



## **First Option Business Insurance**

Policy Wording



# About this Booklet

This booklet contains the policy terms and conditions, which detail all the terms, conditions and exclusions relating to the Policy. It forms part of Your legal contract with Us.

If We agree to insure You, You will be given a Schedule. The Schedule sets out the specific terms applicable to Your cover and should be read together with the policy terms and conditions.

The policy terms, conditions, Schedule and any endorsements We issue to You form Your legal contract with Us so please keep them in a safe place for future reference.

If You require further information about this product, please contact Calliden Agency Services Limited ('CASL') whose contact details can be found in the "About the Agent" section under "Important Information" on page 3 of this Policy.

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# Policy Terms and Conditions

This Policy is a legal contract between You and Us.

You have paid, or agreed to pay, Us the premium and We provide the cover You have chosen as set out in Your Schedule.

You, or any other person insured under the Policy, must comply with all provisions of the Policy, otherwise We may be entitled to refuse to pay a claim, or reduce the amount You are entitled to receive.

The insurance cover is in force for the Period of Insurance set out in the Schedule. We will insure You to the extent described in this Policy during the Period of Insurance, subject to the provisions of the Policy.

We will not pay the Excesses shown in the Policy or 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.

## Important Information

This Policy and Your current Schedule are important. Please ensure You read them carefully and keep them in a safe place.

If You have any questions regarding the Policy, please contact Your insurance broker or Calliden Agency Services Limited ('CASL').

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

### About the Insurer

This insurance is underwritten by Great Lakes Reinsurance (UK) PLC (ARBN 127 740 532, ABN 18 964 580 576, AFSL 318603) trading as Great Lakes Australia ('Great Lakes Australia'). Great Lakes Australia is an authorised Australian insurer, regulated by the Australian Prudential Regulation Authority ('APRA').

Great Lakes Australia is a branch office of Great Lakes Reinsurance (UK) PLC, a limited liability company incorporated in England and Wales and a wholly owned subsidiary of the Munich Reinsurance Company, part of the Munich Re Group. The Munich Re Group is one of the largest insurance groups in the world.

Great Lakes Reinsurance (UK) PLC has strong financial security characteristics. However, please note that ratings can vary from time to time. You can check Great Lakes Reinsurance (UK) PLC's current rating at the following website Standard & Poors: [www.standardandpoors.com](http://www.standardandpoors.com).

You should contact CASL in the first instance in relation to this insurance.

Great Lakes Australia's contact details are:

- 143 Macquarie Street, Sydney, NSW 2000;
- PO Box H35 Australia Square, Sydney, NSW 1215;
- Phone: +61 2 9272 2050.

### About the Agent

Calliden Agency Services Limited ('CASL') (ABN 15 096 726 895, AFSL 234437).

CASL arranges policies for and on behalf of Great Lakes Australia. CASL acts under a binding authority given to it by the insurer to administer and issue policies, alterations and renewals. In all aspects of arranging this Policy, CASL acts as an agent for the insurer and not for You.

CASL's contact details are:

- Address: Level 9, 11-33 Exhibition Street, Melbourne, VIC 3000;
- Phone: 1300 00 2255.

### Our Agreement

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

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

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

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

- We agree to provide You with the insurance cover set out in each of the Sections which are shown as insured in the Schedule, subject to Your payment of or agreement to pay Us the premium (including any relevant government charges) and any agency fees set out in the current Schedule;
- the insurance cover is in force for the Period of Insurance set out in the Schedule;

- We will insure You to the extent described in this Policy during the Period of Insurance; and
- We will not pay any more than the Sum Insured or limit of liability for each Section which is shown in the Schedule or as provided in the Policy.

## Your Cooling-off Period

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

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

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

## General Insurance Code of Practice

Great Lakes Australia is a signatory to the General Insurance Code of Practice ('the Code'). The Code aims to raise standards of service between insurers and their customers. CASL's service standards are in accordance with the Code.

For any information about the Code, including a copy of the Code, contact Us or the Financial Ombudsman Service on 1300 78 08 08 or visit [www.codeofpractice.com.au](http://www.codeofpractice.com.au).

## Financial Claims Scheme

In the event of the insolvency of Great Lakes Australia, You may be entitled to payment under the Financial Claims Scheme. Access to the scheme is subject to eligibility criteria. Information about the scheme can be obtained from the APRA website at [www.apra.gov.au](http://www.apra.gov.au) and the APRA hotline on 1300 55 88 49.

## Privacy

Both CASL and Great Lakes Australia are committed to protecting the privacy of the personal information You provide to Us. Any personal information You give Us will be treated in accordance with the *Privacy Act 1988*.

We collect personal information from You for the purpose of issuing You with, and administering this insurance product (including the handling and settlement of claims).

CASL also collects information from You to help develop and identify other products and services that may interest clients.

We will only disclose personal information about You to third parties where We believe it is necessary to assist Us in providing Our relevant services and products. The parties to whom We may disclose Your personal information include (but are not limited to) other insurers, reinsurers, reinsurance brokers, loss adjusters, external claims data collectors, investigators, agents and others involved in the claims handling process, or as required by law.

By submitting Your personal information to Us, You agree to Us using and disclosing Your personal information as outlined in this Privacy Statement.

This consent to the use and disclosure of Your personal information remains valid unless You alter or revoke it by giving Us written notice.

If You do not provide the information requested, Your insurance application may not be accepted, or We may not be able to administer Your policy, or You may breach Your duty of disclosure, the consequences of which are set out under the heading duty of disclosure in this document.

You can request access to the personal information We hold about You and, where necessary, You can notify Us in writing of changes so We can ensure that the information We hold about You is accurate, complete and up-to-date.

From time to time, We may use Your name and contact details to send You or Your firm offers or information regarding Our insurance services or promotions that may be of interest to You. Please let Us know if You no longer wish to receive this information.

If You require additional information or would like a copy of Our Privacy Policies, please contact Us.

## Dispute Resolution Process

If You think We have let You down in any way, or Our service is not what You expect (even if through one of Our representatives), please tell Us so We can help. We are committed to resolving Your complaint fairly.

If You have a complaint:

- contact CASL by phone on +61 2 9551 1111. You will be put in contact with someone who can help resolve Your complaint;
- You can also write to CASL about Your complaint to:  
The Customer Relations Manager,  
PO Box 348, Milsons Point, NSW 1565; or by email at [servicefeedback@calliden.com.au](mailto:servicefeedback@calliden.com.au);
- We will listen to You, consider the facts and respond to You within 15 business days. If We need more information or time to respond properly to Your complaint We will contact You to agree an appropriate timeframe to respond;

- If You are not satisfied with the resolution, then Your complaint will be referred to the Dispute Resolution Officer or their delegate at Great Lakes Australia.

We will send You Our final decision within 45 days from the date You first made Your complaint.

We expect Our procedures will deal fairly and promptly with Your complaint. However, if You are not satisfied with Our final decision You can choose to have the matter resolved externally – with the Financial Ombudsman Service Ltd ('FOS'). This is an independent body and its services are free to You. As a member We agree to accept the FOS's decision.

You can contact the FOS by:

**Mail:** Financial Ombudsman Service Ltd,  
GPO Box 3, Melbourne, Victoria 3001;

**Telephone:** 1300 78 08 08;

**Fax:** +61 3 9613 6399;

**Website:** [www.fos.org.au](http://www.fos.org.au);

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

## 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 and also before each time You renew, extend, vary or reinstate the Policy. Each person named as the insured has the same duty.

You do not 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 do not tell Us

If You do not comply with Your duty of disclosure, We may reduce or refuse to pay a claim and/or cancel Your Policy. We may invalidate the Policy from its beginning and not be bound by it if the non-disclosure was fraudulent.

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

## Defined Terms

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

# General Definitions

## Applicable to All Policy Sections

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

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

**Advertising Liability** means:

- 1) infringement of copyright, title or slogan;
- 2) unfair competition, misappropriation or piracy of ideas;
- 3) invasion of privacy;

committed or allegedly committed by or on behalf of You, during the Period of Insurance in any communication given to the public including by way of any form of print, media, publication, telecommunication, radio, television broadcast, electronic mail, internet, world wide web or exhibit.

**Breakage** means:

- 1) for laminated glass, a fracture extending through the entire thickness of a lamination; and
- 2) for all other types of glass, a fracture extending through the entire thickness of the glass.

**Buildings** means buildings and outbuildings located at the Risk Address owned by You or for which You are legally responsible for or which You have assumed a responsibility to insure prior to the occurrence of any Loss or Damage, and which is used for the purpose of the Business.

Buildings include:

- 1) fixtures, fittings, above ground and underground services connected to any Building;
- 2) walls, gates, fences, paths, driveways, car parks, piers, jetties and any other structural improvements;
- 3) bridges, wharves and docks.

Buildings does not include Contents or Stock.

**Business** means Your business, trade or occupation carried on at or from the Risk Address, as shown in the Schedule.

**Contents** means all property owned by You or for which You are legally responsible or which You have assumed a responsibility to insure prior to the occurrence of any Loss or Damage, and which is used for the purpose of the Business. Contents includes:

- 1) all Business furniture, utensils of trade, shelving, decorations, display stands, machinery, plant and equipment;
- 2) tenants' fixtures and fittings where You are the tenant;
- 3) landlord's fixtures and fittings and glass for which You as tenant are legally liable;
- 4) patterns, models, moulds and dies, but limited to the value of such items in Your financial records if not replaced;
- 5) Documents.

Contents does not include Buildings or Stock.

**Contents & Stock** means Contents and Stock as each word is defined in this Policy.

**Contents & Stock in Trade** means Contents and Stock in Trade as each expression is defined in this Policy.

**Damage** means physical damage or destruction.

**Documents** means documents, manuscripts, Business books, computer systems' records, plans or designs.

**Earthquake** means earthquake, subterranean fire, volcanic eruption or fire resulting from any of these.

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

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

**Excess(es)** means the amount specified in the Schedule, Your Policy, or an endorsement to Your Policy that You must pay in respect of each Event or Occurrence giving rise to a claim. Sums Insured, limits and sub-limits of liability shall apply in addition to, and shall not be reduced by, the amount of any applicable Excess. Where two or more different Excesses apply to an Event or Occurrence giving rise to a claim under one or more Sections of Your Policy, only the greatest of those Excesses shall be applied to the whole claim.

**External Glass** means external fixed glass, perspex and plastic material forming part of the building at the Risk Address and any ceramic tiled shop fronts, shatter resistant, reflective or window tinting film affixed thereto.

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

- 1) any lake, or any river, creek or other natural watercourse, whether or not altered or modified; or
- 2) any reservoir, canal, or dam.

**Indemnity Value** means the cost necessary to reinstate, replace or repair the property to a condition substantially the same as but not better or more extensive than its condition at the time of the Loss or Damage, taking into consideration age, condition and remaining useful life.

**Internal Glass** means all fixed internal glass, perspex and plastic material including glass, perspex and plastic material used in any of the following namely cabinets, table tops, counter tops, shelves, refrigeration cabinets, showcases, internal light fittings, mirrors (other than hand mirrors) and also including vitreous china lavatory pans, urinals and hand basins, showcase frames, display cabinets, counter frames, all located at the Risk Address, and all of which is owned by You or for which You are legally responsible.

**Loss** means physical loss.

**Money** means cash including coins and banknotes, credit card vouchers, cheques, money orders, unused postal and revenue stamps (including the value of prepaid franking machine credits), telephone cards, metropolitan transit tickets, lottery tickets (for their purchase cost only) and negotiable securities, notes and instruments, all belonging to You or for which You are legally responsible or have assumed a responsibility to insure.

**Occurrence(s)** means an event neither intended nor expected by You. All events of a series consequent upon or attributable to one source or originating cause shall be deemed to be one Occurrence.

With respect to Advertising Liability all damages involving the same injurious material or act, regardless of the frequency or repetition thereof, the number and kind of media used and the number of claimants shall be deemed to arise out of one Occurrence.

**Period of Insurance** means the period of time stated in the Schedule for which Your Policy is in force.

**Personal Injury** means:

- 1) bodily injury (including death and illness), disability, fright, shock, mental anguish, mental injury or loss of consortium;
- 2) false arrest, wrongful detention, false imprisonment, malicious prosecution or humiliation;
- 3) wrongful entry or eviction or other invasion of privacy;
- 4) libel, slander or defamation of character;

- 5) assault and battery not committed by You or at Your direction unless committed for the purpose of preventing or eliminating danger to person or property.

**Policy/Your Policy** means this policy wording, the application, the Schedule and any special conditions or endorsements issued to You in either electronic or written form.

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

**Property Damage** means:

- 1) physical damage to or destruction of tangible property including its loss of use following such physical damage or destruction; or
- 2) loss of use of tangible property which has not been physically damaged or destroyed provided that the loss of use has been caused by an Occurrence.

**Risk Address** means the location of the Business shown in the Schedule.

**Schedule** means the certificate of insurance issued by Us and forming part of Your Policy that records Your name and address, Policy number, the Period of Insurance, details of the insurance etc. It also includes:

- 1) any endorsements or variations to the standard policy wording contained in this booklet that We have agreed to and confirmed in writing;
- 2) if Your Policy has been renewed, the relevant renewal certificate; and
- 3) a reference to an interim cover certificate or cover note, being a certificate issued by Us to provide You with temporary insurance.

**Section** means each of the classes of insurance contained in this booklet. The Sections that apply to You are shown in the Schedule.

**Stock** means:

- 1) Stock in Trade;
- 2) Tobacco Products.

**Stock in Trade** means:

- 1) merchandise (other than Tobacco Products) including stock in the course of production, promotional merchandise and packaging materials and/or containers, which You own or for which You are legally responsible;
- 2) customers' goods not belonging to You but for which You are legally responsible.

**Storm Surge** means the short period rise or fall of the sea level produced by a cyclone.

**Sum Insured** means the relevant amount shown in the Schedule.

**Tobacco Products** means stock consisting of cigarettes, tobacco or cigars which You own or for which You are legally responsible.

**Watercraft** means any vessel, craft or thing designed to float on or in or travel on or through water.

**We, Us or Our** means Great Lakes Reinsurance (UK) PLC (ARBN 127 740 532, ABN 18 964 580 576, AFSL 318603), trading as Great Lakes Australia.

**You or Your** means the person(s) or entity named in the Schedule as the insured.

**Some other words have special meanings and they are explained where they occur in the Policy.**

# General Conditions

## Applicable to All Policy Sections

### 1) Goods and Services Tax (GST)

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

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

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

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

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

### 2) Alteration of Your risk

If You become aware of any changes to Your Business or other circumstances affecting the premises at the Risk Address during the Period of Insurance that may result in an increased risk of destruction, loss or damage to Your property insured under this Policy or liability to third parties, You must notify Us of these changes in writing as soon as possible.

If You are a property owner insuring Buildings under this Policy at a Risk Address that You lease, You must inform Us within 60 days from when You first become aware of any:

- a) changes of tenants; and/or
- b) changes whether total or partial to the occupancy of the Buildings;

at the Risk Address during the Period of Insurance.

If We agree to the alteration of risk or changes We will do so in writing and You must pay Us any additional premium We may require.

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

### 3) Cancellation

You may cancel this Policy at any time by notifying Us in writing in which case We will retain the pro-rata premium for the time the Policy has been in force.

We may cancel this Policy by giving You written notice to the 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;
- f) made a fraudulent claim under this Policy or any other policy of insurance (whether with Us or another insurer) that provided insurance cover during any part of the period during which this Policy of insurance provides insurance cover; or
- g) failed to notify Us of any specific act or omission where such notification is required under the terms of the Policy.

We may cancel this Policy pursuant to any right at law but subject to the provisions of the Insurance Contracts Act 1984.

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, unless this Policy was in force by virtue of Section 58 of the *Insurance Contracts Act* whereupon the cancellation will take effect from the fourteenth business day after the day on which notice was given to You.

After cancellation, We will refund the premium for the time remaining on the Policy less non-refundable duties, provided that:

- a) no event has occurred where liability arises under the Policy; and
- b) We will retain any agency fees that were charged under the Policy other than when the Policy is cancelled in full from inception.

Where the premium payment for this Policy is made by instalments and one such instalment remains outstanding for a period of at least one month, all benefit under the Policy is forfeited and the Policy shall be regarded as having been cancelled.

#### 4) Under insurance

The Property Damage and Business Interruption Sections of this Policy are subject to an under insurance/average condition. The effect of this condition is that if, at the time of loss the Sum Insured is less than the full value of the property or income insured, then You may not be covered for Your full loss. It is Your responsibility to ensure the adequacy of Sums Insured and You should re-assess these Sums Insured during the currency of the Policy and prior to renewal each year.

#### 5) Unoccupancy

Cover shall be entirely suspended where the premises at the Risk Address are left without an inhabitant or regular attendant for any period of more than 90 consecutive days and nights, unless Our prior written consent has been obtained before they are left so uninhabited or unattended and You agree to pay Us any additional premium that We may require.

Provided that suspension of cover under this general condition will not apply:

- a) to Section 6 – Broadform Liability; or
- b) in respect of Section 1 – Property Damage, Loss of or Damage to Your property insured under this Section caused by:
  - i) lightning, Earthquake, tsunami;
  - ii) impact by road vehicle or their loads, animals, trees or branches, meteorite, aircraft or other aerial devices or articles dropped from them, sonic boom or space debris, falling communication masts, towers, antennae or dishes, falling buildings or structures or parts thereof none of which belong to You; or
  - iii) riots, civil commotions and strikes.

