measures, restrictions or regulations imposed by any government or public or local authority
 - (ii) the time required to procure replacement parts or complete items in overseas markets
 - (iii) the time required to transport or ship component parts or complete items between the location and any overseas place of repair or replacement, or
 - (iv) the time required to engage and transport overseas specialists or consultants to assist in or supervise local repairs.

6.4 Special condition – applying to Clause 6

- (a) For the purpose of this increased cost of working only, exclusion 3.4(f) of this section does not apply.

7. Special exclusions applying to this section

We will not pay for:

7.1 Loss or damage caused by or arising from:

- (a) fire, smoke or soot
- (b) extinguishing a fire including subsequent demolition or repair work
- (c) lightning
- (d) chemical explosion (other than explosion of flue gas in boilers)
- (e) impact of landborne vehicles, aircraft or waterborne craft
- (f) earthquake, subterranean fire or volcanic eruption
- (g) landslip or subsidence
- (h) storm, tempest, flood, windstorm or cyclone
- (i) water escaping, discharged or leaking from any source which is external to the Plant and Machinery Insured
- (j) theft or attempts there at, or
- (k) intentional or malicious damage.

8. Special Conditions applying to this section.

8.1 On the happening of any occurrence which might give rise to a claim under this section you shall in addition to complying with general conditions applicable to all sections for claims:

- (a) take all reasonable steps to minimise the extent of the loss
- (b) preserve any damaged or defective plant or items and make them available to us for inspection.

8.2 Our liability shall cease for any plant which has sustained damage and is operated without having been repaired in a manner consistent with the generally accepted rules of engineering practice.

8.3 Newly installed items

At the end of each period of insurance you shall furnish us with details of any items newly installed or which have been deleted during the period of insurance. Additional or return premiums shall be calculated corresponding to the type and value of the items and the period of insurance from the time of completion of the successful commissioning of the items. Provided that our liability for all additional items will not exceed fifty percent of the total sum insured or limit of liability as stated in the Schedule.

8.4 Inspection

You shall permit us or our representative at all reasonable times the right to inspect and examine any items insured by this section.

Broadform liability section

1. Definitions

Any word or expression which this section of the Policy defines as having a particular meaning will have the meaning everywhere it appears in this Section.

- 1.1 'Aircraft' – any vessel, craft or thing made or intended to fly or move in or through the atmosphere or space.
- 1.2 'Business' – the business described in the Schedule including the provision and management of canteens, social, sports and welfare organisations for the benefit of Your employees, first aid, fire and ambulance services and the maintenance of Your premises.
- 1.3 'You/your' in this Section of the Policy –
- the named insured specified in the Schedule
 - all your subsidiary companies (now or subsequently constituted) provided their places of incorporation are within Australia or any Territory of Australia
 - every director, executive officer, employee, partner or shareholder of yours or in a company designated in paragraphs (a) or (b) but only whilst acting within the scope of their duties in such capacity
 - every principal of yours, in respect of that principal's liability caused by the performance of work for that principal, but subject always to the extent of coverage and the Limit of Liability provided by this Policy.
 - every office bearer or member of social and sporting clubs, canteen and welfare organisations and first aid, fire and ambulance services formed with your consent (but not an Insured designated in paragraph (d) or (f)) in respect of claims arising from their duties connected with the activities of any such club, organisation or service. This Insurance shall not apply to personal injury to or property damage of any participants of any game, match or the like
 - each partner, joint venturer, co-venturer or joint lessee of yours but only:
 - with respect to liability incurred as the partnership, joint venture, co-venture, joint lease, and
 - provided the partnership, joint venture, co-venture, joint lease has been notified to us within 60 days of formation and has been endorsed on the Schedule
 - any director or senior executive of yours in respect of private work undertaken by your employees for such director or senior executive.

You/Your does not include the interest of any other person other than as described in (a) to (g) above.

- 1.4 'Your Products' – any goods, products and property after they have ceased to be in the possession or under your control, which are or is deemed to have been manufactured, grown, extracted, produced, processed, constructed, erected, installed, repaired, serviced, treated, sold, supplied or distributed by you (including any container thereof other than a vehicle).

- 1.5 'Limit of liability' – the applicable Limit of liability specified in the Schedule.
- 1.6 'Medical persons' – legally qualified medical practitioners, legally qualified nurses, dentists and first aid attendants.
- 1.7 'Occurrence' – an event which results in personal injury or property damage, neither expected nor intended from your standpoint. All personal injury or property damage, arising out of continuous or repeated exposure to substantially the same general conditions shall be construed as arising out of one occurrence.
- 1.8 'Personal injury'
- bodily injury (and this expression includes death and illness), disability, shock, fright, mental anguish, mental injury
 - false arrest, wrongful detention, false imprisonment or malicious prosecution
 - wrongful entry or eviction
 - a publication or utterance of a libel or slander or other defamatory or disparaging material
 - assault and battery not committed by you or at your direction unless reasonably committed for the purpose of preventing or eliminating danger to person or property.
- 1.9 'Pollutant' – any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled reconditioned or reclaimed.
- 1.10 'Property damage'
- physical damage to, loss or destruction of tangible property including any resulting loss of use of that property, or
 - loss of use of tangible property which has not been physically damaged, lost or destroyed provided such loss of use is caused by an occurrence.
- 1.11 'Vehicle' – any type of machine on wheels or self laid tracks made or intended to be propelled by other than manual or animal power and any trailer or other attachment made or intended to be drawn by any such machine.
- 1.12 'Watercraft' – any vessel, craft or thing made or intended to float on or in or travel on or through or under water.

2. Coverage

2.1 Liability

We will pay to you or on your behalf all sums you become legally liable to pay by way of compensation in respect of personal injury or property damage happening during the period of insurance and caused by an occurrence in connection with your business.

2.2 Defence of claims

With respect to the indemnity provided by this Policy we will:

- defend in your name and on your behalf any claim or legal action against you seeking damages on account of personal injury or property damage, even

if the action is groundless, false or fraudulent, we will investigate, negotiate and settle any claim or legal action as we see fit

- (b) pay all expenses incurred by us, all costs taxed against you in any such suit and all interest accruing after entry of judgment until we have paid tendered or deposited in court such part of the judgment as does not exceed the limit of our liability
- (c) reimburse you for all reasonable expenses, other than loss of earnings, incurred in connection with the defence of a claim or legal action with our consent
- (d) pay reasonable expenses incurred by you for first aid to others at the time of personal injury caused by an occurrence (other than medical expenses prohibited by Section 126 of the Health Insurance Act 1973).

Provided that:

- (e) we will not be obliged to pay any claim or judgment or to defend any claim or legal action after the Limit of Liability has been exhausted by payment of judgments or settlements
- (f) if a payment exceeding the Limit of Liability has to be made to dispose of a claim, our liability to pay any costs, expenses and interest under clause 2.2 will be limited to that proportion of those costs, expenses and interest as the Limit of Liability bears to the amount paid to dispose of the claim.

The amount thus incurred, except payments in settlement of claims, suits and all costs awarded against you, are payable by us in addition to the Limit of Liability.

2.3 Limit of Liability

- (a) Our maximum liability in respect of any claim or any series of claims for personal injury or property damage caused by or arising out of one occurrence shall not exceed the Limit of Liability.
- (b) our total aggregate liability during any one period of insurance for all claims arising out of your products shall not exceed the Limit of Liability.

3. Exclusions

This Policy section does not cover liability in respect of:

3.1 Employment liability

Liability imposed

- (a) by any workers' compensation law
- (b) by the provision of any industrial award, agreement or determination or any contract of employment or workplace agreement where such liability would not have been imposed in the absence of such industrial award, agreement or determination or contract of employment or workplace agreement, or
- (c) for and in respect of employment practices

Provided that if you are:

- (d) required by law to insure or otherwise fund, whether through self insurance, statutory fund or other statutory scheme, all or part of any common law liability (whether limited or not) for such personal injury, or

- (e) not required to so insure or otherwise fund such liability by reason only that the personal injury is to a person who is not a worker or employee for the purposes of the relevant worker's compensation law or the personal injury is not an injury which is subject to such law

then this Policy will respond to the extent that your liability would not be covered under such fund, scheme, policy of insurance or self insurance arrangement had you complied with your obligations pursuant to such law.

3.2 Property in custody or control

property damage to:

- (a) property owned by or leased or rented to you, or
- (b) property in your physical or legal control.

but this exclusion does not apply to liability for property damage to:

- (c) premises (including landlord's fixtures and fittings) which are leased or rented to you
- (d) premises (or their contents) not owned, leased or rented by you but temporarily occupied by you for work therein
- (e) vehicles (not belonging to or used by or on your behalf) in your physical or legal control where the property damage occurs while the vehicles are in a car park owned or operated by you, unless you own or operate the car park for reward
- (f) the property of an employee of yours or of one of your subsidiary companies as designated in paragraphs 1.3(a) or 1.3(b)
- (g) property (excluding any vehicle which is registered or which is required under any legislation to be registered) in your physical or legal control for the purpose of repair, service, maintenance or alteration or which is on temporary hire or loan to you, subject to a maximum indemnity for any one occurrence of \$100 000 or the amount stated in the Schedule.

3.3 Product defect

property damage to your products if the damage is attributed to any defect in them or to their harmful nature or unsuitability.

3.4 Loss of use

loss of use of tangible property which has not been physically injured, or lost or destroyed resulting from:

- (a) a delay in or lack of performance by or on your behalf of any agreement:
- (b) the failure of your products to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by you, but this exclusion does not apply to the loss of use of other tangible property resulting from the sudden and accidental physical damage to, loss or destruction of your products after they have been put to use by any person or organisation other than those designated in paragraphs 1.3(a) or 1.3(b).

3.5 Product recall

claims arising out of or resulting from the withdrawal, inspection, repair, replacement or loss or use of your products or of any property of which they form a part, if such products or property are withdrawn from the market or from use because of any known or suspected defect or deficiency in them.