#### 6) Other insurance

When You make a claim on this Policy You must provide Us with details in writing of other insurances which may also provide cover on any property or loss We have insured.

#### 7) Reasonable care

You must take all reasonable care:

- a) for the safety of Your property insured under this Policy;
- b) to ensure that only competent employees are employed;

- c) to maintain the structure, fittings, fixtures, furnishings, appliances, machinery, implements and plant in sound condition at the Risk Address;
- d) to comply with any law, by-law, safety requirement, Australian standard or regulation of any government or local government body or municipal regulation (including work health and safety laws), including but not limited to those covering the disposal of waste products and the handling, storage or use of flammable liquids or substances, gasses or toxic chemicals or any other hazardous goods.

We shall not be liable for loss, destruction, damage, liability, accidental injury or illness caused or contributed to by Your failure to comply with this condition.

#### 8) Fraud

All benefits may be forfeited, Our liability reduced and/or Your Policy(ies) cancelled if You or any person acting with Your knowledge or consent or on Your behalf:

- a) engages in any dishonest or fraudulent activity as a means to obtain benefit from this Policy; or
- b) wilfully causes any loss, damage, or liability.

#### 9) Conduct of defence and recovery actions

Subject to the *Insurance Contracts Act 1984 (Cth)*, We shall be entitled to take over the conduct in Your name, or the name of any other party covered by Your Policy, the defence or settlement of any claim and to take recovery action or prosecute for Our benefit, any claim for indemnity, damage, or otherwise and We shall have full discretion in the manner in which any proceedings or settlements are conducted. If You or any other party covered by Your Policy wish to join with Us in any related action where this Policy does not provide You with indemnity, legal costs will be proportionately shared.

#### 10) Preventing Our rights of recovery

If You have agreed not to seek compensation from another person or entity who is liable to compensate You for any loss, damage or liability which is covered by this Policy We shall not cover You under this Policy for that loss, damage or liability, except in the following circumstances:

- a) We waive any rights and remedies or relief to which We are or may become entitled by subrogation against:
  - i) any co-insured (including its directors, officers and employees);
  - ii) any corporation or entity (including its directors, officers and employees) owned or controlled by You or against any co-owner of the property insured under this Policy;

- b) You may without prejudicing Your position under this Policy:
  - i) release any statutory governmental, semi-governmental or municipal authority from any liability if required by any contract to do so;
  - ii) agree to enter into a contract for storage of goods or merchandise if the terms of the contract include a disclaimer clause;
  - iii) agree to enter into a lease for occupancy of any building or part of a building or a lease or hiring of property where the terms of the lease or hiring include a disclaimer clause in favour of the lessor or the owner.
- f) give Us the opportunity to inspect any loss or damage before You carry out any repairs unless repairs are necessary to protect the property insured under this Policy from further loss;
- g) keep any damaged or recovered stolen property and allow Us to inspect it if necessary;
- h) obtain Our consent before You authorise or commence repairs or otherwise incur any cost, unless the repair or cost is necessary to protect the property insured under this Policy from further loss; and
- i) not admit, deny, or negotiate any claim with any person.

### 11) Assistance

In the event that there exists a right to recover any monies payable under Your Policy from any other party, You or any other person covered by Your Policy must co-operate with Us fully in any proceedings available to Us at law which We may take, and not hinder these rights or agree to limit, waive or release any such right. Failure to comply with this condition will enable Us to reduce the amount payable under a claim to the extent that Your actions prejudice Our ability to recover such monies.

### 12) Claims matters

As soon as possible after an event occurs which may result in a claim under this Policy You must at Your own expense:

- a) take all reasonable precautions to prevent or minimise further loss, damage or liability;
- b) notify the police immediately if any of Your Property is lost, stolen, maliciously or intentionally damaged, or such loss is attempted or suspected;
- c) take all reasonable steps to recover lost or stolen property, and assist in apprehending any guilty party;
- d) contact CASL and provide Us with details of what has happened by:
  - telephoning 1300 880 037; or
  - writing to:
    - Claims Department
    - Calliden Agency Services Limited
    - PO Box 348, Milsons Point, NSW 1565
- e) complete and submit a claim form for Our consideration with full particulars of Your loss including details of any party who may be responsible;

We shall not be liable for loss, destruction, damage, liability, accidental injury or illness caused or contributed to by Your failure to comply with this condition.

### 13) Words - gender

Words importing persons include corporations and other legal entities.

The singular includes references to the plural and vice versa and any gender includes reference to all other genders.

### 14) Renewal obligations

Should We agree to offer renewal of this Policy beyond the Period of Insurance stated in Your Schedule, renewal terms are subject to there having been no changes in the risk insured. You are obliged to notify Us in writing of any changes or any relevant matters that may have occurred during the Period of Insurance which may affect Our willingness to accept Your renewal.

### 15) Workers compensation

The insurances provided by this Policy do not include workers compensation. It is compulsory for all employers to insure for workers compensation and a separate policy must be arranged where required by law.

### 16) 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 that jurisdiction.

### 17) Inspection of property

We will be permitted but not obligated to inspect Your property and operations at any time.

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 proceedings involving Us.

Any inspection by Us will be restricted to matters, which in Our opinion, are relevant to the Policy.

#### 18) Approved claims preparation costs

In addition to the amount of cover provided by each Section, We will pay up to \$25,000 for reasonable professional fees and such other expenses reasonably incurred by You for the preparation of a claim under a Section.

Provided that before You incur these claim preparation costs You must obtain Our written approval to incur these costs, to which We agree not to unreasonably withhold consent.

#### 19) Other parties

When this Policy covers the interest of more than one party, any act or omission of an individual party will not prejudice the rights of the remaining parties, provided that the remaining parties immediately on becoming aware of any act or omission relevant to Our acceptance of the risk or which increases the risk of loss, damage or liability, give notice in writing of the circumstances to Us and agree to pay such reasonable additional premium We may require.

You cannot transfer the Policy into someone else's name without Our written consent. All persons entitled to claim under the Policy are bound by the terms and conditions of the Policy.

#### 20) Bushfire, grass fire, scrub fire, cyclone - Delay of Cover

We shall not be liable under Section 1 – Property Damage and/or Section 2 – Business Interruption for any claim arising out of or in connection with any Loss or Damage occurring within:

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

Provided that this exclusion shall not apply if:

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

#### 21) Acquisition of companies

This Policy extends to provide cover for any property or liability insured in terms of this Policy associated with any company or other legal entity a controlling interest in which is acquired by You during the Period of Insurance, provided that:

- a) You notify Us in writing within 30 days of the acquisition of the controlling interest of the company or other legal entity; and
- b) cover for property only extends to property that is located in Australia; and
- c) the business of the company or other legal entity is essentially the same as Your Business that is stated in the Schedule; and
- d) You accept Our terms and undertake to pay the additional premium We may require; and
- e) Our liability for any claim shall not exceed the Sum Insured, limit of liability, or any other limit applicable under the relevant Section(s) making up Your Policy for each category of property or cover.

For the purpose of this general condition, a controlling interest shall, in the case of a company, mean the acquisition of shares carrying more than 50 per cent (50%) of votes capable of being cast at a general meeting of all shareholders in the company.

#### 22) Reinstatement of Damage by You

If You, after obtaining the consent from Us, reinstate Damaged property that is insured under this Policy, We shall pay Your labour costs and overhead expenses subject to the Limits Applying to the Cover. Provided that We will not pay more than the amount which would otherwise be required by outside contractors to do the same work.

#### 23) Single Event

We will not pay for Loss of or Damage to property covered by this Policy under more than one Section in respect of the same item and Event unless a relevant Sum Insured has been paid out in full and You have not been fully indemnified, less any applicable Excess, for the Loss or Damage.

# General Exclusions

**These general exclusions apply to all Sections of the Policy. In addition to these General Exclusions, each Section of this Policy will be subject to specific exclusions.**

**Your Policy does not cover loss, damage, consequential loss, cost or expense, disablement or liability directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with:**

## 1) Nuclear material

Any consequence of:

- a) ionizing radiation or radioactive contaminations from any nuclear fuel or waste which results from the burning or fission of nuclear fuel;
- b) the radioactive, toxic, explosive or other dangerous properties of nuclear machinery or any part of it; or
- c) nuclear weapons material, nuclear pollution or contamination.

## 2) War activities

- a) War, invasion, acts of foreign enemies, hostilities, or war-like operations (whether war be declared or not) or civil war.
- b) Mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, military or usurped power, confiscation, nationalisation, requisition, or destruction of or damage to property by or under order of any government, public or local authority or looting, sacking or pillage following any of the above.

## 3) Consequential loss

Any consequential loss of any description except as specifically stated in Your Policy. Provided that this exclusion does not apply to Section 6 – Broadform Liability.

## 4) Electronic data

Any consequence of:

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

- d) any business interruption losses resulting therefrom;

regardless of any other contributing cause or event whenever it may occur, unless any of the matters described in clauses a) to d) above are:

- i) directly caused by any of the perils listed below:

Fire, explosion, lightning, windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freezing, weight of snow, impact by aircraft or other aerial objects dropped therefrom, impact by any road vehicle or animal, bursting overflowing discharging or leaking of water tanks apparatus or pipes; or

- ii) the result of theft of Electronic Data solely where such theft is accompanied by theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing such Electronic Data, but only where the property is insured and the appropriate covers have been selected and paid for and are included in Your Schedule.

For the purposes of the basis of settlement provisions in this Policy, computer systems records include Electronic Data as defined in the General Definitions section.

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

## 5) Internet operations and cyber risks

- a) Any losses arising, directly or indirectly, out of, or in any way involving Your "internet operations".

"Internet operations" means the following:

- i) use of electronic mail systems by Your employees, including part-time and temporary staff, and others within Your organisation;
- ii) access through Your network to the world wide web or a public internet site by Your employees, including part-time and temporary staff, and others within Your organisation;
- iii) 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
- iv) the operation and maintenance of Your web site.

Provided that this exclusion does not apply to bodily injury or property damage arising out of any material which is already in print by a 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. Coverage does not include bodily injury or property damage arising out of any other advice or information located on the site that is used for the purpose of attracting customers.

- b) 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:
  - i) the use of any computer hardware or software;
  - ii) the provision of computer or telecommunications services by or on behalf of You;
  - iii) the use of computer hardware or software by any third party, whether authorised or unauthorised, including any damage caused by any computer virus.

Nothing in the Internet operations and cyber risks exclusion shall be construed to extend coverage under this Policy to any liability which would not have been covered in the absence.

#### 6) Terrorism

Any Act of Terrorism, as defined herein, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

This Policy also excludes loss, damage, cost, or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any action in controlling, preventing, suppressing, retaliating against, or responding to any Act of Terrorism.

#### 7) Your wilful act, omission or recklessness

Any wilful act, omission or recklessness or those of Your agents or representatives, provided that this exclusion will only apply to physical loss, destruction or liability caused by those proprietor(s) or member(s) committing the wilful act or omission or recklessness or that of their agents or representatives.

# Section 1 – Property Damage

## Introduction

Where Property Damage in this Section is shown as insured in the Schedule with specific Sums Insured shown for the respective Property Insured items covered, We agree to provide You with the insurance set out in this Section.

The Important Information, General Definitions, General Conditions and General Exclusions Sections are also applicable to this Section.

## Definitions Applicable to this Section

**Defined Peril** means fire, lightning, explosion, Earthquake, riots, civil commotions, persons taking part in an industrial dispute, persons acting maliciously, storm, the bursting, overflowing or discharging of tanks, apparatus or pipes containing water or liquid of any kind, sprinkler leakage, impact by vehicles, Watercraft, animals or trees or branches of trees, aircraft or other aerial devices, or articles dropped from them, space debris whether man-made or otherwise, falling antennae, communication towers, masts or satellite dishes, falling buildings or structures or parts thereof.

**Full Value** means the amount that would be required as the Total Sum Insured, sufficient to allow Us to fully indemnify You within the terms and conditions of this Section for a total loss of Property Insured at a Risk Address.

**Glass** means External Glass and Internal Glass as each expression is defined in this Policy.

**Limit of Liability** means 120% of the Total Sum Insured for a particular Risk Address, the amount of which is also subject to any increase as specifically provided under additional benefit 13) Catastrophe Escalation Costs.

**Other Items** mean specified property owned by You or for which You are legally responsible, and which is used for the purpose of the Business.

**Pollution** means the discharge, dispersal, release or escape of Pollutants into or upon any property, land, atmosphere or any water course or body of water (including ground water).

**Pressure Vessels** mean pressure vessels including boilers, compressors, air receivers and economisers.

**Property Insured** means Buildings, Contents, Stock, Contents & Stock and Other Items shown in the Schedule as specifically covered with a Sum Insured.

**Total Sum Insured** means the total of all Sums Insured for Buildings, Contents, Stock, Contents & Stock and Other Items for a particular Risk Address.

## The Cover

Subject to the provisions of this Policy, We will pay You in accordance with the basis of settlement for Loss of or Damage to Property Insured occurring at the Risk Address during the Period of Insurance.

## Limits Applying to The Cover

The most We will pay for all Loss or Damage which occurs at the Risk Address arising during the Period of Insurance or for any one Event is the Limit of Liability that applies to the Risk Address unless it is specifically stated in this Section that payments are made in addition to this amount, and provided that this limitation is subject to specific condition 1) Automatic reinstatement of Limit of Liability.

The most We will pay for Loss of or Damage to Property Insured consisting of gates, fences, retaining walls, textile awnings and blinds, shade cloth, shade sails or signs caused by storm, wind, rainwater, hail or snow is \$25,000 any one Event.

## Exclusions

- 1) We will not pay for Loss of or Damage to:
  - a) Property Insured whilst in transit outside the Risk Address other than as specifically provided under special benefit 5) Transit;
  - b) Money;
  - c) the personal property of Your directors, partners and employees that is not at the Risk Address at that time;
  - d) standing timber, growing crops, plants, potted plants, lawns, land including top soil and fill, landscaping, gardens and pastures, other than as specifically provided under additional benefit 7) Landscaping;
  - e) canals, roadways and tunnels, unsealed driveways, unsealed paths, dams and reservoirs (other than tanks) and their contents;
  - f) vacant Buildings (including Contents and Stock contained therein) undergoing demolition;
  - g) Property Insured while and as the result of its being processed, manufactured, tested or otherwise being worked on;
  - h) Property Insured in the open air unless it comprises or forms part of a permanent structure designed to function without the protection of walls or roofs; or

- i) motor vehicles, trailers, caravans or motor cycles all while registered or licensed to travel on a public road, provided that this exclusion does not apply to:
  - i) mobile plant and equipment not being cars, sedans, panel vans or trucks not otherwise insured; or
  - ii) motor vehicles, trailers, caravans or motorcycles that are Stock;
 all while at any Risk Address.
- 2) Unless the following items are Stock, We will not pay for Loss of or Damage to:
  - a) jewellery, furs, bullion, precious metals or precious stones which exceed \$10,000 any one item, pair or collection;
  - b) Watercraft, provided always that We will not pay for Loss of or Damage to Watercraft whilst in water;
  - c) aircraft, provided always that We will not pay for Loss of or Damage to aircraft during taxiing, take-off, flight or landing;
  - d) live animals, birds or fish, provided always that We will only pay for Loss or Damage caused by fire, lightning, thunderbolt, explosion, impact, earthquake, storm, wind rainwater, hail or snow, malicious acts or vandalism and while these items are contained within a building.
- 3) We will not pay for Loss of or Damage to Property Insured undergoing construction, erection, alteration or addition (including partial dismantling of existing structures), provided that this exclusion does not apply to:
  - a) Property Insured where the total cost of all work being carried out is less than \$500,000 or 20% of the Limit of Liability, whichever is the lesser; or
  - b) that portion of the Building or part of any Property Insured that is not directly affected by such work.
- 4) We will not be liable under this Section in respect of any legal liability that You have other than as specifically provided under additional benefit 11) Removal of debris.
- 5) We will not pay for Loss of or Damage to Property Insured intentionally caused by Your tenants at the Risk Address or any other person entering the Risk Address with Your consent, other than Loss or Damage caused by or resulting from fire or explosion.
- 6) We will not be liable for any claims under this Section in respect of fines or penalties.
- 7) We will not pay for the cost of rewriting or recreating Your Documents that are stored off-site or Your customers' Documents, other than as specifically provided under additional benefit 17) Cost of rewriting Documents.
- 8) We will not pay for Loss or Damage by termination of Your computer system following access by any person other than You or Your directors, partners, officers, employees or members to Your computer system, via data communication media.
- 9) We will not pay for Loss or Damage occasioned through the explosion or implosion of any Pressure Vessel:
  - a) where the load on the safety valve upon the particular Pressure Vessel was in excess of the manufacturer's specification at the time of any Loss or Damage; or
  - b) where any safety valve on the Pressure Vessel was removed or rendered inoperative.
 Provided that this exclusion shall be limited to the Pressure Vessel immediately affected and shall not extend to other Property Insured as a result of such Loss or Damage.
- 10) We will not pay for Loss of or Damage to Glass, unless:
  - a) such Glass suffers Loss or Damage caused by:
    - i) fire, lightning, explosion, Earthquake, impact, storm, wind rainwater, hail or snow; or
    - ii) strikers, locked out workers or other labour disturbances, or any other malicious persons other than where such Glass suffers Breakage; or
  - b) You are a tenant of a building and are required by the lease to insure Glass.
- 11) We will not pay for Loss of or Damage to Property Insured caused by theft, other than:
  - a) Damage to Property Insured at the Risk Address during theft or any attempted theft; and/or
  - b) theft of parts of the Buildings when Buildings are shown as insured in the Schedule.

- 12) We will not pay for Loss or Damage caused by or arising from:
- a) erosion, subsidence, landslide, mudslide, rockslide, settling, seepage, shrinkage or expansion of earth, vibration or other earth movement, unless caused by or arising from a direct consequence of an Earthquake or water escaping from a water main owned by a water supply authority;
  - b) incorrect siting of Buildings as a result of error in design or specification, faulty workmanship or non-compliance with the requirements of any government, local government or statutory authority;
  - c) demolition ordered by government, public or local authorities as a result of Your failure or the failure of Your agents to comply with any lawful requirement;
  - d) any unexplained inventory shortages or disappearances resulting from clerical or accounting errors, or shortage in the supply or delivery of materials or goods;
  - e) tidal wave, water from or action by the sea, Storm Surge or high water. Provided further that this exclusion shall not apply if Loss or Damage is directly or indirectly caused by an Earthquake;
  - f) contamination of Property Insured by Pollution, except when caused directly by a Defined Peril; or
  - g) Flood.
- 13) We will not pay for Loss or Damage caused directly by or arising directly from in connection with:
- a) mechanical, hydraulic, electrical or electronic breakdown, failure, malfunction or derangement of any instrument, machine, device or temperature controlling equipment, other than for Loss or Damage to any switchboard and associated wiring forming part of the Property Insured caused by the actual burning out of such part or parts by electric current;
  - b) wear and tear, fading, gradual deterioration or developing flaws, normal upkeep or making good;
  - c) scratching, denting, chipping or defacing, except when caused directly by a Defined Peril;
  - d) moths, termites or other insects, vermin, rust or oxidation, wet or dry rot, corrosion, mildew, mould, change of colour, change in temperature, disease, change in flavour or texture or finish, stain or smoke from industrial operations, or alteration to the Property Insured;
  - e) inherent vice or latent defect;
  - f) faults or defects known to You or any employee whose knowledge in law would be deemed to be Your knowledge and not disclosed to Us at the time this policy was arranged, extended, varied or renewed;
  - g) by infidelity, dishonesty, embezzlement, misappropriation, or fraud including forgery, erasure, counterfeiting by You or any other persons who have an interest in the Property Insured;
  - h) any computer virus;
  - i) structural defects, faulty design, faulty materials or faulty workmanship;
  - j) any error or omission in design, plan or specification or failure of design; or
  - k) the cessation of work whether total or partial or the cessation, interruption or retarding of any process or operation as a result of any industrial dispute.
- Provided that We will pay for any Loss of or Damage to Property Insured not otherwise excluded that results from circumstances consequent of any of the circumstances referred to in exclusions 13)a) to 13)k).
- ### Additional Benefits
- If Loss of or Damage to Property Insured at a Risk Address is covered by this Section, then We will also pay for the reasonable costs necessarily incurred under the following additional benefits. Provided that with regard to additional benefits 1) to 6) below We will pay in addition to the Limit of Liability for that Risk Address.
- #### 1) Fire extinguishment costs
- We will pay for the costs and expenses incurred by You for:
- a) any statutory charges payable by You to a fire brigade, fire-fighting authority or an authorised government authority for attendance at a fire or chemical emergency involving the Property Insured at the Risk Address;
  - b) extinguishing fires at or in the vicinity of, and threatening to involve, the Property Insured at the Risk Address, including the costs and expenses incurred by You for the wages of Your employees and for any Loss or Damage of or to their clothing or personal effects;
  - c) the repair, replacement or replenishment of fire-fighting appliances used in putting out a fire at or in the vicinity of the Risk Address which is threatening the Property Insured;

- d) the purpose of shutting off the supply of water or other substances which are accidentally discharged from any fire protective equipment or otherwise; and
- e) the removal of debris from the Risk Address by the fire brigade, fire-fighting authority or the authorised government authority.

Provided that We will not pay more than \$100,000 any one Event.

Payment under this additional benefit is not dependent on Loss of or Damage to Property Insured, but the incidents described above must occur during the Period of Insurance.

## 2) Loss or Damage caused by leakage of water or liquid - exploratory costs

Where We pay a claim for Loss of or Damage to Property Insured caused by or arising from the discharge, overflowing or leakage of water or liquid of any kind from apparatus, tanks or pipes, We will also pay for the cost of identifying and locating the cause of Loss or Damage but We will not pay for the cost of repair or replacement of the defective part or parts of such apparatus, tank or pipe.

Provided that We will not pay more than \$35,000 for any one Event.

## 3) Capital additions

Cover for Property Insured at any one Risk Address is extended to include any physical alterations or additions to Buildings, Contents and Other Items carried out after the commencement of the Period of Insurance.

Cover under this additional benefit is limited to:

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

whichever is the lesser.

Where a Contents & Stock cover is applicable, this additional benefit will apply only to Contents.

## 4) Discharge of mortgage

We will pay the reasonable legal costs to discharge a mortgage or mortgages on the Property Insured following a settlement of a claim made by You under this Section on the basis of a total loss whether actual or constructive.

Provided that We will not pay more than:

- a) i) \$25,000; or
  - ii) 10% of the Total Sum Insured;
- whichever is the greater, in addition to the Limit of Liability; or

- b) the Limit of liability not otherwise exhausted;
- whichever is the greater, for any one Event.

## 5) Temporary protection

We will pay for the costs incurred by You to provide temporary protection and employment of security guards to safeguard the Property Insured pending repair or replacement as a result of Loss or Damage. Provided that this additional benefit is limited to \$30,000 any one Event.

## 6) Rewards

We will pay up to \$5,000 for the reasonable cost of any reward paid by You for information which leads to the apprehension and conviction of person(s) responsible for Loss or Damage which is covered by this Section. Provided that any cover given under this additional benefit shall not accumulate with any similar cover that may be given under Section 3 – Burglary, Section 4 – Money or Section 5 – Glass.

## 7) Landscaping

If Loss of or Damage to Buildings at a Risk Address is covered by this Section, then We will also pay for Loss of or Damage to landscaping, plants, potted plants (where Contents is shown as insured in the Schedule), gardens and lawns at the Risk Address caused by a peril not otherwise excluded under this Section, provided that We will not pay for Loss of or Damage to standing timber, growing crops, pastures or land including top soil and fill.

## 8) Cost of clearing drains

We will pay the resultant expenses necessarily incurred in clearing and/or repairing drains, gutters and sewers at the Risk Address. The maximum amount We will pay for this additional benefit is \$25,000 any one Event, subject to the Limit of Liability not otherwise exhausted.

## 9) Architects' and other consultants' fees

We will pay for architects', surveyors', consulting engineers', legal or any other fees necessarily incurred in the repair, reinstatement or replacement of Your Buildings, Contents and or Other Items following Loss or Damage for which a claim is payable under this Section, but not costs, fees or other expenses for preparing any claim made under this Section.

Provided that We will not pay more than \$10,000 in addition to the Limit of Liability or the Limit of Liability not otherwise exhausted, whichever is the greater, for any one Event.

#### 10) Government fees and costs

We will pay any fee, contribution or impost payable to any government, local government or other statutory authority necessarily incurred in the repair or replacement of Property Insured that suffers Loss or Damage. Provided that We will not pay more than \$10,000 in addition to the Limit of Liability or the Limit of Liability not otherwise exhausted, whichever is the greater, for any one Event.

#### 11) Removal of debris

We will pay for those costs incurred for:

- a) the removal, storage and/or disposal of debris and of anything which caused the Loss or Damage at the Risk Address;
- b) the demolition, dismantling, and removal of Property Insured at the Risk Address that is necessary for the purpose of repair or replacement as a result of the Loss or Damage;
- c) the cleaning up, removal, storage and disposal of debris from any other location that You do not own and that You are legally liable to clean up, remove, store or dispose of such debris as a result of the Loss or Damage, provided that such liability was not assumed by You under an agreement entered into after the commencement of the Period of Insurance unless liability would have attached in the absence of such agreement;
- d) the cost of cleaning up any Pollutants which has gone beyond the boundaries of the Risk Address or has entered the public drainage system or any creeks or waterways, caused by or as a result of water discharged or leaking from any automatic sprinkler or drencher installation or tank connected therewith.

Provided that We will not pay more than:

- a) i) \$100,000; or  
ii) the Sum Insured for Removal of Debris; whichever is the greater, in addition to the Limit of Liability; or
- b) the Limit of liability not otherwise exhausted; whichever is the greater, for any one Event.

#### 12) Temporary repairs

We will pay for the cost of emergency protection, shoring up, underpinning, propping or other temporary repairs of the Property Insured at the Risk Address, provided that We will not pay more than the Limit of Liability not otherwise exhausted.

#### 13) Catastrophe Escalation Costs

If:

- a) any of Your Buildings has suffered Loss or Damage and a claim is payable under this Section; and
- b) the Event giving rise to the Loss or Damage has resulted in any competent authority declaring a state of emergency affecting the area in which Your Building is situated;

We will increase the Limit of Liability by the amount shown in the Schedule for Catastrophe Escalation Costs provided that Your Building is rebuilt, and increase the limits provided under additional benefit 3) Capital additions (relating to Buildings only) and additional benefit 5) Temporary protection of this Section by the proportion which the Catastrophe Escalation Costs sum insured bears to the Buildings Sum Insured, to cover any increase in building costs for labour and materials and any other additional costs which may apply after the Event.

Provided that We will not pay:

- a) more than the increased building costs which are actually incurred by You; and
- b) any amount under this additional benefit until You have incurred costs exceeding the Limit of Liability under this Section.

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

#### 14) Unpacking expenses

We will pay for costs and expenses incurred by You in taking inventory (including unpacking, repacking and restacking) to identify, quantify and value any Property Insured that suffered Loss or Damage by any peril insured against by this Section during the Period of Insurance, provided that We will not pay more than the Limit of Liability not otherwise exhausted.

#### 15) Expediting expenses

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

Provided that We will not pay more than 50% of the cost of repairing the item or \$25,000, whichever is the lesser, and subject also to the Limit of Liability not otherwise exhausted.

#### 16) Loss of land value

When a Building has suffered Loss or Damage at a Risk Address for which a claim is payable under this Section, but due to legal requirements, rebuilding is not permitted or only partial rebuilding is allowed at the Risk Address then We will pay the difference between:

- a) the land value at the Risk Address after such rebuilding as is permitted (if any) has taken place; and
- b) the land value at the Risk Address before the Damage occurred.

Provided that We will not pay more than \$100,000, less any sum payable to You by any authority by way of compensation, and subject also to the Limit of Liability not otherwise exhausted.

Provided further that the Under insurance/average specific condition attaching to the basis of settlement shall not apply to this additional benefit.

#### 17) Cost of rewriting Documents

We will pay for the cost of rewriting or re-creating:

- a) Your Documents stored off-site; and
- b) Your customers' Documents stored at the Risk Address;

following Loss of or Damage to Contents covered by this Section, provided that We will not pay more than:

- a) \$50,000 any one Event, subject to the Limit of Liability not otherwise exhausted; or
- b) the Sum Insured for cost of rewriting Documents;

whichever is the greater.

### Special Benefits

We will also pay (where applicable) for the reasonable costs necessarily incurred under the following special benefits.

#### 1) Prevention of imminent Loss or Damage

We will pay for costs that You incur:

- a) to extinguish a fire on or in the vicinity of the Risk Address which causes or threatens Loss of or Damage to Property Insured;

- b) to prevent or diminish imminent Loss or Damage to Property Insured;
- c) for the temporary protection and safety of Property Insured at the Risk Address, including the employment of security services;
- d) to remove Property Insured from the Risk Address, and also pay You in accordance with the basis of settlement for Loss of or Damage to the Property Insured resulting from the removal, if the Risk Address is threatened by any peril insured under this Section and the purpose of the removal was to prevent or minimise Loss or Damage insured under this Section.

Provided that the incidents described above must occur during the Period of Insurance and that We will not pay more than \$100,000 for all claims under this special benefit during any one Period of Insurance.

#### 2) Playing surfaces

We will pay for the cost of repairing Damage to outdoor playing surfaces located at the Risk Address caused by:

- a) fire occurring at the Risk Address; or
- b) vandals or malicious persons, other than You or Your guests, directors' partners, officers, employees or members, or their guests; or
- c) the action of fire-fighting services, police and/ or other emergency services in attending to their duties at the Risk Address.

Provided that We will not pay more than \$50,000 for any one Event.

#### 3) Provisional cover for additional premises

We will temporarily extend cover provided by this Section to Your property at any new premises first occupied by You during the Period of Insurance, provided that:

- a) this temporary cover period is limited to the lesser of:
  - i) 60 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 Insured ceases to belong to You;
- b) the property is used for the Business;

- c) the property is of similar type to that already insured under this Section and is not of a type that is otherwise excluded under this Policy;
- d) the new premises comprise buildings of similar construction and contain similar or superior fire and burglary protection as featured in any Risk Address;
- e) You must provide to Us full details of the new premises within 60 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 special benefit is 50% of the highest Sum Insured in the Schedule for each item of Property Insured.

#### 4) Temporary removal

We will pay in accordance with the basis of settlement for Loss of or Damage to Contents, Stock or Other Items caused by an Event covered by this Section whilst temporarily removed from the Risk Address to another premises anywhere in Australia, provided that We will not cover:

- a) Property Insured whilst removed from the Risk Address for longer than 90 days (except where We have given written consent);
- b) Property Insured consisting of motor vehicles.

The most We will pay under this special benefit is 20% of the Sum Insured in respect of the respective Contents, Stock, Contents & Stock or Other Items at the Risk Address at which the Property Insured is normally located.

#### 5) Transit

We will pay in accordance with the basis of settlement for Loss of or Damage to Property Insured while in transit anywhere in the Commonwealth of Australia caused by a peril not otherwise excluded under this section.

Provided that the most We will pay under this special benefit is 20% of the Sum Insured in respect of the respective Contents, Stock, Contents & Stock or Other Items at the Risk Address at which the Property Insured is normally located.

#### 6) Other parties

If any person or entity shall have an insurable interest in the Property Insured We will automatically extend cover to include this person or entity, provided that person or entity's interest is specifically noted in Your records. We waive any rights and remedies or relief that We are entitled to by way of subrogation against that person or entity.

#### 7) Taxation audit costs

We will pay the reasonable and necessary Costs You incur following notification received during the Period of Insurance of an audit or investigation by a federal or state Commissioner of Taxation relating to Your liability to pay income tax, fringe benefits tax, capital gains tax, wholesale and sales tax, payroll tax, goods and services tax or superannuation contributions tax in respect of Your Business up to \$10,000 for this special 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.

Provided that We will not be liable under this special benefit:

- a) for the imposition of any tax, fines, penalties, court costs, penalty tax or interest;
- b) for Costs incurred after completion of the audit or investigation;
- c) where any proceedings were initiated, threatened or started prior to the commencement of the Period of Insurance;
- d) for Costs arising from Your improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by a 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) for Costs arising out of or relating to any fraud or fraudulent act or omission committed by You or on Your behalf; or
- h) for Costs arising from or relating to audits or investigations which result in You, or any person acting on Your behalf, becoming aware of any error or deficiency in any return of income or other documentation supplied to a state or federal Commissioner of Taxation and failing to notify the Commissioner of Taxation without delay.

### Special conditions applicable to taxation audit costs

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

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

In the event of a claim arising:

- 1) You must at all times keep Us fully and continually informed of all material developments in relation to the claim and in relation to any audit;
- 2) You must take all necessary and reasonable steps to minimise any delays and the amount of any costs incurred or likely to be incurred in connection with any audit; and
- 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.

### 8) Directors' and employees' tools of trade and personal effects

We will pay in accordance with the basis of settlement for Loss of or Damage to Your directors' and employees' tools of trade and personal effects caused by an Event covered by this section as if they were Contents whilst at the Risk Address.

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

### Basis of Settlement

Unless otherwise specified in the Schedule and subject to any limitation or restriction applying to any specific additional benefit, special benefit, specific condition attaching to the basis of settlement or specific condition, claims will be settled on the following basis:

- 1) a) Property Insured (other than Stock) destroyed:  
We will pay for the cost of rebuilding or replacing the Property Insured to a standard or condition equal to but not better than or more extensive than its condition when new. Rebuilding may be carried out on another site provided Our liability is not increased;

- b) Property Insured (other than Stock) damaged:  
We will pay at Our option for the cost of repairing, reinstating or replacing the damaged portion of the Property Insured to a condition substantially the same as but not better than or more extensive than its condition when new.