3.6 Aircraft, aircraft products and watercraft

claims arising out of

- (a) the ownership, maintenance, operation or use by you of:
 - (i) any aircraft, or
 - (ii) any watercraft exceeding 8 metres in length,
- (b) your products that are 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 is incorporated in an aircraft.

3.7 Vehicles

personal injury or property damage arising out of the ownership, possession, operation, maintenance 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 any legislation (whether or not that insurance is effected).

Exclusions 3.7(a) to 3.7(b) do not apply to:

- (c) personal injury where:
 - (i) that compulsory liability insurance or statutory indemnity does not provide indemnity and
 - (ii) the reason or reasons why that compulsory liability insurance or statutory indemnity does not provide indemnity do not involve a breach by you of legislation relating to vehicles.
- (d) property damage arising out of and during the loading or unloading of goods to or from any vehicle.
- (e) property damage caused by or arising from the operation or use of any vehicle which is designed primarily for lifting, lowering, loading, unloading, digging or drilling whilst being operated or used by you or on your behalf within the confines of your premises.
- (f) property damage caused by the use of any tool or plant forming part of or attached to or used in connection with any vehicle (excluding whilst the vehicle is travelling, transporting or carting goods) at any work site.

3.8 Contractual liability

any obligation assumed by you under any agreement except to the extent that:

- (a) the liability would have been implied by law

- (b) the liability arises from a provision in a contract for lease of real or personal property other than a provision which obliges you to effect insurance or provide indemnity in respect of the subject matter of that contract

- (c) the liability is assumed by you under a warranty of fitness or quality as regards to your products

- (d) the obligation is assumed under those agreements specified in the Schedule.

3.9 Professional liability

the rendering of or failure to render professional advice or service by you or any related error or omission, but this exclusion does not apply to:

- (a) the rendering of or the failure to render professional medical advice by medical persons employed by you to provide first aid and other medical services on your premises, or
- (b) personal injury or property damage arising therefrom providing such professional advice or service is not given for a fee.

3.10 Libel and Slander

the publication or utterance of a libel or slander:

- (a) made prior to the commencement of the period of insurance, or
- (b) made by or at your direction with knowledge of its falsity, or
- (c) related to advertising, broadcasting, or telecasting activities conducted by or on your behalf.

3.11 Pollution

- (a) personal injury or property damage caused by or arising out of the discharge, dispersal, release or escape of pollutants into or upon land, the atmosphere, or any water course or body of water, but this exclusion does not apply if the discharge, dispersal, release or escape is sudden, identifiable, unexpected and unintended and takes place in its entirety at a specific time and place

- (b) any costs and expenses incurred in the prevention, removing, nullifying or clean-up of such contamination or pollution but this exclusion does not apply to clean-up, removal or nullifying expenses only, which are consequent upon a sudden, identifiable, unexpected, unintended happening taking place in its entirety at a specific time and place which results in personal injury and/or property damage.

Our liability under clauses 3.11(a) and 3.11(b) in respect of any one discharge, dispersal, release, escape and for all discharges, dispersals, releases and escape of pollutants during any one period of insurance shall not exceed the Limit of Liability.

3.12 Territorial limits

- (a) claims made and actions instituted within the United States of America (USA) or Canada or any other territory coming within the jurisdiction of the courts of the USA or Canada

- (b) claims and actions to which the laws of the USA or Canada apply

provided that:

- (c) this exclusion does not apply to claims and actions arising from the presence outside Australia of any person who is normally resident in Australia and who is not undertaking manual work or supervision of work of any kind whilst in the USA or Canada
- (d) the Limit of Liability in respect of coverage provided under paragraph 3.12(c) is inclusive of all costs, expenses and interest as set out in section 2.2 of this Policy section.

3.13 Exports to the USA or Canada

claims in respect of personal injury and/or property damage caused by or arising out of your products knowingly exported by you, or your agents or servants, to the USA or Canada.

3.14 Asbestos

This policy does not cover liability resulting from the existence, mining, handling, processing, manufacture, sale, distribution, storage or use of asbestos, asbestos products and/or products containing asbestos.

3.15 Faulty workmanship

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

3.16 Fines, Penalties

Fines, penalties or liquidated damages.

3.17 Punitive damages

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

3.18 Assault and battery

personal injury or property damage caused by or arising from assault and battery committed by you or at your direction unless reasonably necessary for the protection of persons or property.

3.19 Defect in design

any defective or deficient design or error in specification or formula provided by you for a fee.

3.20 Inefficacy of computers, computer software and computer consulting

- (a) property damage to computer data, or any consequential loss resulting from such property damage, resulting from your use of any computer hardware and/or software
- (b) any claims based upon or arising from any act, error, or omission in the provision of computer services by you or on your behalf.

3.21 Treatment or dispensing

Except as provided for under Exclusion 3.9 above,

- (a) the treatment of humans or animals for any physical or mental deficiency, injury, illness or disease, or

- (b) the dispensing of drugs, medicines, pharmaceuticals, supplies or artificial aids.

3.22 Child molestation

The molestation of or interference with a minor or minors by

- (a) you or any person comprising you
- (b) any of your employees, or
- (c) any person performing any voluntary work or service for you or on your behalf.