Provided that if You choose not to repair, replace, reinstate or rebuild the Property Insured, We shall effect settlement on an Indemnity Value basis;

- 2) Stock damaged or destroyed: We will pay at Our option:
  - a) the cost of repairing or reinstating Stock to its condition immediately prior to the loss; or
  - b) the cost of replacing the Stock plus indemnifying You for any additional expenditure incurred on such Stock (e.g. freight, packaging or similar costs);
- 3) Empty Buildings awaiting demolition: We will pay for the salvage value of the materials and landlord's fixtures and fittings from the Building which suffered Loss or Damage;
- 4) Loss of or Damage to Property Insured (other than Stock) specifically noted in the Schedule as insured for Indemnity Value: We will pay the Indemnity Value of the individual item or components of the Property Insured that suffered the Loss or Damage;
- 5) Additional cost of reinstatement: In the event of Loss or Damage to a Building which is not specifically noted in the Schedule as being insured for Indemnity Value this Section extends to cover those additional costs to reinstate Buildings at the Risk Address (including demolition and dismantling) necessarily incurred to comply with an Act of Parliament or council by-law or regulation that occur as a result of Damage under this Section, provided that compliance with the Act of Parliament or council by-law or regulation was not required to have been complied with prior to the Loss or Damage to the Buildings.

Provided further that We will not pay more than the extent that the Limit of Liability for the Risk Address has not been exhausted.

The Under insurance/average specific condition shall not apply to this basis of settlement clause;

- 6) Your directors' and employees' tools of trade and personal effects:  
We will pay at Our option:
  - a) the cost of repairing or reinstating the property to a condition substantially the same as but not better than or more extensive than its condition when new; or

- b) the cost of replacing the item damaged or destroyed.
- 7) Output replacement:
- Where any Property Insured consists of equipment, machinery or plant having a measurable function, capability or output and if it is necessary to replace such property with a new item or items which perform a similar function or functions, then the basis of settlement for such property shall be:
- 1) where any Property Insured is to be replaced with any item or items which have the same or a lesser total function, capability or output, then the basis of settlement is the new installed cost of such replacement item or items as would give the same total function, capability or output as the Property Insured;
  - 2) where any Property Insured is to be replaced with an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is no greater than the replacement value of that Property Insured, then the basis of settlement is the new installed cost of the item or items so replaced;
  - 3) where any Property Insured is to be replaced by an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is greater than the replacement value of the Property Insured, then the basis of settlement is the lesser of the reinstatement value or that proportion of the new installed cost of the replacement item or items which the output of the Property Insured damaged bears to the output of the replacement item or items.

### Specific Conditions Attaching to the Basis of Settlement

#### 1) Time delays

Any work to repair, reinstate, restore or rebuild must be commenced at the earliest possible time. Where commencement of repair, reinstatement, restoration or rebuilding is unduly delayed or postponed by You, We may reduce the amount payable under the claim to the extent that We are prejudiced by such delay.

This condition shall not apply to any work commenced within 60 days of the Loss or Damage occurring.

#### 2) Under insurance/average

This specific condition applies if the Total Sum Insured at a Risk Address is less than 80% of the Full Value applicable for the Risk Address. In the event of Loss of or Damage to Buildings, Contents, Stock or Other Items which is covered under this Section, We will not be liable for more than that proportion of the Loss or Damage that the Total Sum Insured at the Risk Address bears to 80% of the Full Value at the Risk Address at the time of the start date of the Period of Insurance.

Provided that:

- a) We will not pay more than the Limit of Liability for the Risk Address; and
- b) this specific condition will not apply if the amount of any Loss or Damage does not exceed 10% of the Limit of Liability applicable for that Risk Address.

#### Example:

Full Value	\$120,000
80% of Full Value	\$96,000
Total Sum Insured	\$50,000

Therefore if a \$40,000 loss occurs, We would pay:  
 $(\$50,000/\$96,000) \times \$40,000 = \$20,834.$

#### 3) Branded goods

If We agree to pay a claim for Loss of or Damage to branded goods, We will not sell them as salvage without Your consent. If You do not agree to Us selling the branded goods as salvage, We will only pay You the market value of the goods after brands, labels or names have been removed.

#### 4) Disposal of salvage

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

#### 5) Floor space ratio index (plot ratio)

In the event of Loss of or Damage to any Buildings at the Risk Address and rebuilding is limited or restricted by the exercise of statutory powers and/or authority by any government departments, local government or any other statutory authorities resulting in the reduction of the floor space ratio index (plot ratio) of the site, then We will pay in addition to any amount payable in respect of the rebuilding of such Buildings the difference between:

- a) the actual cost of rebuilding incurred in accordance with the reduced floor space ratio index; and

- b) the cost of rebuilding which would have been incurred had a reduced floor space ratio index not been applicable.

In arriving at the amount payable under a) and b) above, any payments made by Us shall include the additional cost of reinstatement (including demolition or dismantling) of the Buildings, necessarily incurred to comply with the requirements of any Act of Parliament or regulation of any municipal or other statutory authority.

Any payments made for the difference between a) and b) above shall be made as soon as the said difference is ascertained upon completion of the rebuilding works and certified by the architect acting on Your behalf in the rebuilding of the Buildings.

#### 6) Undamaged foundations

Where a Building or an installation constructed on its own foundations suffers Loss or Damaged that is covered under this Section, but its foundations are not totally destroyed and due to legal requirements, reinstatement of the Building has been carried out upon another site, the abandoned foundations shall be considered as having been destroyed.

If, however, the resale value of the original building site is increased by virtue of the presence of the abandoned foundations, then such increase in resale value shall be regarded as salvage and that amount shall be paid to Us by You upon completion of the sale of the site, or shall be deducted from the final amount of any moneys payable by Us under Section 1 – Property Damage, whichever shall occur later.

#### 7) Designation of property

For the purpose of determining under which item any property is insured, We agree to accept the designation under which such property appears in Your books of account, provided that such property is not specifically excluded under this Policy.

### Specific Conditions

#### 1) Automatic reinstatement of Limit of Liability

In the Event of any Loss or Damage at a Risk Address, the Limit of Liability shall be automatically reinstated to the value immediately before the Loss or Damage, provided that:

- a) there is no written request from You or written notice by Us to the contrary; and
- b) You pay the premium We require for the reinstatement of the Limit of Liability.

#### 2) Seasonal increases in the Sum Insured

This specific condition automatically increases the Sum Insured for Stock by 50% or, in the case of Contents & Stock, by 50% of the of the portion of the Contents & Stock which relates to Stock, for Loss or Damage occurring:

- a) during the period of 60 days prior to and including Christmas Day and 21 days following Christmas Day;
- b) during the period of 42 days up to and including Easter Tuesday and 7 days following Easter Tuesday;
- c) on any bank or public holiday;
- d) during the period of 42 days prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter) where You can reasonably demonstrate that the Stock levels during such period have risen by more than 20% above standard levels and that the increase has happened solely for the purpose of meeting additional customer demand associated with the occurrence of that festive, religious or ethnic event;
- e) during the period of 7 days after the same festive, religious or ethnic event;
- f) during any other period shown on the Schedule for this specific condition.

Provided that the Loss or Damage also occurs during the Period of Insurance.

#### 3) Excess

We will deduct any Excess applicable for this Section from each and every claim made under this Section.

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

An Excess of \$20,000 or an amount equal to 1% of the Total Sum Insured for that Risk Address (whichever is lesser) applies in respect of Loss or Damage caused by Earthquake during any one period of 72 consecutive hours.

# Section 2 – Business Interruption

## Introduction

Where Business Interruption is shown as insured in the Schedule with specific Sums Insured shown for the respective items covered, We agree to provide You with the insurance set out in this Section.

The Important Information, General Definitions, General Conditions and General Exclusions are also applicable to this Section.

## Definitions Applicable to this Section

**Annual Gross Rentals** means the Gross Rentals earned during the 12 months immediately before the date of the Insured Event, to which adjustment shall be made to reflect the trends in the Business and any other circumstances in order to arrive at the same result that would have been obtained had the Insured Event not occurred.

**Annual Income** means the Gross Income during the 12 months immediately before the date of the occurrence of the Insured Event, to which adjustment shall be made to reflect the trends in the Business and any other circumstances in order to arrive at the same result that would have been obtained had the Insured Event not occurred.

**Average Weekly Income** means the average Weekly Income for the 52 weeks immediately before the occurrence of the Insured Event, after adjustments to reflect the trends in the Business and any other circumstances in order to represent the likely Weekly Income of the Business during the Indemnity Period had the Insured Event not occurred.

**Gross Income** means the total money paid or payable to You for goods sold and/or electrical power generated and sold and/or services rendered and/or Gross Rentals received, less:

- 1) the purchase cost of stock; and
- 2) Uninsured Working Expenses; and
- 3) Wages (if Wages is shown as insured in the Schedule).

**Gross Rentals** means the amount receivable by You (including contributions to outgoings) in accordance with a lease or agreement existing when the Insured Event occurred.

**Indemnity Period** means the period beginning with the occurrence of the Insured Event and ending not later than the expiration of the number of months or weeks stated in the Schedule, during which the financial results of the Business are affected as a consequence of the Insured Event.

**Insured Event** means:

- 1) Loss of or Damage to Your property at the Risk Address which is used for the purpose of the Business:
  - a) that is covered by Your Policy under one or more of the following Sections:
    - i) Section 1 – Property Damage;
    - ii) Section 3 – Burglary;
    - iii) Section 4 – Money;
    - iv) Section 5 – Glass;
    - v) Section 7 – Transit; or
    - vi) Section 10 – General Property;for which a claim has been paid or liability admitted, or such claim would have been paid or liability admitted but for the application of an Excess; or
  - b) that another insurance policy insures and names You as the insured, and:
    - i) the insurer has paid or admitted liability under its policy or would have paid or admitted liability but for the application of an excess; and
    - ii) the Loss or Damage would have been covered under one of the Sections shown in a) above had You elected to take such cover; or
- 2) Loss of or Damage to any property at the Risk Address, used by You but not owned by You:
  - a) for which You are not legally responsible, and for which You have not assumed a liability to insure; and
  - b) such Loss or Damage would have been insured under one of the Sections of Your Policy shown in 1) a) above had the property been owned by You.

**Output** means the sales value of goods manufactured both at and away from the Risk Address by You, or others on Your behalf, in the course of Your Business.

**Outstanding Accounts Receivable** means the total amount owed to the Business by customers as at the date of the occurrence of Loss or Damage to Your accounts receivable records, adjusted for:

- 1) bad debts;
- 2) amounts debited (or invoiced but not yet debited) and credited (including credit notes and cash not passed through the books at the time of the Loss or Damage) to customers' accounts in the period between the date to which the last statement relates and the date of the Loss or Damage; and

- 3) any abnormal condition of trade that 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 Insured Event had the Insured Event not occurred.

**Pressure Vessels** means pressure vessels including boilers, compressors or economisers.

**Severance Pay** means the expenditure You are obligated or have agreed to pay under industrial awards, determinations or agreements for severance pay and/or pay in lieu of notice to employees whose services are terminated during the Indemnity Period in consequence of the Insured Event.

**Standard Gross Rentals** means the Gross Rentals earned during that period corresponding with the Indemnity Period in the 12 months immediately before the date of the occurrence of the Insured Event to which adjustment shall be made to reflect the trend in the Business and any other variables in order to arrive at the same result that would have been obtained had the Insured Event not occurred.

**Standard Income** means the Gross Income during that period corresponding with the Indemnity Period in the 12 months immediately before the date of the occurrence of the Insured Event to which adjustment shall be made to reflect the trend in the Business and any other variables in order to arrive at the same result that would have been obtained had the Insured Event not occurred.

**Uninsured Working Expenses** means those expenses You chose not to insure as specified in the Schedule.

**Wages** means employee wages and directors' wages, salaries, payroll tax, fringe benefit tax, holiday pay, sick pay, workers compensation insurance premiums, superannuation and pension fund contributions, but excluding bonuses and sales commission, and any other monetary allowance or financial reward not listed.

**Wages Indemnity Period** means the period beginning with the occurrence of the Insured Event and ending not later than the expiration of the number of months shown in the Schedule against Wages Indemnity Period.

**Weekly Income** means the Gross Income received by You for each week the Business is in operation.

## The Cover

Subject to the provisions of this Policy, We will pay You in accordance with the basis of settlement for such of the following items as may be applicable to You:

- 1) a reduction in Gross Income;
- 2) a reduction in Weekly Income;
- 3) a reduction in Gross Rentals; or
- 4) Additional Increased Costs of Working;

resulting from interruption or interference to the Business caused by an Insured Event occurring during the Period of Insurance.

## Limits Applying to The Cover

The most We will pay in the aggregate during any one Period of Insurance for all claims made under this Section, in respect of each item shown in the Schedule (other than Weekly Income cover or additional increased costs of working cover) as specifically covered with a Sum Insured, will not exceed the Sum Insured for that item.

The most We will pay in the aggregate during any one Period of Insurance for all claims made under this Section in respect of Weekly Income cover, is the amount calculated by multiplying the Sum Insured for Weekly Income by the number of weeks shown in the Schedule as the Indemnity Period. Provided that the Sum Insured for Weekly Income shall be adjusted in accordance with specific condition 7) Seasonal increases in the Weekly Income Sum Insured.

In addition to additional benefit 2, the most We will pay in the aggregate during any one Period of Insurance for all claims made under this Section, in respect of Additional Increased Costs of Working shown in the Schedule as specifically covered with a Sum Insured, will not exceed the Sum Insured for Additional Increased Costs of Working.

## Additional Benefits

### 1) Additional claims preparation costs

If We agree to pay a claim under this Section, We will also pay the reasonable professional fees (including those of an auditor or accountant) and other reasonable additional expenses incurred for preparing and submitting a claim under this Section or for a combined claim under this Section and any one of the following Sections:

- a) Section 1 – Property Damage;
- b) Section 3 – Burglary;
- c) Section 4 – Money;
- d) Section 5 – Glass;
- e) Section 7 – Transit;
- f) Section 10 – General Property.

Provided that We will not pay more than the amount shown in the Schedule for this additional benefit (if any) in addition to the Sum Insured.

## 2) Additional increased costs of working

If You have chosen to insure Gross Income, Weekly Income or Gross Rentals, We will pay up to \$25,000 in addition to the Sum Insured for the additional expenditure not otherwise payable under this Section, necessarily and reasonably incurred during the Indemnity Period and in consequence of the Insured Event for the purpose of diminishing a reduction in Gross Income, Weekly Income or Gross Rentals or for the purpose of resuming or maintaining the normal operation of the Business.

## 3) Accounts Receivable

If You have chosen to insure Gross Income, Weekly Income, Gross Rentals and/or Additional Increased Costs of Working, then following Loss of or Damage to Your accounts receivable records caused by an insured event covered under Section 1 – Property Damage, Section 3 - Burglary or Section 5 - Glass of this Policy, and for which We have admitted liability, We will pay for the amounts which You cannot recover from Your debtors being the difference between:

- a) the Outstanding Accounts Receivable; and
- b) the total of the amount received or traced in respect of the Outstanding Accounts Receivable.

We will also pay:

- a) the additional expenditure incurred with Our consent in tracing and establishing Outstanding Accounts Receivable; and
- b) debt collection costs necessarily incurred that would not have been incurred had Your accounts receivable records not been damaged;

after the Loss or Damage occurred to Your accounts receivable records.

Provided that We will not pay more than:

- a) \$7,500; or
- b) the amount show in the Schedule for Accounts Receivable;

whichever is the greater, for any one Event.

## Special Benefits

For the purpose of these special benefits the expression Sum Insured shall in relation to a Weekly Income cover mean the amount calculated by multiplying the Weekly Income Sum Insured by the number of weeks in the Indemnity Period specified in the Schedule. Subject always to the Limits Applying to The Cover:

## 1) Prevention of access

the definition of Insured Event is extended to include the hindrance or prevention of access to the Risk Address resulting from Loss of or Damage to property in the vicinity of the Risk Address other than Your property where a claim for such Loss or Damage would have been payable under one of the Sections of Your Policy shown in Insured Event 1) a) above had the property been insured under this Policy.

## 2) Prevention of access by a public authority

the definition of Insured Event is extended to include the hindrance, prevention or restriction of access to the Risk Address by any act or intervention by any lawful authority relating to Loss of or Damage, or the threat thereof, to property within a 50 kilometre radius of the Risk Address.

## 3) Public utilities

the definition of Insured Event is extended to include Loss of or Damage to any equipment forming part of the public telecommunications system, public electricity, sewerage services, water or gas supply and/ or distribution systems, from which You obtain the direct and immediate supply of such services, where a claim for such Loss or Damage would have been payable under one of the Sections of Your Policy shown in Insured Event 1) a) above had the equipment been insured under this Policy.

Provided that We will not pay for the first 48 hours of any such interference or interruption which occurs after the Loss or Damage to the property.

## 4) Documents temporarily removed

the definition of Insured Event is extended to include Loss of or Damage to Documents that belong to You or Documents held in trust by You while:

- a) temporarily at premises in Australia, not occupied by You; or
- b) in transit to any place in Australia;

where a claim for such Loss or Damage would have been payable under one of the Sections of Your Policy shown in Insured Event 1) a) above had the documents been insured under this Policy.

## 5) Computer installations

the definition of Insured Event is extended to include Loss of or Damage to computer installations, including ancillary equipment and data processing media utilised by You anywhere in Australia, where a claim for such Loss or Damage would have been payable under one of the Sections of Your Policy shown in Insured Event 1) a) above had the computer installations been insured under this Policy.