Further, we shall not have any duty to defend any action, suit or proceedings brought against you (or any other person or body corporate who might otherwise but for the provisions of this clause be entitled to indemnity under this policy) which either directly or vicariously seeks compensation in respect of such molestation or interference as above or any personal injury resultant therefrom.

3.23 Participants

personal injury or property damage of any person caused by or arising out of the participation of such person or his/her property in any game, match, race, practice, trial or other sporting activity (including but not limited to swimming, gymnastics, health and fitness activities).

3.24 Welding activities

claims caused by or arising out of grinding, arc or flame cutting, flame heating, arc or gas welding or similar operation, unless such activity is conducted in strict compliance with the Australian Standard 1674-1990 (Fire Precautions in cutting, heating and welding operations) issued by the Standards Association of Australia.

3.25 Hairdressers and beauty salons

- (a) personal injury caused directly or indirectly by any treatment prescribed or administered by you or your employees or agents other than
 - (i) haircutting by electrical or hand clippers, hairdressing and hairdrying by blower type machines, shaving shampooing and tinting or dyeing
 - (ii) eyebrow plucking and shaping, face or scalp massage, manicure, pedicure, epilation and wax steam treatment.
 - (iii) ear, nose, eyebrow piercing but only when gold, gold plated, silver, platinum or surgical sleepers or studs are used

as long as you have followed the requirements and precautions set out by the manufacturer of any product you use, any statutes are observed and you use products which bear recognised trade names and THEN the maximum we will pay is \$100,000 or the amount set out in the Schedule.

- (b) personal injury to any person arising directly or indirectly out of the contraction of AIDS or AIDS related diseases or the transmission of any communicable disease by you or any of your employees or agents.

3.26 Personal Injury or property damage arising, directly or indirectly, out of, or in any way involving your 'internet operations'

This exclusion does not apply to personal injury or property damage arising out of any material which is already in print by the manufacturer in support of its product, including but not limited to product use and safety instructions or warnings, and which is also reproduced on its site.

'Internet operations' means the following:

- (a) use of electronic mail systems by you or your employees, including part-time and temporary staff, contractors and others within your organisation
- (b) access through your network to the world wide web or a public internet site by your employees, including part-time and temporary staff, contractors and others within your organisation
- (c) access to your intranet (meaning internal company information and computing resources) which is made available through the world wide web for your customers or others outside your organisation, and
- (d) the operation and maintenance of your web site.

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

3.27 Property damage to computer data or programs and their storage media arising directly or indirectly out of or caused by, through or in connection with:

- (a) the use of any computer hardware or software
- (b) the provision of computer or telecommunication services by you or on your behalf
- (c) the use of computer hardware or software belonging to any third party, whether authorised or unauthorised including damage caused by any computer virus.

4. Supplementary Conditions applicable to this section

4.1 Jurisdiction

all disputes arising out of or under this Policy will be subject to determination by any court of competent jurisdiction within Australia according to the law applicable to the jurisdiction.

4.2 Joint insureds

where you comprise more than one party each of the parties will be considered as a separate and distinct unit and the words you and your shall be considered as applying to each party in the same manner as if a separate policy had been issued to each of them provided that nothing in this clause will result in an increase of our Limit of Liability in respect of any occurrence or period of insurance.

4.3 Notices

you must as soon as possible give to us notice in writing of:

- (a) every occurrence, claim, writ, summons, proceeding, impending prosecution, and inquest together with all relevant information which may result in a claim under this policy, whether or not you believe any claim amount might fall below the applicable excess

- (b) every change that comes to your knowledge which materially varies any of the facts or circumstances existing at the commencement of this Policy.

Any notice given in writing by us to the first named insured specified in the Schedule will be treated as notice to each of the parties you comprise.

Service of notices by us will be effective immediately on receipt by you of a letter or electronic communication sent from us or in the case of notices by post, three business days after having been posted by us.

4.4 Subrogation

in the event of a payment under this Policy to or on behalf of you we will, subject to the insurance contracts Act 1984, be subrogated to all your rights of recovery against all persons and organisations and you must execute and deliver instruments and papers and do everything that is necessary to assist us in the exercise of those rights.

4.5 Discharge of liabilities

we may at any time pay to you in respect of all claims against you arising from an occurrence the balance of the Limit of Liability or any smaller sum for which the claim or claims can be settled and upon that payment we will relinquish conduct or control of and be under no further liability under this Policy section in connection with those claims except for costs, charges and expenses:

- (a) recoverable from you for all or part of the period prior to the date of such payment
- (b) incurred by us
- (c) incurred by you with our written consent of prior to the date of such payment.

4.6 Reasonable care

You must:

- (a) exercise reasonable care that only competent employees are employed and take reasonable measures to maintain all premises, fittings and plant in sound condition
- (b) take all reasonable precautions to prevent personal injury and property damage, and prevent the manufacture, sale or supply of defective products, and comply with and ensure that your employees, servants and agents comply with all statutory obligations, by-laws or regulations imposed by all relevant public authorities:
 - (i) for safety of persons or property
 - (ii) for the disposal of waste products
 - (iii) for the handling, storage or use of flammable liquids or substances, gases or toxic chemicals
- (c) at your own expense take reasonable action to trace recall or modify any of your products containing any defect or deficiency of which you have knowledge or have reason to suspect, including (but not limited to) any of your products subject to governmental or statutory ban.