**6) Customer or supplier premises**

the definition of Insured Event is extended to include Loss of or Damage to property:

- a) at the Australian premises of any customer of Yours; or
- b) at the Australian premises of any supplier of Yours which supplies You with manufactured goods or materials;

where a claim for such Loss or Damage would have been payable under one of the Sections of Your Policy shown in Insured Event 1) a) above had the property been insured under this Policy.

Provided that We will not pay more than 20% of the Sum Insured for any claim under this special benefit.

**7) Damage within a complex**

the definition of Insured Event is extended to include Loss of or Damage to property in a multi-tenanted complex in which the Risk Address is located, where a claim for such Loss or Damage would have been payable under one of the Sections of Your Policy shown in Insured Event 1) a) above had the property been insured under this Policy.

**8) Infectious disease, illness, murder, suicide, vermin or pests, defective drains, shark or crocodile attack, bomb threat**

the definition of Insured Event is extended to include the occurrence during the Period of Insurance of:

- a) the closure or evacuation of all or part of the premises at the Risk Address by any legal authority as a result of bomb threat, vermin or pests or defects in the drains or other sanitary arrangements at the Risk Address;
- b) an outbreak of an infectious or contagious human disease within a 20-kilometre radius of the Risk Address;
- c) injury, illness or disease that is caused by the consumption of food or drink provided and consumed at the Risk Address;
- d) murder or suicide at the Risk Address; or
- e) the closure or evacuation of all or part of the premises at the Risk Address by any legal authority as a result of shark or crocodile attack occurring within a 20-kilometre radius of the Risk Address.

**9) Departmental clause**

if the Business is conducted in departments and each department has trading results which are ascertainable, in the event of an Insured Event giving rise to a claim under this Section, the provisions of this insurance will apply separately to each department affected by the Insured Event. Provided that We will not pay more than the Sum Insured for the relevant item of cover resulting from the same Insured Event.

**10) Roads, bridges and/or railway lines**

the definition of Insured Event is extended to include Loss of or Damage to roads, bridges and/or railway lines within the Commonwealth of Australia over which raw materials and other Stock are conveyed to or from the Risk Address, where a claim for such Loss or Damage would have been payable under one of the Sections of Your Policy shown in Insured Event 1) a) above had the roads, bridges or railway lines been insured under this Policy.

**11) Storage sites**

the definition of Insured Event is extended to include Loss of or Damage to Your property that is stored or being processed at any premises in Australia not occupied by You, where a claim for such Loss or Damage would have been payable under one of the Sections of Your Policy shown in Insured Event 1) a) above had the property been insured under this Policy.

Provided that We will not pay more than 20% of the Sum Insured for any claim under this special benefit.

**12) Transit**

the definition of Insured Event is extended to include Loss of or Damage to Your property while in transit by road, rail, sea or air within Australia and outside of the Risk Address occupied by You, where a claim for such Loss or Damage would have been payable under one of the Sections of Your Policy shown in Insured Event 1) a) above had the property been insured under this Policy.

Provided that We will not pay more than 20% of the Sum Insured for any claim under this special benefit.

**13) Explosion of pressure vessels**

the definition of Insured Event is extended to include Loss of or Damage to Your Pressure Vessels located at the Risk Address, where such Loss or Damage is caused by self-explosion or collapse.

#### 14) Motor vehicles owned or operated by You

the definition of Insured Event is extended to include Loss of or Damage to any registered motor vehicles or registered trailers owned or operated by You while such registered vehicles are at the Risk Address or at other premises in Australia but not on a public thoroughfare, where a claim for such Loss or Damage would have been payable under one of the Sections of Your Policy shown in Insured Event 1) a) above had the registered motor vehicles been insured under this Policy.

#### 15) Government incentives

in calculating the amount of reduction in Gross Income or Weekly Income, We will include the loss of any government approved incentives, subsidies or market development allowances to which You would have been entitled, but for the interruption or interference to Your Business caused by the Loss of or Damage to Your Property.

#### 16) Fines and damages

if We agree to pay Your claim under "Gross Income", We will also insure You for liability You incur:

- a) for fines or damages, other than aggravated, punitive or exemplary damages, for breach of contract resulting from Your non completion or late completion of orders; or
- b) in discharge of:
  - i) contract purchases; or
  - ii) cancellation charges; or
  - iii) fines; or
  - iv) damages;

for breach of contracts for Your purchase of goods and services which cannot be utilised by You during the Indemnity Period, less any value to You for such goods or the amount received from sale of those goods and services.

Provided that We will pay up to 20% of the Sum Insured for "Gross Income".

### Optional Benefit

#### Wages

If Wages is shown in the Schedule as insured then We will pay the actual amount which You would have paid as Wages during the Wages Indemnity Period to:

- 1) employees whose services cannot, in consequence of the Insured Event, be utilised by You at all; and/or
- 2) an equitable part of the Wages paid during the Wages Indemnity Period to employees whose services cannot, in consequence of the Insured Event, be utilised by You to the full.

We will not pay more than:

- 1) Your actual Wages costs during the Wages Indemnity Period; or
- 2) The Sum Insured for Wages,

whichever is the lesser, for any one claim and in the aggregate during any one Period of Insurance.

If the Sum Insured for Wages is less than the total amount of the Wages that would have been paid during a period equal to the Wages Indemnity Period immediately following the occurrence of the Insured Event had the Insured Event not occurred, the amount payable will be proportionately reduced by the proportion which the Sum Insured for Wages bears to the latter sum.

Provided that the Sum Insured for Wages is not otherwise exhausted, We will also pay any amount paid by You as Severance Pay.

#### Specific Exclusions

We will not pay for any claim, or continue to pay a claim under this Section if:

- a) the Business has been dissolved or wound up or has ceased to operate, unless We agree in writing to pay or continue to pay the claim. If the decision to dissolve, wind up or cease operating the Business is taken with Our approval and arises directly as a result of the interruption of Your Business from a circumstance covered by this section, then this clause in itself will not affect Your right to an equitable adjustment for the claim;
- b) Your interest in the Business ceases, other than by death;
- c) it arises directly or indirectly as a result of infectious disease, where the infectious disease is defined as Highly Pathogenic Avian Influenza or any diseases declared to be quarantinable diseases under the *Quarantine Act 1908 (Cth)* or any subsequent amendments to, or versions of this Act.

## Basis of Settlement

Unless otherwise specified in the Schedule and subject to any limitation or restriction applying to any specific special benefit or specific condition, claims will be settled on the following basis:

### Item 1. Reduction in Gross Income

We will pay You:

- a) the amount by which the Gross Income earned during the Indemnity Period in consequence of an Insured Event falls short of the Standard Income for the Indemnity Period; and
- b) the additional expenditure necessarily incurred with Our consent to avoid or diminish the reduction of the Gross Income and/or resuming and/or maintaining Your normal business operations or services during the Indemnity Period caused by the Insured Event, but not exceeding the reduction in Gross Income thereby avoided;

less any amount saved during the Indemnity Period in respect of such charges or expenses or outgoings of the Business payable out of Gross Income that may cease or be reduced in consequence of the Insured Event.

### Item 2. Reduction in Weekly Income

We will pay You:

- a) the percentage reduction in Your Average Weekly Income during the Indemnity Period, applied to the Weekly Income Sum Insured; and
- b) the additional expenditure necessarily incurred with Our consent to avoid or diminish the reduction of Weekly Income and/or resuming and/or maintaining Your normal Business operations or services during the Indemnity Period caused by an Insured Event, but not exceeding the reduction in Weekly Income thereby avoided.

Provided that the amount payable by Us shall not exceed the amount which together with Your Weekly Income during the Indemnity Period, equals the Average Weekly Income.

Provided further that any amount We pay will be reduced by the amount saved during the Indemnity Period for charges and expenses of the Business which cease or are reduced as a consequence of the Insured Event.

### Item 3. Reduction in Gross Rentals

We will pay You:

- a) the amount by which the Gross Rentals earned during the Indemnity Period in consequence of an Insured Event fall short of the Standard Gross Rentals for the Indemnity Period; and

- b) the additional expenditure necessarily incurred with Our consent to avoid or diminish the reduction in Gross Rentals during the Indemnity Period caused by the Insured Event, but not exceeding the reduction in Gross Rentals thereby avoided;

less any amount saved during the Indemnity Period in respect of such charges or expenses or outgoings of the Business as may cease or be reduced in consequence of the Insured Event.

### Item 4. Additional Increased Costs of Working

We will pay the additional expenditure not otherwise payable under this Section, necessarily and reasonably incurred during the Indemnity Period and in consequence of the Insured Event for the purpose of diminishing a reduction in Gross Income or for the purpose of resuming or maintaining the normal operation of the Business.

## Specific Conditions

### 1) Under insurance/average

Where at the date of the occurrence of the Insured Event the Sum Insured in the Schedule for:

- a) Gross Income is less than 80% of the Annual Income (appropriately increased if the Indemnity Period exceeds 12 months);
- b) Accounts Receivable is less than 80% of the total amount of Outstanding Accounts Receivable;
- c) Gross Rentals is less than 80% of the Annual Gross Rentals (appropriately increased if the Indemnity Period exceeds 12 months);

then the amount payable will be proportionately reduced.

Provided that this specific condition shall not apply if the claim does not exceed 10% of the Sum Insured for the respective item.

#### Example for Gross Income:

Annual Income	\$120,000
80% of Annual Income	\$96,000
Sum Insured for Gross Income	\$50,000

Therefore if a \$40,000 loss occurs, We would pay:  
 $(\$50,000/\$96,000) \times \$40,000 = \$20,834.$

### 2) Reinstatement of Sum Insured

Following a claim under this Section, the amounts by which the Sums Insured for any items of cover are reduced as a consequence of an Insured Event will be reinstated as from the date of the Insured Event provided that:

- a) there is no written request from You or written notice by Us to the contrary;

- b) You pay the premium We require for the reinstatement of Sums Insured.

### 3) Claims procedure

In the event of an occurrence giving rise to a claim under this Section, You must in addition to those conditions detailed in General Condition 12) Claims matters:

- a) immediately give Us written notice of it;
- b) produce and supply Us with all books of account and other Business books, invoices, vouchers and any other documents, proofs, explanations or evidence of Business activities that We may reasonably require to investigate and verify the claim; and
- c) where required by Us or Our representatives, provide a statutory declaration in verification of any details supplied.

Any particulars or details contained in Your books of account or other business books or documents that may be required by Us for the purpose of investigating or verifying any claim made under this Section may be produced and certified by Your auditors and their certificate shall be prima facie evidence of the particulars and details to which such certificate relates.

In the event that You fail to comply with any part of this specific condition, We will be entitled to reduce Our liability in respect of the claim by the extent to which We have been prejudiced by such non-compliance.

### 4) Accumulated stocks

If in the event that trading, after the occurrence of the Insured Event, is in part or fully maintained by utilising accumulated stocks, We will adjust the total indemnity available under this Section to provide a fair and reasonable settlement of the loss.

### 5) New business

In the event of the Insured Event occurring before the end of the first financial year of the Business, the results of the Business to the date of the occurrence of the Insured Event will be used as the basis on which to assess any claim under this Section.

### 6) Alternative trading

If during the Indemnity Period, goods are sold, services are rendered, or rental is received elsewhere than at the Risk Address for the benefit of the Business either by You or others acting on Your behalf, the amount paid or payable in respect of such sales, services or rent will be brought into account in arriving at the Gross Income or Weekly Income earned during the Indemnity Period.

### 7) Seasonal increases in the Weekly Income Sum Insured

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

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

Provided that the Insured Event occurs during the Period of Insurance.

### 8) Gross Income/Output

In the event of an Insured Event giving rise to a claim under this Section, Output may be used instead of Gross Income in order to calculate loss, but only one definition may be operative in connection with any one Insured Event.

# Section 3 – Burglary

## Introduction

Where Burglary is shown as insured in the Schedule with specific Sums Insured shown for the respective Property Insured items covered, We agree to provide You with the insurance set out in this Section.

The Important Information, General Definitions, General Conditions and General Exclusions are also applicable to this Section.

## Definitions Applicable to this Section

**Property Insured** means:

- 1) Contents;
- 2) Stock in Trade;
- 3) Tobacco Products; and
- 4) Contents & Stock in Trade;

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

**Total Sum Insured** means the total of all Sums Insured for Contents, Stock in Trade, Tobacco Products and Contents & Stock in Trade for a particular Risk Address.

## The Cover

Subject to the provisions of this Policy, We will pay You in accordance with the basis of settlement for Loss of or Damage to Property Insured from the Risk Address occurring during the Period of Insurance resulting from:

- 1) theft or attempted theft following actual forcible and violent entry to or exit from buildings at the Risk Address;
- 2) theft or attempted theft by a person concealed at the Risk Address followed by their exit there from after normal Business hours;
- 3) theft or attempted theft consequent upon assault or violence, violent intimidation or threats of these to You, Your employees or other persons;
- 4) theft or attempted theft consequent upon actual, attempted or threatened armed hold-up;
- 5) theft or attempted theft following actual forcible and violent entry into any locked cabinet, counter or showcase; or
- 6) theft or attempted theft following actual forcible and violent entry to or exit from a shipping container at the Risk Address, provided that:
  - a) the shipping container doors are secured when unattended with padlocks; and
  - b) the shipping container is fully enclosed by a locked cyclone fenced area at the Risk Address after hours.

## Limits Applying to The Cover

The most We will pay for all Loss or Damage arising during the Period of Insurance or for any one Event is the Sum Insured for the relevant item of Property Insured, provided that the Sums Insured for Contents, Stock in Trade and Tobacco Products shall be adjusted in accordance with specific condition 2) Seasonal increases in the Sum Insured. In addition, We will also pay other amounts as provided for under additional benefits. Provided further that the most We will pay for Loss of or Damage to Property Insured consisting of Money or other negotiable instruments is \$500 any one Event.

## Additional Benefits

If We agree to pay a claim under this Section, We will also pay for the reasonable costs necessarily incurred under the following additional benefits in addition to the Sum Insured.

### 1) Locks, keys and combinations

We will pay for the costs of:

- a) replacing locks, keys or combinations used at the Risk Address which are stolen and when necessary the cost of opening safes and strongrooms as a result of theft or attempted theft of Property Insured. This additional benefit shall also apply if there are reasonable grounds to suspect that keys or combinations have been stolen or copied without Your authority;
- b) replacing and developing security film exposed and restoring the security system to its former functionality following theft or attempted theft of Property Insured.

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

Provided further that any cover given under this additional benefit shall not accumulate with any similar cover that may be given under Section 4 - Money.

### 2) Removal of debris

We will pay for the cost of removal of debris and of cleaning up any damage resulting from theft or attempted theft of Property Insured.

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

Provided further that any cover given under this additional benefit shall not accumulate with any similar cover that may be given under Section 4 - Money.

### 3) Removal of debris following forensic investigation

We will pay for the cost of removal of debris and of cleaning up any damage resulting from forensic investigation by police following theft or attempted theft of Property Insured, provided that We will not pay more than \$2,000 any one Event.

Provided further that any cover given under this additional benefit shall not accumulate with any similar cover that may be given under Section 4 – Money.

#### 4) Damage to buildings

We will pay the cost of repairing Damage (other than breakage of glass), consequent upon theft, to the buildings at the Risk Address if You are the landlord, owner or a tenant of the buildings. Provided that if You are a tenant of the buildings We will only pay for Damage if under the terms of Your lease You are legally responsible to pay for such Damage.

Provided further that We will not pay more than \$10,000 or the Total Sum Insured not otherwise exhausted, whichever is the greater, for any one Event.

#### 5) Temporary protection

We will pay for the costs of temporary protection and temporary repairs reasonably and necessarily incurred for the safety and protection of the Property Insured whilst awaiting repair of physical damage to the premises at the Risk Address as a consequence of theft or attempted theft, to a maximum of \$10,000 any one Event.

#### 6) Cost of rewriting Documents

We will pay for the for the cost of labour incurred to replace and/or rewrite Your Documents following Loss or Damage to Your Documents as a result of theft or attempted theft. Provided that We will not pay more than \$25,000 for any one Event.

#### 7) Death following assault

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

Provided that any cover given under this additional benefit shall not accumulate with any similar cover that may be given under Section 4 - Money.

#### 8) Rewards

We will pay up to \$5,000 in addition to the Sum Insured for the reasonable cost of any reward paid by You for information which leads to the apprehension and conviction of person(s) responsible for Loss or Damage which is covered under this Section. Provided that any cover given under this additional benefit shall not accumulate with any similar cover that may be given under Section 1 – Property Damage, Section 4 – Money or Section 5 – Glass.

## Special Benefits

We will also pay (where applicable) for the reasonable costs necessarily incurred under the following special benefits.

### 1) Theft without forcible entry

Subject to the provisions of this Policy, this Section is extended to cover theft of Property Insured from a building at the Risk Address during the Period of Insurance where there is no forcible and violent entry to or exit from the buildings at the Risk Address.

Provided that We will not pay:

- a) for unexplained disappearance, shortage or loss;
- b) for theft or attempted theft from any area with open sides, including but not limited to verandas, yards, car ports or any other open spaces that are partially or fully enclosed; or
- c) theft involving shoplifting.