4.7 Inspection of property

- (a) we will be permitted but not obligated to inspect your property and operations at any time.
- (b) neither our right to inspect nor our failure to inspect, nor the making of any inspection nor any report of an inspection may be used by you or others in any action or proceeding involving us.
- (c) we may examine and audit your books and records at any time during the period of insurance and within three years thereafter but that examination and audit will be restricted to matters which in our opinion are relevant to the policy.

4.8 Adjustment of premium

- (a) if the first or renewal premium for the policy has wholly or partly been calculated on estimates furnished by you, then within 30 days after the expiry of each period of insurance you must provide to us such matters, particulars and information relevant to the policy as we may reasonably require. The premium for the period will then be adjusted and any difference paid by or allowed to you as the case may be, provided that the adjusted premium will not be less than any minimum premium specified in the Schedule.
- (b) you must keep a record of all matters, particulars and information requested by us and must on reasonable notice allow us or our nominee to inspect and make copies of those records.

5. Optional extensions, where indicated on the Schedule as applying

5.1 Motor trade, excluding testing and delivery

- (1) Exclusion 3.2(b) (Property in custody or control) of the Broadform Liability Section of this Policy does not apply to liability for property damage to:
 - 3.2.(h) vehicles for repairs, servicing, maintenance or storage whilst within the confines of your premises or whilst left stationary in the immediate vicinity of your premises in any public or private road or thoroughfare subject to a maximum indemnity of \$100,000 any one Occurrence and an excess of \$500.
- (2) Exclusion 3.7 (Vehicles) of the Broadform Liability section of this Policy does not apply to ;
 - 3.7.(g) property damage arising from any vehicle (not owned by or leased to you) whilst within the confines of your premises.

5.2 Motor trade, including Testing and Delivery

- (1) Exclusion 3.2(b) (Property in custody or control) of the Broadform Liability Section of this Policy does not apply to liability for property damage to:
 - 3.2.(h) vehicles for repairs, servicing, maintenance or storage whilst within the confines of your premises or whilst left stationary in the immediate vicinity of your premises in any public or private road or thoroughfare subject to a maximum indemnity of \$100,000 any one occurrence and an excess of \$500.

3.2(i) property damage to any registered vehicle not owned or leased by you but in your physical or legal control for the purpose of repairs, servicing or garaging whilst such vehicle is on any public roadway or thoroughfare whilst being tested &/or collected &/or delivered subject to a maximum indemnity of \$100,000 any one occurrence and an excess of \$500.

- (2) Exclusion 3.7 (Vehicles) of the Broadform Liability section of this Policy does not apply to;

3.7(g) property damage arising from any vehicle (not owned by or leased to you) whilst within the confines of your premises.

3.7(h) property damage to any other property not being your own or used by you or on your behalf caused by the vehicle as described and used in 3.2 (i). The maximum amount we will pay for property damage under this clause is \$100,000 any one occurrence.

The indemnity provided by 3.7(g) & 3.7(h) shall not apply to any property damage arising from ;

- (a) The use of any unsafe or unroadworthy vehicle unless such condition could not reasonably be detected by you. This exclusion shall not apply if such property damage was not caused or contributed to by such unsafe or unroadworthy condition.
- (b) The use of a vehicle by ;
 - (i) any person with your consent who is not licensed under any relevant law to drive such a vehicle; or
 - (ii) anyone whose faculties are impaired by any drug or intoxicating liquor or by any person who is convicted of driving at the time of the property damage being under the influence of intoxicating liquor; or
 - (iii) anyone whose blood alcohol reading exceeds the legal limit (subject to any laws to the contrary);or
 - (iv) anyone who refuses to provide or allow the taking of a sample of breath, blood or urine for testing or analysis as required by the law of any State or Territory where the property damage occurred.

However we will cover you if you have allowed a person to drive a vehicle in your physical or legal control and you can prove that you were not aware that the vehicle was being driven by or in charge of that person when they were so affected or unlicensed.

Glass section

1. Definitions

'Breakage' – fracture extending through the entire thickness of the glass or vitreous china fixtures.

'External glass' – fixed glass in external windows, doors, showcases, skylights.

'Internal glass' – glass in internal partitions, windows and doors, refrigerating cabinets, glass in counters, shelving, interior showcases, fixed mirrors and other fixed internal glass including ceramic vitreous china urinals and toilet pans and hand basins.

2. Cover

We will cover you, less the excess, in respect of breakage of fixed external glass and internal glass as indicated in the Schedule and at the location belonging to you or for which you are legally responsible.

3. Exclusions

We will not cover:

- 3.1 breakage of glass or sanitary ware or sinks during their installation or removal or work on them, their framework or other fittings, or
- 3.2 damage to
 - (a) tubing or lightfittings, and
 - (b) signs, (except under clause 4.5)
 - (c) existing cracked or imperfect glass
 - (d) glass caused by artificial heat
 - (e) glass not fit for the purpose intended.

4. Additional benefits

In the event of accidental breakage of insured glass, we will also pay up to \$5,000 in total under Clauses 4.1 to 4.5 or the amount specified in the Schedule, whichever is the greater for all losses arising out of the one occurrence.

- 4.1 Temporary protection and shuttering

the cost of temporary shuttering, boarding up or other security protection necessary, pending replacement of the broken glass.
- 4.2 Signwriting

damage to signwriting, ornamentation, reflective materials or burglary alarm tapes and connections.
- 4.3 Shopfronts

damage caused by external violence to window/door frames and shop fronts.
- 4.4 Damage to property

damage or spoilage due to breakage of insured glass.
- 4.5 Damage to electric signs

damage to electrically illuminated signs including those made of perspex or plastic and we will pay even when other insured glass is not damaged.

General property section

1. Definitions

'Building' – that part of a permanent and fixed structure with a roof and walls and which is capable of fully enclosing an area under the roof when all external doors and windows are closed. 'Building' does not include any yard or other open space, or any veranda, pergola, carport or other open sided structure which cannot be fully enclosed by the use of doors and/or windows.

'Insured item' – the items which are specified in the Schedule including carrying case and usual accessories and which are owned by you or for which you are legally responsible.

Any item of insured property which is:

- (a) mobile plant
- (b) photographic or video equipment
- (c) mobile communication equipment, including telephones and radios
- (d) sporting equipment
- (e) electronic equipment, including computers, diaries, GPS units, and
- (f) accessories of items (a) to (e) above

must be individually described, identified and valued in the Schedule.

The maximum amount we will pay for any other item of insured property, which is not specifically described, identified and individually valued but is shown in the Schedule under a general description or category of property is \$1,000 for any one individual item.

Property not categorised and described only in general terms as "all property" or the like does not include;

- (i) items (a) to (f) above
- (ii) stock
- (iii) customers property
- (iv) vehicles, trailers, aircraft or watercraft
- (v) accessories, spare parts or tools of any of the items described in (iv) above

'Insured loss' – loss or damage arising from a sudden and unforeseen accident.

2. Cover

2.1 Accidental damage (standard cover)

We will cover insured items for insured loss anywhere in Australia and,

- (a) at Our option, repair or replace any lost or damaged Insured item to a condition equal to but not better or more extensive than its condition when new, or pay the amount of the loss or damage up to the market value or the limit of the sum insured stated in the Schedule, whichever is the lesser, less the excess

- (b) will not be responsible for the cost of any alterations, improvements or overhauls carried out on the occasion of repair or replacement resulting from an insured loss
- (c) in the case of a claim where your loss is confined to part of an insured item, we will cover you in respect of that part only plus the cost of any necessary dismantling and reassembling.

2.2 Cover options and extensions (where indicated on the Schedule as applying)

Fire, theft, collision and other expressed perils (cover option A)

When cover option A is stated on the Schedule, we will insure the items described in the Schedule under this section for loss or damage caused by:

- (a) Fire, lightening, explosion, malicious damage or vandalism;
- (b) Theft following forcible and violent entry which causes visible damage to a locked vehicle or building;
- (c) Theft of equipment securely attached to a vehicle through use of locks or padlocks, which results in visible damage to the securing devices;
- (d) Collision or overturning of the conveying vehicle.

2.3 Goods in transit

When Goods in transit cover option is stated on the Schedule, we will cover you up to the limit specified in the schedule for this cover option, less the excess, for loss or damage to goods belonging to you or for which you are legally responsible, whilst in the normal course of transit by road vehicle owned or operated by you anywhere in Australia, caused by the following insured events.

- (a) Collision or overturning of the conveying vehicle.
- (b) Fire, lightning or explosion.
- (c) Theft resulting from forcible and violent entry evidenced by visible damage to the securely locked portion of a vehicle containing your item.

Additional exclusions applying to this cover option

We will not be liable under this cover option for loss of or damage to or as a result of:

- (a) delay, loss of market, consequential loss of any kind, depreciation or deterioration
- (b) money
- (c) jewellery, watches, furs, antiques, paintings, works of art, precious metals or precious stones or articles composed of any of them
- (d) explosives, petroleum products in bulk or gas in bulk
- (e) livestock
- (f) cigarettes, tobacco, wines, spirits or other alcoholic beverages unless specified in the Schedule
- (g) collision or contact by the conveying vehicle with the curb or uneven road surface

- (h) theft by or in collusion with any of your employees
- (i) electrical or mechanical derangement unless damage is visible to the exterior of the machine.