Provided further that the most We will pay under this special benefit is:

- a) \$10,000 for Contents (other than electronic equipment); and
- b) \$20,000 for Contents consisting of electronic equipment; and
- c) \$10,000 for Stock in Trade; and
- d) \$10,000 for Contents & Stock in Trade;

subject to the Sum Insured for the relevant item of Property Insured not otherwise exhausted, for any one Event.

For the avoidance of doubt, it is further provided that We will not pay more than the Sum Insured for the relevant item of Property Insured for any one Event.

### 2) Theft of Property Insured in the open air

Subject to the provisions of this Policy, this Section is extended to cover Loss of or Damage to Property Insured from the Risk Address occurring during the Period of Insurance resulting from theft or attempted theft in the open air but within the boundaries of the Risk Address. Provided that the most We will pay is \$5,000 subject to the Sum Insured not otherwise exhausted, for any one Event.

### 3) Employee dishonesty

Subject to the provisions of this Policy, this Section is extended to cover Loss of or Damage to Property Insured from the Risk Address occurring during the Period of Insurance resulting from theft, fraud or dishonesty by any of Your employees, provided that:

- a) the Loss or Damage is discovered within 60 days of the Event;

- b) any Event is reported to the police, and You co-operate with them in providing statements and/or evidence to enable a successful prosecution; and
- c) the most We will pay under this special benefit is \$5,000, any one Event.

Provided further that any cover given under this special benefit shall not accumulate with any similar cover that may be given under Section 4 - Money.

#### 4) Theft of Parts of Buildings

Where a Contents cover or a Contents & Stock in Trade cover is applicable, cover under this Section extends to include Loss of or Damage to Parts of Buildings caused by theft following violent and forcible removal from a Building at the Risk Address.

Provided that We will not pay more than:

- a) the extent that the Sum Insured for Contents or Contents & Stock in Trade (whichever is applicable) has not been exhausted; or
- b) \$10,000 any one Event whichever is the lesser.

Provided further that any cover given under this special benefit shall not accumulate with any similar cover that may be given under Section 1 – Property Damage.

For the purpose of this special benefit, Parts of Buildings means parts of a building (including permanently fixed, non-portable apparatus or appliances which are attached to the building other than by means of a flexible or tensile cord to a power point) which are permanently fixed to the building at the Risk Address which You own or for which You are legally responsible or have assumed a responsibility to insure.

#### 5) Temporary removal

This Section is extended to cover Contents, Stock in Trade or Contents & Stock in Trade while temporarily removed to any other premises within the Commonwealth of Australia.

Provided that:

- a) We will not cover Stock in Trade that is on consignment to other parties unless it is owned by You or is Stock in Trade for which You are responsible;
- b) the maximum amount We will pay for this special benefit will be 20% of the respective Sum Insured for Contents, Stock in Trade or Contents & Stock in Trade; and
- c) this special benefit will not apply to any Property Insured which has been removed for a period greater than 90 days without Our prior written consent.

#### 6) Additional premises – provisional cover

We will cover all property within the Commonwealth of Australia that becomes Yours after the commencement of the Period of Insurance, for 60 days from first being used by You (unless the Period of Insurance ends sooner or the property ceases to be Yours, whichever shall first occur), but the cover is limited to:

- a) Your Business described in the Schedule; and
- b) Property Insured shown as insured in the Schedule.

Provided that We will pay not more than 50% of the highest Sum Insured shown in the Schedule in relation to each item of Property Insured.

Provided further that We are supplied with full details of such additional property within 60 days of Your commencement of the use of the property. We may require an additional premium before We will insure such property.

#### 7) Illegal use of a corporate financial transaction card

Subject to the provisions of this Policy, if Contents or Contents & Stock in Trade is shown as insured in the Schedule and any corporate credit card used by the Business is lost or stolen during the Period of Insurance, We will pay for any financial loss to the extent that such loss is not recoverable from the issuer of such card sustained by You arising from the illegal use of the card by an unauthorised person.

Provided that We will not pay for any financial loss arising from the misuse or illegal use of corporate credit cards by Your employees or any other person acting in collusion with Your employee or any member or Your family.

Provided further that We will not pay more than \$5,000 in total for any one loss or Event.

#### 8) Directors' and employees' tools of trade and personal effects

We will pay in accordance with the basis of settlement for Loss of or Damage to Your directors' and employees' tools of trade and personal effects caused by an Event covered by this Section as if they were Contents whilst at the Risk Address.

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

### Specific Exclusions

- 1) We will not pay for:
  - a) the theft or attempted theft committed by You, Your employees or any other persons who have an interest in the Property Insured other than as specifically provided under special benefit 3) Employee dishonesty;

- b) the cost of rewriting or recreating Your Documents other than as specifically provided under additional benefit 6) Cost of rewriting Documents;
  - c) the theft or attempted theft of personal property of Your directors, partners and employees that is not at the Risk Address at the time of the theft or attempted theft; or
  - d) theft or attempted theft from any area with open sides, including but not limited to verandas, yards, car ports or any other open spaces that are partially or fully enclosed, other than as specifically provided under special benefit 2) Theft of Property Insured in the open air.
- 2) Unless the following items are Stock in Trade that is shown in the Schedule as specifically covered with a Sum Insured, We will not pay You for Loss of or Damage resulting from theft or attempted theft of:
- a) livestock or animals;
  - b) plants, shrubs, trees or growing crops;
  - c) motor vehicles, other than forklifts or similar mobile lifting plant that are not otherwise insured;
  - d) aircraft or Watercraft;
  - e) jewellery, watches, furs or precious stones or gems.

### Basis of Settlement

Unless otherwise specified in the Schedule and subject to any limitation or restriction applying to any specific additional benefit, special benefit or specific condition, claims will be settled on the following basis:

- 1) Loss of or Damage to Contents and Parts of Buildings:
- We will pay for the cost of repairing or replacing the Contents or Parts of Buildings to a standard or condition equal to but not better than or more extensive than its condition when new.
- 2) Loss of or Damage to Stock in Trade or Tobacco Products:
- We will pay at Our option:
- a) the cost of repairing or reinstating Stock in Trade or Tobacco Products (whichever is applicable) to its condition immediately prior to the Loss or Damage; or
  - b) the cost of replacing the Stock in Trade or Tobacco Products (whichever is applicable) plus indemnifying You for any additional expenditure incurred on such Stock in Trade or Tobacco Products (for example: freight, packaging or similar costs).
- 3) Your directors' and employees' tools of trade and personal effects:
- We will pay at Our option:

- a) the cost of repairing or reinstating the property to a condition substantially the same as but not better than or more extensive than its condition when new; or
- b) the cost to replace the item damaged or destroyed.

### Specific Conditions

#### 1) Reinstatement of Sum Insured

Following a claim under this Section, the amounts by which the Sums Insured for Property Insured are reduced as a consequence of the Loss or Damage will be reinstated as from the date of Loss or Damage provided that:

- a) there is no written request from You or written notice by Us to the contrary;
- b) You pay the premium We require for the reinstatement of Sums Insured.

#### 2) Seasonal increases in the Sum Insured

This specific condition automatically increases the Sum Insured for Contents, Stock in Trade, Contents & Stock in Trade and Tobacco Products by 50% for any Event covered under this Section occurring:

- a) during the period of 60 days prior to and including Christmas Day and 21 days following Christmas Day;
- b) during the period of 42 days up to and including Easter Tuesday and 7 days following Easter Tuesday;
- c) on any bank or public holiday;
- d) during the period of 42 days prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter);
- e) during the period of 7 days after the same festive, religious or ethnic event;
- f) during any other period shown on the Schedule for this specific condition.

Provided that the Event also occurs during the Period of Insurance.

#### 3) Excess

We will deduct any Excess applicable for this Section from each and every claim made under this Section.

#### 4) Designation of property

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

- a) such property is not specifically excluded under this Policy; and
- b) this condition shall not apply to Tobacco Products.

# Section 4 – Money

## Introduction

Where Money is shown as insured in the Schedule with specific Sums Insured shown for the respective Items of Money covered, We agree to provide You with the insurance set out in this Section.

The Important Information, General Definitions, General Conditions and General Exclusions are also applicable to this Section.

## Definitions Applicable to this Section

**Bank** means a Bank as defined in the *Banking Act 1959* (Cth), or a credit union or building society as defined in the Financial Institutions Code of any State or Territory of the Commonwealth of Australia.

**Normal Business Hours** means the normal trading or operating hours and any other time (including overtime), when You, Your employees, directors or partners are in the Risk Address for the purpose of the Business.

**Safe or Strongroom** means a purpose built burglar resistant container or structure that is designed to resist fire or attack by hand-held power operated tools, and has been specifically designed for the storage of Money and valuable items.

## The Cover

Subject to the provisions of this Policy, We will pay You in accordance with the basis of settlement for Loss or Damage occurring during the Period of Insurance to:

### Item 1. Money in transit or in a Bank night safe

- a) Money in transit anywhere in Australia;
- b) Money whilst contained in a Bank night safe.

### Item 2. Money at the Risk Address during Normal Business Hours

### Item 3. Money at the Risk Address outside Normal Business Hours

but not in a locked Safe or Strongroom.

### Item 4. Money in a locked Safe or Strongroom

### Item 5. Money in Your private residence

or the residence of Your authorised representative provided that Our liability will cease at Bank closing time on the next Bank business day following that on which the transit of the Money to the residence was completed.

### Item 6 combined Money

being Money covered under Items 1 to 5 above.

## Limits Applying to The Cover

The most We will pay for all Loss or Damage arising during the Period of Insurance or for any one Event is the Sum Insured for the relevant Item, provided that the Sums Insured for Money Items 1 to 6 shall be adjusted in accordance with specific condition 1) Seasonal increases in the Sum Insured and specific condition 2) Bank and public holidays extension.

In addition, We will also pay other amounts as provided for under additional benefits.

The most that We will pay under Item 6) combined Money for Money at the Risk Address outside Normal Business Hours is \$2,500.

## Additional Benefits

If We agree to pay a claim under this Section, We will also pay for the reasonable costs necessarily incurred under the following additional benefits in addition to the Sum Insured.

### 1) Locks, keys and combinations

We will pay the cost of:

- a) replacing locks, keys or combinations used at the Risk Address which are stolen and when necessary the cost of opening safes and strongrooms as a result of theft or attempted theft of Money. This additional benefit shall also apply if there are reasonable grounds to suspect that keys or combinations have been stolen or copied without Your authority;
- b) replacing and developing security film exposed and restoring the security system to its former functionality following theft or attempted theft of Money.

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

Provided further that any cover given under this additional benefit shall not accumulate with any similar cover that may be given under Section 3 - Burglary.

### 2) Removal of debris

Following a claim under this Section for Loss of Money for which We have admitted liability We will pay for the cost of removal of debris and of cleaning up any damage resulting therefrom.

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

Provided further that any cover given under this additional benefit shall not accumulate with any similar cover that may be given under Section 3 - Burglary.

### 3) Removal of debris following forensic investigation

We will pay for the cost of removal of debris and of cleaning up any damage resulting from forensic investigation by police following theft or attempted theft of Money, provided that We will not pay more than \$2,000 for any one Event.

Provided further that any cover given under this additional benefit shall not accumulate with any similar cover that may be given under Section 3 - Burglary.

### 4) Loss of or damage to cash carrying bags, or Safe or Strongroom

We will pay for Loss of or Damage to:

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

Provided that the most We will pay under this additional benefit is \$10,000 for any one Event.

### 5) Rewards

We will pay up to \$5,000 in addition to the Sum Insured for the reasonable cost of any reward paid by You for information which leads to the apprehension and conviction of person(s) responsible for Loss or Damage which is covered under this Section. Provided that any cover given under this additional benefit shall not accumulate with any similar cover that may be given under Section 1 – Property Damage, Section 3 – Burglary or Section 5 – Glass.

### 6) Directors' and employees' tools of trade and personal effects

We will pay You in accordance with the basis of settlement for Loss of or Damage to Your directors' and employees' tools of trade and personal effects during a theft or attempted theft of Money.

Provided that We will not pay more than \$5,000 for any one person's tools of trade and personal effects and \$10,000 in total any one Event.

### 7) Temporary protection

We will pay for the costs of temporary protection and temporary repairs reasonably and necessarily incurred for the safety and protection of the Property Insured whilst awaiting repair of physical damage to the premises at the Risk Address as a consequence of theft or attempted theft covered by this Section, to a maximum of \$5,000 any one Event.

## Special Benefits

We will also pay (where applicable) for the reasonable costs necessarily incurred under the following special benefits.

### 1) Employee dishonesty

We will pay for Loss of Money by theft or dishonesty of any of Your employees or persons in Your service, occurring during the Period of Insurance and discovered within 45 days of the Event.

Special Conditions applying to this special benefit:

- a) Specific Exclusion 1 in so far as it relates to employees and persons in Your service, shall not apply to this special benefit;
- b) any occurrence must be reported to the police, and You must co-operate with them in providing statements and/or evidence to enable a successful prosecution.

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

Provided further that any cover given under this special benefit shall not accumulate with any similar cover that may be given under Section 3 - Burglary.

### 2) Traveller's Money

We will pay for Loss of or Damage to Money in Your personal custody or in the custody of Your employee while travelling for Your Business anywhere in the world.

Provided that the most We will pay under this special benefit is \$10,000 for any one Event.

### 3) Counterfeit currency

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

### 4) Death following assault

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

Provided that any cover given under this special benefit shall not accumulate with any similar cover that may be given under Section 3 - Burglary.

## 5) Additional premises – provisional cover

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

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

Provided that We will pay not more than 20% of the Sum Insured shown in the Schedule in relation to each item of Money covered under this Section.

Provided further that We are supplied with full details of such additional premises within 60 days of Your commencement of the use of the Money. If We agree to cover Money at the additional premises, We may require payment of an additional premium.

## Optional Benefit

### Taxation audit costs

If Taxation audit costs is shown as insured in the Schedule with a specific Sum Insured, We will pay 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 Sum Insured for this optional benefit. Provided that if Section 1 – Property Damage is shown as insured in the Schedule, then any amount payable under this optional benefit shall be in addition to any amount payable under special benefit 7) Taxation audit costs under Section 1 – Property Damage of Your Policy.

Provided that We will not pay be liable under this optional benefit:

- a) for the imposition of any tax, fines, penalties, court costs, penalty tax or interest;
- b) for Costs incurred after completion of the audit or investigation;
- c) where any proceedings were initiated, threatened or started prior to the commencement of the Period of Insurance;
- d) for Costs arising from Your improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by a 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) for Costs arising out of or relating to any fraud or fraudulent act or omission committed by You or on Your behalf; or
- h) for Costs arising from or relating to audits or investigations which result in You, or any person acting on Your behalf, becoming aware of any error or deficiency in any return of income or other documentation supplied to a state or federal Commissioner of Taxation and failing to notify the Commissioner of Taxation without delay.

'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.

### Special conditions applicable to taxation audit costs

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

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

In the event of a claim arising:

- 1) You must at all times keep Us fully and continually informed of all material developments in relation to the claim and in relation to any audit;
- 2) You must take all necessary and reasonable steps to minimise any delays and the amount of any costs incurred or likely to be incurred in connection with any audit; and
- 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.

## Specific Exclusions

We will not cover any Loss of or Damage to Money:

- 1) arising from the fraud or dishonesty of You, or Your family, directors or partners;
- 2) due to shortages resulting from clerical or accounting errors or loss due to errors in receiving or paying out;
- 3) from any unattended vehicle unless the vehicle is locked and the loss arises from visible forcible entry;
- 4) from a Safe or Strongroom opened by a key or by use of details of a combination either of which has been left at the Risk Address outside Normal Business Hours;
- 5) not discovered within 10 working days;
- 6) occurring outside of the Commonwealth of Australia, other than as covered under special benefit 2) Traveller's Money.

We will not cover any consequential loss resulting from any Loss of or Damage to Money.

## Basis of Settlement

Unless otherwise specified in the Schedule and subject to any limitation or restriction applying to any specific additional benefit, special benefit or specific condition, claims will be settled on the following basis:

- 1) if We agree to pay a claim for Loss or Damage to Money We will pay the amount or value of Money lost or damaged;
- 2) directors' and employees' tools of trade and personal effects as covered under additional benefit 6):

We will pay at Our option:

- a) the cost of repairing or reinstating the property to a condition substantially the same as but not better than or more extensive than its condition when new; or
- b) the cost to replace the item Lost or Damaged.

## Specific Conditions

### 1) Seasonal increases in the Sum Insured

This specific condition automatically increases the Sums Insured for Money Items 1 to 6 by 50% for any Event covered under this Section occurring:

- a) during the period of 60 days prior to and including Christmas Day and 21 days following Christmas Day;

- b) during the period of 42 days up to and including Easter Tuesday and 7 days following Easter Tuesday;
- c) during the period of 42 days prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter);
- d) during the period of 7 days after the same festive, religious or ethnic event;
- e) during any other period shown on the Schedule for this specific condition.

Provided that the Event also occurs during the Period of Insurance.

Provided further that any increase in the Sums Insured for Money given under this specific condition shall not accumulate with any increase that may be given under specific condition 2) below.

### 2) Bank and public holidays extension

This specific condition increases the Sums Insured for Money Items 1 to 6 by 100% on days that are Australian bank or public holidays. This increase shall apply up until bank closing time on the next business day after such holiday.