Basis of valuation

In the event of a claim the value of goods lost or damaged shall be taken as;

- (a) for goods sold - your invoice value
- (b) for goods purchased - the purchase price as shown on the invoice
- (c) all other goods including plant transfers - market value

3. Exclusions

3.1 We will not cover for any loss or damage directly or indirectly caused by:

- (a) mechanical, electronic or electrical breakdown or derangement unless as a consequence of an insured loss
- (b) cracking, scratching or breakage of glass or fragile items or surfaces unless as a consequence of insured loss
- (c) loss or damage caused by rust, or oxidation, mildew, mould, moths, vermin, insects, change of colour, or any process of heating, drying, cleaning, dyeing or alteration to any insured item
- (d) the action of light or atmospheric conditions or gradually developing conditions, vibration, wear, tear and/or depreciation
- (e) dishonesty by you or others to whom any insured item may be delivered, entrusted, loaned or rented
- (f) action of the sea, tidal wave, high water or flood.
- (g) theft by employees
- (h) unexplained inventory shortage.
- (i) theft, other than theft resulting from forcible and violent entry evidenced by visible damage to the securely locked portion of any building or vehicle containing any insured item.

3.2 We will not cover loss or damage to any sporting equipment whilst in use.

3.3 We will not cover any consequential loss or damage.

General exclusions

Applicable to all sections

We will not cover:

War, Terrorism, Radioactivity

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

1. War, invasion, acts of foreign enemies, hostilities or war-like operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, or

2. Any act(s) of Terrorism

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

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

3. Radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion.

This Policy also excludes any loss, destruction, damage, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any action taken in controlling, preventing, suppressing, retaliating against, or responding to or in any way relating to 1, 2 or 3 above.

Unoccupancy

Loss, damage or liability during any period in excess of sixty (60) consecutive days during which the business premises are left unoccupied, unless with our written consent.

To have been occupied, the business premises must have been used for business purposes for at least two (2) consecutive days.

Intentional damage

Damage or liability intentionally caused or incurred by:

1. You, or
2. a member of your family, or
3. a person acting with your express or implied consent or that of a member of your family.

Electronic Data

Electronic data or the cost of rewriting records as a result of loss of electronic data.

However, we will provide cover for losses to electronic data and rewriting of records as provided by additional benefit 4.4 of the property section arising out of the following perils:

fire, lightning, thunderbolt, explosion, implosion, earthquake, subterranean fire, volcanic eruption, impact, aircraft and/or other aerial device, breakage of glass, the acts of persons taking part in riots or civil commotions or of strikers or of locked out workers or of persons taking part in labor disturbances which do not assume the proportions of or amount to an uprising, storm and/or tempest and/or rainwater and/or wind and/or hail, water and/or other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or appliance and/or pipes.

If the Theft section of the policy is current we will also provide cover for losses to electronic data arising out of theft of any computer and/or computer hardware and/or firmware and/or microchip and/or integrated circuit and/or and/ device containing such electronic data.

If the Electronic equipment section of the policy is current and Section 5. Electronic data and electronic media is insured we will also provide cover for losses to electronic data arising out of vibration, power surge, low voltage, mechanical, electrical and electronic breakdown, but not breakdown occurring as a result of any virus, worm, trojan horse, hacking, or any unauthorised access.

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

General conditions applicable to all sections

Your obligations

You are to:

1. take all reasonable precautions to avoid or minimise loss, damage, disablement or liability
2. maintain all business premises, fittings, appliances and equipment in sound condition
3. comply with all statutory obligations, by-laws and regulations imposed by any public authority, for the safety of persons or property, and
4. obtain certificates of inspection for all equipment required by any statute or regulation to be so certified.

Contribution

If at the time of any loss, damage, liability or injury there is any other existing insurance, whether effected by you or by any other person or persons covering the same property, we will not be liable to pay or contribute more than our rateable proportion of such loss, damage or liability.

Misrepresentation and non-disclosure

If:

1. you failed to disclose any matter which you were under a duty to disclose to us, or
2. you made a misrepresentation to us before the contract of insurance was entered into, and
3. as a consequence we would not have entered into the contract for the same premium and on the same terms and conditions expressed in this Policy, then
 - (a) our liability in respect of any claim shall be reduced to an amount to place us in the same position in which we would have been placed if the failure to disclose had not occurred or the misrepresentation had not been made, or
 - (b) if the non-disclosure or misrepresentation was fraudulent, we may avoid this Policy.

Alteration

Unless our written consent is obtained, we will not cover loss, damage or liability caused or contributed to by any alteration after the commencement of this Policy:

1. in the trade or manufacture carried on, or whereby the nature of the occupation or other circumstances affecting the building insured or containing the property insured is changed in such a way as to increase the risk of damage or the likelihood of liability losses
2. whereby your interest ceases by will or operation of law
3. whereby the business is wound up or carried on by an insolvency practitioner or permanently discontinued.

If you alter the risk in any of these ways we may cancel your Policy.

Cancellation

1. You may cancel this Policy at any time in which case we will retain the pro-rata rate for the time the Policy has been in force.
2. We may cancel this Policy by giving you written notice to that effect where you have:
 - (a) failed to comply with the duty of utmost good faith
 - (b) failed to comply with the duty of disclosure at the time when the Policy was entered into
 - (c) made a misrepresentation to us during the negotiations for the Policy before we entered into the policy
 - (d) failed to comply with a provision of the policy
 - (e) failed to pay the premium or failed to pay any instalments for longer than one month
 - (f) made a fraudulent claim under this Policy or any other policy of insurance (whether with us or some other insurer) that provided insurance cover during any part of the period during which this Policy of insurance provides insurance cover
 - (g) failed to notify us of any specific act or omission where such notification is required under the terms of this Policy.
3. We may cancel this Policy pursuant to any right at law but subject to the provisions of the Insurance Contracts Act 1984.
4. When we cancel the policy it will have effect from whichever of the following times is the earliest:
 - (a) the time when another policy of insurance replacing this Policy is entered into, or
 - (b) 4 o'clock in the afternoon of the third business day after the day on which notice was given to you.
5. When we cancel the Policy we will repay on demand a rateable proportion of the premium for the unexpired period of insurance from the date of cancellation.

Other insurance

You shall notify us in writing of any insurance or insurances already effected or which may be subsequently effected covering, whether in whole or in part, the property hereby insured.

Changes in Policy

No change in this Policy will be valid unless agreed in writing by us nor shall the requirements of any section be deemed to be waived unless we agree in writing.

Transfer of interest

No interest in this Policy can be transferred without our written consent.

Automatic reinstatement

1. After we have admitted liability for loss or damage (other than for a total loss under the property section or claims in respect of products liability), we automatically reinstate the sum insured to the amount shown in the Schedule at the time of loss.
2. If we request an additional premium, you must pay it to us or the cover will be reduced by the amount of the claim settlement.

Claims

What you must do if you want to claim under this Policy

You must follow these procedures if something happens which causes loss or damage or injury which may lead to a claim. If you do not, we may refuse your claim or reduce the amount we pay you.

When loss or damage occurs you must:

- (a) take all reasonable steps to reduce the loss or damage and to prevent further damage
- (b) immediately make a full report to the police if:
 - (i) you know or suspect that property has been stolen,
 - (ii) someone has broken into your premises, or
 - (iii) someone has caused malicious damage to your property
- (c) not make any admission of liability, offer, promise or payment in connection with any event
- (d) promptly inform us by telephone or in person
- (e) preserve any damaged property and make it available for inspection by our representative or agent (including a loss adjuster)
- (f) not authorise the repair or replacement of anything without our agreement.

If you want to make a claim you must:

- (a) fill in our claim form
- (b) return it to us within 30 days of the event that gave rise to the claim
- (c) give us all the information and documentation which we request. If we ask for it, you must provide us with a statutory declaration verifying the truth of your claim and any matters connected with it, and
- (d) immediately send us any court document or other communication you receive about the claim. Do not take any action yourself or ask anyone else to do so on your behalf.

Proceedings and negotiations

1. We control all claims.
2. We require that you give us all information and assistance we may need:
 - (a) to settle or defend claims, or
 - (b) to recover from others any amount we have paid for a claim.
3. you must allow us to:
 - (a) make admissions, settle or defend claims on your behalf, and
 - (b) take legal action in your name against another person to recover any payment we have made on a claim. We may keep any amount we recover in priority to your right to recover any amount that you have lost which is not insured under this Policy, whether or not we have paid your claim in whole or in part.

Discharge of our liabilities

At any time we can pay to you or on your behalf, for all claims made against you for any one occurrence:

- (a) the limit of liability of the section under which the claim is made, after deducting any amounts already paid, or
- (b) any lower sum for which the claim may be settled.

If we do so:

- (i) the conduct of any outstanding claim(s) will become your responsibility, and
- (ii) we will not be liable to pay any further amounts other than costs, charges, or expenses that we agreed to pay before we made the payment referred to above.

Limits and excess

1. We will not pay more than the sum insured in respect of any claim

other than those benefits that are identified as payable in addition to the sum insured, or

unless we agree in writing to pay legal costs or expenses in relation to a claim.
2. you must pay the amount of any excess shown in the Schedule for each claim you make. Payment of your excess may be requested when you lodge your claim form or may be deducted from our payment to you.
3. If you suffer damage which leads to a claim under more than one section of this Policy:
 - (a) the highest applicable excess is payable, but
 - (b) only one excess is payable.

Inspection and salvage

1. you must give us access to your property and the location or make them available to us for inspection if you make a claim.
2. you must allow us to take possession of any damaged property and deal with it in a reasonable manner. If we do not take possession of the damaged property, you cannot abandon your responsibilities for the property.

Other insurances

At the time you make a claim, you must give us written notice of any other insurance covering the property or legal liability which may also apply to your claim.

Contribution

When a loss paid under this Policy is also recoverable under another policy and we have paid more than our rateable share, we reserve the right to seek contribution from the other insurer or insurers.

False claims

If you, or someone acting on your behalf makes a false claim, or causes loss or damage deliberately) we may:

- (a) refuse to pay the claim,
- (b) cancel this Policy, or
- (c) take legal action against you.

Insurance Contracts Act 1984

Nothing contained in this Policy is to be construed to reduce or waive either your or our privileges, rights or remedies available under the Insurance Contracts Act 1984.

Due observance

If you fail to comply with any term, condition or provision of the policy, we may refuse to pay a claim, but in any event our rights will be subject to the provisions of Section 54 of the Insurance Contracts Act 1984.