Provided that any increase in the Sums Insured for Money given under this specific condition shall not accumulate with any increase that may be given under specific condition 1) above.

### 3) Reinstatement of Sum Insured

Following a claim under this Section, the amounts by which the Sums Insured for Money Items 1 to 6 are reduced as a consequence of the Loss or Damage will be reinstated as from the date of Loss or Damage provided that:

- a) there is no written request from You or written notice by Us to the contrary; and
- b) You pay the premium We require for the reinstatement of Sums Insured.

### 4) Excess

We will deduct any Excess applicable for this Section from each and every claim made under this Section.

# Section 5 – Glass

## Introduction

Where External Glass and/or Internal Glass is shown as insured in the Schedule for replacement value, We agree to provide You with the insurance set out in this Section.

The Important Information, General Definitions, General Conditions and General Exclusions are also applicable to this Section.

## The Cover

Subject to the provisions of this Policy, We will indemnify You in accordance with the basis of settlement for Breakage of External Glass and/or Breakage of Internal Glass (whichever is applicable) occurring during the Period of Insurance.

## Additional Benefits

We will also pay:

### 1) Temporary shuttering and security

for the cost of temporary shuttering, boarding up and any other security necessary, pending replacement of the broken glass, following Breakage of Internal Glass or External Glass;

### 2) Sign writing

for Damage to sign writing, ornamentation or burglary alarm tapes and connections, following Breakage of Internal Glass or External Glass;

### 3) Shopfront Damage

for Damage caused to window and/or glass door frames, following Breakage of Internal Glass or External Glass;

### 4) Penalty charges

for after hours service costs, express delivery and overtime charges incurred to replace glass, following Breakage of Internal Glass or External Glass;

### 5) Destruction of Stock or Contents

for Damage or spoilage of Stock or Contents resulting from Breakage of Internal Glass or External Glass.

Provided that We will not pay more than:

- a) \$10,000; or
- b) the Sum Insured for additional benefits;

in total for additional benefits 1) to 5) during any one Period of Insurance; whichever is the greater;

### 6) Malicious Damage

for malicious Damage to External Glass, payable even where there is no Breakage of External Glass;

### 7) Signs

for the cost of replacement or repair for damage to signs at the Risk Address. Provided that We will not pay more than:

- a) \$8,000; or
- b) the Sum Insured for signs;

whichever is the greater, for any one Event;

### 8) Rewards

up to \$5,000 for the reasonable cost of any reward paid by You for information which leads to the apprehension and conviction of person(s) responsible for Breakage which is covered under this Section. Provided that any cover given under this additional benefit shall not accumulate with any similar cover that may be given under additional benefits in Section 1 – Property Damage, Section 3 – Burglary or Section 4 – Money.

## Specific Exclusions

We will not pay any claims for:

- 1) Breakage of glass during its removal or during work on or alteration to it or its framework, beading or other fittings;
- 2) Breakage of illuminated signs, other than as covered under additional benefit 7) Signs;
- 3) Breakage caused by the application of heat;
- 4) Breakage caused by a wilful act by You, or by any other person acting with Your knowledge or consent;
- 5) Breakage of glass forming part of Stock;
- 6) Breakage of glass with existing cracks or imperfections;
- 7) Breakage of glass installed that is not fit for the purpose intended;
- 8) Breakage of External Glass and/or Internal Glass and/or an illuminated sign, which forms part of a glass house, conservatory, television or computer screen.

## **Basis of Settlement**

Unless otherwise specified in the Schedule and subject to any limitation or restriction applying to any specific additional benefit or specific condition, claims will be settled on the following basis:

In the event of Breakage of External Glass or Breakage of Internal Glass for which a claim is payable under this Section, We will, at Our option:

- 1) replace the broken External Glass or broken Internal Glass in compliance with the requirement of the Standards Association of Australia and any statutory authority; or
- 2) pay the cost of replacement of such External Glass or Internal Glass.

## **Specific Conditions**

### **1) Excess**

We will deduct any Excess applicable for this Section from each and every claim made under this Section.

### **2) Automatic Reinstatement of the Sum Insured**

In the Event of a claim made under this Section, the Sum Insured is reinstated to the full amount specified in the Schedule, provided that:

- a) there is no written request from You or written notice by Us to the contrary; and
- b) You pay the premium We require for the reinstatement of the Sum Insured.

# Section 6 – Broadform Liability

## Introduction

Where Broadform Liability is shown as insured in the Schedule with specific Sums Insured shown for Public Liability and/or Products Liability, We agree to provide You with the insurance set out in this Section.

The Important Information, General Definitions, General Conditions and General Exclusions are also applicable to this Section.

## Definitions Applicable to this Section

**Aircraft** means any craft or device designed to travel in, on or through the air, other than model aircraft or kites.

**Business** means the Business specified in the Schedule and shall include:

- 1) the provision and management of any canteens, sports, social and welfare organisations for the benefit of Your Employees, and any first aid, fire and ambulance services and maintenance of Your premises;
- 2) private work undertaken by Your Employees for any of Your directors, partners, proprietors, officers or executives; and
- 3) the provision and management of child care facilities by You for the benefit of Your Employees.

**Employee(s)** means any person engaged in Your Business under a contract of service or apprenticeship with any of You (other than any person or entity coming within additional benefit 2) c).

**Geographic Limitations** means anywhere in the world other than the United States of America, Canada or their territories, protectorates or dependencies subject to Exclusion 17 in this Section.

**Manual Labour** means work that primarily involves physical exertion. It does not include activities involving sales, marketing or promotion.

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

**Products** means any goods, products or property (including any components, packaging or container for any of these) after they have ceased to be in Your possession or under Your control which are or are deemed by law to have been manufactured, grown, extracted, produced, processed, assembled, constructed, erected, repaired, serviced, installed, treated, sold, supplied, distributed, imported or exported by You in the course of Your Business.

**Products Liability** means Your legal liability for Personal Injury and/or Property Damage caused by or arising out of any of Your Products but only if the Personal Injury or Property Damage occurs away from Your premises or premises leased or rented to You and after physical possession of such Products has been passed to others.

**Public Liability** means Your legal liability to pay compensation covered by this Policy for Property Damage or Personal Injury or Advertising Liability occurring during the Period of Insurance within the Geographic Limitations, as a result of an Occurrence happening in connection with Your Business, but not including Products Liability.

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

## The Cover

Subject to the provisions of this Policy, We will indemnify You for amounts You become legally liable to pay as compensation for Property Damage or Personal Injury or Advertising Liability occurring during the Period of Insurance within the Geographic Limitations, as a result of an Occurrence happening in connection with Your Business.

## Limits of Liability

- a) Except as provided in clause (b), Our total liability under this Policy to indemnify You:
  - i) in respect of any one Occurrence will not exceed the Sum Insured for Public Liability; and
  - ii) for all claims in respect of Products Liability during the Period of Insurance is limited in the aggregate to the Sum Insured for Products Liability.
- b) Subject to clause (c) below, We will indemnify You in addition to the Sum Insured for amounts that We pay to You or on Your behalf under additional benefit 1 – Legal costs and other expenses.

However, in respect of any claims or suits originating in any court in the United States of America, Canada or their territories, protectorates or dependencies, the applicable Sum Insured shown in the Schedule shall be inclusive of all Legal costs and other expenses.

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

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

- c) If a judgment or an amount required to settle a claim exceeds the Sum Insured, Our liability to pay costs and expenses under additional benefit 1 – Legal costs and other expenses, is limited to the proportion the Sum Insured bears to the amount required to be paid to dispose of the claim.

## The Excess

We will deduct any Excess applicable for this Section from each and every claim made under this Section.

## Additional Benefits

### 1) Legal costs and other expenses

We will also pay, in addition to the cover provided above, but subject always to the Limits of Liability above:

- a) costs and expenses incurred by Us, or by You with Our prior written consent, in the investigation, settlement or defence of any claim for compensation for which You are entitled to indemnity under this Policy;
- b) legal costs taxed or assessed against You in any claim referred to in clause (a) and all interest accruing from the entry of judgment against You until We have paid, tendered or deposited in court such part of the judgment as does not exceed the Sum Insured;
- c) expenses incurred by You for rendering first aid and/or surgical or medical relief to others at the time of any Personal Injury (other than medical expenses which We are prevented from paying by any law); and
- d) reasonable expenses incurred by You for temporary protection of damaged or undamaged property of any person or party, including temporary repairs, shoring up and/or unpinning thereof.

### 2) Cover for others

Cover under this Section is extended to include the following:

- a) all of Your subsidiary companies (now or hereafter constituted) whose place of incorporation are within the Commonwealth of Australia which carry on Your Business;

- b) directors, executive officers, partners, shareholders or Employees of Your Business or in a company designated in clause a), but only whilst acting within the scope of their duties in such capacity;
- c) any principal nominated in any contract or agreement You or a company as designated in clause a) enter into for the liability of any such principal arising out of Your work in Your performance of the contract but limited in all to the extent of coverage and the limit of liability provided by this Section;
- d) Your partner, any joint venturer or joint lessee but only:
  - i) in respect of liability arising from the partnership, joint venture or joint lease; and
  - ii) provided the partnership, joint venture or joint lease has been notified to Us within 60 days of formation and has been endorsed in the Schedule;
- e) every office bearer or member of sporting or social clubs, child care facilities, canteen and welfare organisations and first aid, fire and ambulance services formed with Your consent in respect of claims arising out of their duties connected with these activities. This cover will not apply to any person or company defined in clauses c) and d);
- f) voluntary workers while acting in such capacity; and
- g) directors, partners, proprietors, officers or executives of Your Business in respect of private work undertaken by Your Employees for such people and any of Your Employee whilst actually undertaking such work.

## Exclusions

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

### 1) Aircraft and Watercraft

Personal Injury or Property Damage directly or indirectly arising out of the ownership, possession, existence, working, navigation, repair, servicing, installation, maintenance, operation, manufacture, sales, assembly, supply or use by You of:

- a) any Aircraft, hovercraft; or
- b) any Watercraft or vessel exceeding 10 metres in length provided that this exclusion does not apply to:

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

## 2) Aircraft Products

Personal Injury or Property Damage caused by or arising out of Your Products intended specifically for, and installed in or on, an Aircraft, or caused by or arising out of those of Your Products which You knew would be so installed, where such Products are essential to the operation or navigation of an Aircraft.

## 3) Contractual liability

any liability or obligation assumed by You under any agreement except to the extent that:

- a) the liability or obligation would have attached in the absence of such agreement;
- b) the liability or obligation 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 or obligation arises from any written contract with any authority or entity responsible for the supply of electricity, fuel, gas, natural gas, air, steam, water, sewerage reticulation control systems, waste disposal facilities, telephone and communication services or other essential services, except those contracts in connection with work done for such authorities or entities;
- d) the liability or obligation is assumed by You under a warranty of fitness or quality as regards to Your Products; or
- e) the liability or obligation is assumed under those agreements specified in the Schedule.

## 4) Defective design

Personal Injury or Property Damage arising directly or indirectly out of or caused by, through or in connection with any defective or deficient design or error in any formula or in specification(s) provided by You for a fee.

## 5) Liability to employees

- a) Personal Injury to any Worker arising directly or indirectly out of or in the course of their employment in Your Business, provided this exclusion does not apply in respect of liabilities for injuries which are not compensated under the workers compensation legislation in Queensland and Western Australia where employment is not the major significant factor causing the injury.

- b) any claim or claims arising out of the provisions of any industrial award or agreement or determination.
- c) any claim or claims for which You are or would have been entitled to seek indemnity under any policy of insurance required to be taken out pursuant to any legislation relating to workers compensation including any legislation of any State or Territory (whether insurance is effected or not).
- d) liability imposed or implied under any law relating to wrongful or unfair dismissal, denial of natural justice, defamation, false or misleading conduct or advertising, misrepresentation, harassment or discrimination in respect of employment by You.
- e) liability imposed or implied under any industrial award, agreement or determination or any contract of employment or workplace agreement, to the extent You would not have been liable in the absence of that award, agreement, determination or contract.

For the purpose of this exclusion, 'Worker' means any person employed by You under a contract of service or deemed to be employed by You pursuant to any workers compensation law.

## 6) Construction

Personal Injury, Property Damage or Advertising Liability arising directly or indirectly out of or in connection with the construction, demolition, underpinning, removal of support, alteration, renovation, erection of and/or addition to any building by You or on Your behalf, where the individual contract You undertake exceeds the sum of \$500,000.

## 7) Faulty workmanship

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

## 8) Fines, penalties

finer, penalties or liquidated damages.

## 9) Known defects

Personal Injury or Property Damage arising directly or indirectly out of or caused by, though, or in connection with any defect or deficiency in Your Products of which You or Your agents have knowledge or have reason to suspect at the time when Your Products pass from Your actual physical control or from the actual physical custody of any person under Your control.

#### 10) Libel or slander

liability arising out of the publication or utterance of a libel or slander:

- a) made prior to the commencement of this Period of Insurance; or
- b) made by or at the direction of You with knowledge of the falsity thereof; or
- c) relating to advertising, publishing, printing, broadcasting or telecasting activities conducted by You or on Your behalf.

#### 11) Loss of use

loss of use of tangible property that has not been physically damaged or destroyed resulting from:

- a) a delay in or lack of performance by or on behalf of You of any contract or 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, provided this clause b) shall not apply to the loss of use of other property resulting from the sudden and accidental physical damage to or destruction of Your Products after such products have been put to use by any person or organisation other than You.

#### 12) Damage to Your Products

Property Damage to Your Products if the damage can be attributed to or if the damage arose directly or indirectly out of or in connection with Your Products':

- a) harmful nature;
- b) defectiveness;
- c) unsuitability for the intended use;
- d) inherent vice; or
- e) inefficiency or ineffectiveness.

Provided that this exclusion shall only apply to the defective, harmful or unsuitable part of Your Products that have been so damaged and does not apply to any resultant damage so caused to the remainder of Your Products.

#### 13) Products recall

claims or costs arising out of or resulting from the withdrawal, recall, inspection, repair, replacement, investigation of or loss of 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 the Product or the accompanying use and/or storage instructions or the lack thereof.

#### 14) Professional advice or service

any claim caused by or arising directly or indirectly out of or in connection with the rendering of or failure to render professional advice or service by You; including but not limited to any breach of duty owed in a professional capacity by any of the directors and officers insured, where persons in breach of such duty may be legally liable.

This exclusion shall not apply to:

- a) the rendering of or failure to render professional medical advice by Medical Persons employed by You to provide first aid or other medical services on Your premises;
- b) Personal Injury or Property Damage arising from the rendering of or failure to render professional advice or service, provided such professional advice or service is not given for a fee.

#### 15) Property in physical or legal 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 shall not apply to liability for Property Damage to:

- a) premises (including landlords' fixtures and fittings) which are leased or rented to You;
- b) premises (or the Contents thereof) not owned, leased or rented by You, but temporarily occupied by You for work therein but no cover is granted for damage to that part of the property on which You are working and which arises out of such work;
- c) Vehicles (not belonging to or used by or on behalf of You) in Your physical or legal control where such Property Damage occurs whilst any such Vehicles are in a car park owned or operated by You. Cover under this clause does not apply if You as part of Your Business are a car park owner or operator for reward;
- d) Your Employees' property;
- e) any other property not specified in clauses a) to d) inclusive, which is in Your physical or legal control subject to Our liability not exceeding \$250,000 (or any other amount agreed by Us and specified in the Schedule) arising out of any one Occurrence.

## 16) 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).

This exclusion does not apply to Personal Injury or Property Damage which arises out of:

- i) the delivery or collection of goods to or from any Vehicle used in work undertaken by You or on Your behalf, or the loading or unloading of any such Vehicle, where such Personal Injury or Property Damage occurs beyond the limits of any carriageway or thoroughfare; or
- ii) the use of any such Vehicle as a 'Tool of Trade'.

Provided that the liability for such Personal Injury did not arise in circumstances for which indemnity should be provided under any form of insurance mentioned in b) above, whether such insurance was effected or not.

For the purposes of this exclusion, the expression use as a 'Tool of Trade' shall mean the use or operation of such Vehicle (including its associated equipment, tools or apparatus) for its designed purpose of digging, scraping, shoveling, grading, boring, drilling, compacting, harvesting, ploughing, shredding, lifting, clearing, leveling, hosing, pumping, spraying, vacuuming or suction activities.

## 17) Territorial limit

any liability:

- a) arising out of claims made or actions brought in the United States of America, Canada or their territories, protectorates, or dependencies coming within the jurisdiction of the courts of the United States of America, Canada or their territories, protectorates or dependencies; or
- b) arising out of claims and actions to which the laws of the United States of America, Canada or their territories, protectorates, or dependencies apply.

Provided that:

- c) subsections 17 (a) and 17 (b) above do not apply to Personal Injury or Property Damage occurring during business visits to the United States of America, Canada or their territories, protectorates, or dependencies by Your directors or Employees, who are normally resident in

Australia and who are not undertaking Manual Labour or supervision of work of any kind while in the United States of America, Canada or their territories, protectorates or dependencies.

## 18) Punitive damages

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

## 19) Assault and battery

Personal Injury or Property Damage caused by or arising from assault and battery committed by You or with Your knowledge or at Your direction unless reasonably necessary for the protection of persons or property.

## 20) Damage to property owned by You

Property Damage to property that You own.

## 21) Smoking

Personal Injury arising directly or indirectly out of or in any way connected with, the inhalation or ingestion of or exposure to:

- a) tobacco or tobacco smoke; or
- b) any ingredient or additive present in any articles, items or goods which contain tobacco.

## 22) Product guarantee

Personal Injury, Property Damage or Advertising Liability resulting from any Product's warranty or guarantee given by You or on Your behalf, but this exclusion shall not apply to the requirements of any Federal or State legislation as to product safety and information.

## 23) Advertising Liability

Advertising Liability:

- a) for any statement made at Your direction if You knew that statement was illegal or false;
- b) for breach of contract, but this exclusion will not apply to claims for misappropriation of advertising ideas contrary to an implied contract;
- c) for an incorrect description of Products or services or a mistake in the advertised price of Products or services;
- d) for infringement of a trade mark, service mark, or trade name on any Products or services sold, offered for sale or advertised;
- e) for any person covered by this section of the Policy whose primary occupation or business is advertising, broadcasting, publishing or telecasting.

## 24) Prior knowledge

any liability caused by or arising directly or indirectly out of or in connection with a fault, defect, Occurrence, Personal Injury or Property Damage known, or deemed by law to be known, by You prior to the Period of Insurance.

## 25) Asbestos

Personal Injury, Property Damage or Advertising Liability arising, directly or indirectly, out of inhalation of, or fears of the consequences of exposure to, or inhalation of, asbestos, asbestos fibres or derivatives of asbestos, nor that part of any loss, cost or expense for the cost of cleaning up, or removal of, or damage to, or loss of use of, property arising out of any asbestos, asbestos fibres or any derivatives of asbestos.

## 26) Pollution

- a) Personal Injury or Property Damage directly or indirectly arising out of the actual, alleged or threatened discharge, dispersal, release, seepage, migration, emission or escape of Pollutants; or
- b) the cost of testing, monitoring, containing, removing, nullifying or cleaning up Pollutants;

except liability otherwise excluded under the clauses above that:

- i) arises from a sudden identifiable, unintended and unexpected happening, which takes place in its entirety at a specific time and place; and
- ii) is indemnified in not more than one annual Period of Insurance.

## Optional Extension

### Road Risk Cover

Where Road Risk Cover is shown as insured in the Schedule with a specific Sum Insured, We will indemnify You in terms of this Section in respect of Your legal liability:

- a) for damage to Vehicles, their accessories and spare parts not belonging to You but under Your control for the purposes of repairing, servicing or maintenance; and
- b) for Property Damage caused by any Vehicle described in clause a) above whilst being driven or moved for the purpose of repairing, servicing or maintenance or testing in connection therewith.

Provided that Our liability in relation to a) and b) shall not exceed the Sum Insured for Road Risk for any one Occurrence or series of Occurrences.

Provided further that We will not be liable for any claim in respect of any damage to any Vehicle described above or Property Damage caused by any such Vehicle described above which, to Your knowledge and with Your consent is:

- i) engaged in or being tested in preparation for racing or pacemaking or any reliability trial or speed trial or hill climbing test;
- ii) being driven on any racetrack or speedway;
- iii) being towed by another Vehicle;
- iv) being driven by an unlicensed driver;
- v) being driven whilst in an unroadworthy condition unless the damage or Property Damage was not caused by or contributed to by such unroadworthiness;
- vi) being driven by someone with an alcohol reading in excess of the legal limit within that State or Territory; and/or
- vii) more than 25 kilometres from the Risk Address at the time of the Occurrence.

Provided further that We will not be liable for any claim in respect of any damage or Property Damage deliberately caused by You or any person acting on Your behalf.

Excess applicable for each and every claim under this optional extension:

- 1) \$2,500 when the Vehicle is being driven by a person under 21 years of age;
- 2) \$1,000 when the Vehicle is being driven by a person under 25 years of age but not under 21 years of age or by a person who has not held a driving licence continuously in relation to the class of Vehicle for two or more years;
- 3) \$500 when the Vehicle is being driven by any other person.

## Conditions

### 1) Cross liability – joint insureds

Where more than one person or party comprises You as defined, each of the parties shall be considered as a separate and distinct unit and the word You shall be considered as applying to each party in the same manner as if a separate policy had been issued to each party provided that nothing in this clause shall result in an increase of Our limits of liability in respect of any Occurrence or Period of Insurance.

## 2) Reasonable precautions

- a) Without in any way restricting or limiting Your obligations under General Condition 7), Reasonable care, You must take all reasonable precautions to:
  - i) prevent Personal Injury, Property Damage or Advertising Liability losses;
  - ii) ensure that Your Products are manufactured, promoted, sold or supplied without defect;
  - iii) ensure that the premises from which Your Business is carried on or conducted are regularly maintained and kept in a good state of repair and maintenance and free of waste material and rubbish.
- b) At Your own expense, You must take immediate 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 government or statutory ban.

## 3) Notices

As soon as possible You are to provide Us with written notice and all relevant information of:

- a) every Occurrence, claim, writ, summons, proceedings, impending prosecution and inquest which may result in a claim under Your Policy, whether or not You believe any claim may fall below the Excess stated in the Schedule; and
- b) every change materially varying any of the facts or circumstances existing at the commencement of Your Policy that shall come to Your knowledge.

Any written notice We give to You shall be deemed to be notice given to each of the parties You comprise.

Notices given by Us shall be effective upon receipt by You if We send them by facsimile, telex or electronic mail message. In the case of notices by post, they will be effective three business days after We post them.

## 4) Discharge of liabilities

We may at any time pay You in respect of all claims against You arising from an Occurrence the balance of the limits of liability or any smaller amount 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 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; or
- c) incurred by You with Our written consent of prior to the date of such payment.

## 5) Maintenance of product records

You must keep and maintain, for at least 10 years after the date upon which they are brought into existence or come into Your possession, custody or control, documents and records:

- a) relating to research and development, specification, design and manufacturing of Your Products;
- b) showing the source and quality of components of Your Products;
- c) identifying persons and entities comprising the distribution chain for Your Products;
- d) comprising sales records, including batch number and destination of Your Products; and
- e) detailing quality control, inspection, testing, repairs, replacements and recalls of Your Products.

# Section 7 – Transit

## Introduction

Where Transit is shown as insured in the Schedule with a specific Sum Insured, We agree to provide You with the insurance set out in this Section.

The Important Information, General Definitions, General Conditions and General Exclusions are also applicable to this Section.

## Definitions Applicable to this Section

**Property Insured** means:

- 1) Stock; and
- 2) plant, tools or equipment owned by You and which is used for the purpose of the Business (provided none of these are specifically excluded under this Section).

**Transit** means the transportation of Property Insured by Watercraft, aircraft, postal service, rail or motor vehicle including whilst the Property Insured is in storage in the ordinary course of transit.

## The Cover

Subject to the provisions of this Policy, We will pay You in accordance with the basis of settlement for Loss or Damage occurring during the Period of Insurance to Property Insured whilst in Transit within Australia caused by:

- 1) fire;
- 2) Flood, lightning, explosion and malicious damage, not constituting theft;
- 3) theft resulting from forcible and violent entry evidenced by visible damage to the securely locked portion of a motor vehicle, rail vehicle or building containing the Property Insured;
- 4) theft of Property Insured securely attached to a motor vehicle or rail vehicle through the use of locks or padlocks which results in visible damage to the securing devices;
- 5) collision of the conveying motor vehicle with any external object;
- 6) the loading or unloading of the Property Insured onto or from the conveyance;
- 7) the Property Insured falling from the conveyance;
- 8) overturning, jackknifing or derailment of the land conveyance;
- 9) collision, crashing or forced landing of the conveying aircraft; or

- 10) jettison, washing overboard and Loss or Damage incurred in time of peril whilst the Property Insured is being transported by Watercraft.

We will also pay the general average and/or salvage contribution that You are required to pay under any bill of lading or similar document if the Transit is by sea.

## Limits Applying to The Cover

The most We will pay for all Loss or Damage arising during the Period of Insurance or for all Loss or Damage arising out of any one Event is the Sum Insured for Transit.

## Specific Exclusions

We will not pay for Loss or Damage to the following property:

- 1) money, credit cards or negotiable documents;
- 2) livestock;
- 3) explosives, petroleum products in bulk or gas in bulk;
- 4) jewellery, watches, furs, antiques, paintings, works of art, precious/semi-precious metals or precious/semi-precious stones or articles composed of any of them;
- 5) personal property of directors, partners and employees of Your Business.

We will not pay for any Loss of or Damage to Property Insured if the Loss or Damage is caused by or results from electrical or mechanical derangement unless damage is visible to the exterior of the damaged machine.

We will also not pay for:

- 1) costs or expenses resulting from any delay, loss of market, depreciation or deterioration of Stock or any consequential loss resulting from any Loss of or Damage to Property Insured;
- 2) any Loss from an unattended motor vehicle left overnight unless within securely locked premises.

## Basis of Settlement

In the event of Loss of or Damage to Property Insured covered under this Section, the following basis of settlement will apply:

- 1) For Stock sold, Your invoice value.
- 2) For Stock purchased, the purchase price shown on the invoice.

- 3) For Property Insured other than Stock, the cost of repairing or reinstating the Property Insured to a condition substantially the same as but not better than or more extensive than its condition when new.

### **Specific Condition**

- 1) **Excess**

We will deduct any Excess applicable for this Section from each and every claim made under this Section.

# Section 8 – Electronic Equipment Breakdown

## Introduction

Where Electronic Equipment Breakdown is shown as insured in the Schedule with specific Sums Insured shown for the respective Insured Items covered, We agree to provide You with the insurance set out in this Section.

The Important Information, General Definitions, General Conditions and General Exclusions are also applicable to this Section.

## Definitions Applicable to this Section

**Breakdown** means Loss of or Damage to Insured Items from any cause not excluded, which requires repairs or replacement to enable normal working to continue.

**Data** means proprietary software or information input, stored or recorded onto Data Media.

**Data Media** means material designed to carry, store or record Data including but not limited to tapes, discs, diskettes and cards.

**Insured Items** means equipment shown in the Schedule as specifically covered with a Sum Insured, owned by You or for which You are legally responsible, and which is used for the purpose of the Business. This includes Insured Items which are:

- a) working or at rest; and/or
- b) being dismantled or moved for the purpose of cleaning, inspection, overhaul, repair or relocation or during such operations themselves or whilst being subsequently re-erected at the Risk Address.

## The Cover

Subject to the provisions of this Policy, We will pay You in accordance with the basis of settlement for Insured Items against Breakdown occurring at the Risk Address during the Period of Insurance.

We will also indemnify You for Breakdown of:

- a) Insured Items whilst they are being moved to or from any service contractor away from the Risk Address but within Australia;
- b) Insured Items whilst temporarily removed from the Risk Address to other premises anywhere in Australia, but not whilst in storage or whilst being transported for storage or during permanent removal from the Risk Address;
- c) Data Media as if it were an Insured Item, including Data Media whilst located elsewhere in Australia, provided the sole purpose of location elsewhere is for processing or safekeeping, including whilst in transit for these purposes.

## Limits Applying to The Cover

The most We will pay for Breakdown of any Insured Item is the Sum Insured specified for that Insured Item.

Provided further that if the costs of repairing the Insured Item exceed the costs to replace the Insured Item, We will not pay more than:

- 1) the cost of replacing it, calculated in accordance with the basis of settlement; or
  - 2) the Sum Insured;
- whichever is the lesser.

## Specific Exclusions

We will not pay for:

- 1) any costs associated with:
  - a) cleaning or maintenance services;
  - b) alterations, additions, improvements, overhauls, adjustments, or replacement of undamaged components whether carried out in the course of repairs or as a separate operation;
  - c) replacement or restoration following gradual deterioration including rust, corrosion, erosion, oxidisation or scale formation;
  - d) repair of or claims for scratches to, or discolouration of, painted or polished surfaces;
  - e) wear and tear and/or the replacement of component parts worn through normal use of operation;
  - f) damage associated with atmospheric moisture or temperature unless directly resulting from damage to or malfunctioning of air conditioning equipment;
  - g) provisional repairs or remedial actions unless such repair or actions constitute part of the final repairs and do not increase the total repair costs;
- 2) any costs associated with Loss or Damage unless necessary as part of the rectification of Loss or Damage for which a claim is payable under this Section, to the following parts of Insured Items:
  - a) belts, chains, tapes, ribbons, films, filters, worn or spent batteries, glass components, lubricants, operating media;
  - b) electric heating elements, filaments, fuses, electrical contacts;

- c) valves, tubes, picture tubes, globes, light sources which are components of the Insured Items and which have reached the end of their normal working life or which are being replaced because of the Loss or Damage which in the opinion of the manufacturer of the item affected has been caused by the wearing out resulting from ordinary use of working;
- 3) any additional costs due to delay or detention resulting from any Loss of or Damage to Insured Items;
- 4) any Loss, Damage or disappearance occurring whilst an Insured Item is away from the Risk Address on hire, loan, rental or lease;
- 5) any Loss or Damage otherwise recoverable by You under any maintenance or service agreement or manufacturer's warranty, or losses that would have been recoverable but for a breach of the conditions of such agreements or warranty by You;
- 6) any Loss of or Damage to:
  - a) Data, other than as specifically provided under additional benefit 1) Restoration of Data;
  - b) a safety or protective device caused by its own operation;
- 7) any penalties or consequential loss of any kind or description whatsoever resulting from any Loss of or Damage to Insured Items, other than as specifically provided under additional benefit 2) Increased Costs of Working;
- 8) Loss or Damage caused by:
  - a) fire, explosion, smoke or soot, extinguishment of a fire or subsequent demolition, spontaneous combustion;
  - b) lightning or thunderbolt, Earthquake, hail, wind, rain, storm, Flood, Storm Surge, action of the sea, tidal wave, erosion, collapse, subsidence, landslide, mudslide, settling or movement of earth;
  - c) impact by aircraft or other aerial devices, falling trees, vehicles, Watercraft, external antennas, communication towers, masts, satellite dishes or any animal;
  - d) theft or attempted theft, malicious damage;
  - e) leakage of water or liquid from any pipe, tank, guttering or fixed apparatus including automatic fire sprinkler systems;
  - f) any process of heat treatment, welding, grinding, cutting, drilling, shaping or the application of tools to the Insured Item;

- g) unloading on delivery to, or loading prior to dispatch from the Risk Address;
- h) an inherent vice or latent defect;
- i) any error or omission in design, plan or specification or failure of design;
- j) testing and commissioning, intentional overloading or experiments, and any usage beyond or outside the manufacturer's specifications.

### Additional Benefits

If Breakdown of Insured Items is covered by this Section, then We will also pay for the reasonable costs necessarily incurred under the following additional benefits in addition to the Sum Insured.

#### 1) Restoration of Data

We will pay the reasonable costs incurred for the purpose of reproducing or restoring the Data lost as a result of Breakdown covered under this Section, including the cost of overtime necessarily incurred, provided that:

- a) the Data is backed up at least once every week;
- b) the Data backup is kept in a safe or strong room or at a secure off-site location;
- c) the Data Media at the time of the Loss or Damage is:
  - i) at the Risk Address;
  - ii) at a Data storage situation used by You for that purpose within Australia;
  - iii) temporarily at any alternative situation for processing purposes within Australia; or
  - iv) in transit between any of the above within Australia;
- d) We will not pay more than:
  - i) \$15,000; or
  - ii) the Sum Insured for this additional benefit;

whichever is the greater.

#### Basis of settlement for this additional benefit

We will pay for reasonable expenses necessarily incurred to reproduce or restore the Data lost to a condition equivalent to that existing before the Breakdown occurred and necessary to allow the normal operation of the electronic Data processing system for which the Insured Item formed a part. Lost Data may be reproduced in an updated form if the cost is no greater than that of reinstating it in its original form.

## 2) Increased costs of working

We will pay the increased costs of working incurred as a result of Breakdown covered under this Section, during a period not exceeding 90 days from the date of the Breakdown occurring, provided that:

- a) the cost is proven to have been necessarily and reasonably incurred during the period, over and above the normal expenses that You would have incurred during the period in respect of the operation of the Insured Items;
- b) We will not pay any more than the actual costs borne by You;
- c) We will not pay for any cost incurred during the first 24 hours following the occurrence of the Breakdown;
- d) We will not pay for the cost of Data restoration;
- e) We will not pay for any consequential loss resulting from Breakdown of Insured Items; and
- f) We will not pay more than:
  - i) \$15,000; or
  - ii) the Sum Insured for this additional benefit; whichever is the greater.

### Basis of settlement for this additional benefit

We will indemnify You for the following increased costs necessarily and reasonably incurred following an interruption to the normal operation of the Insured Items which are over and above the normal expenses incurred by You in the operation of the Insured Items including:

- a) reasonable professional fees of accountants or auditors and any other reasonable expenses payable by You and necessarily incurred by You which are not otherwise recoverable for preparation of a valid claim under this additional benefit;
- b) additional personnel expenses;
- c) additional expenditure for the rental of substitute computers; and/or
- d) additional transportation expenses.

## Special Benefits

### 1) Laptop computer away from the Risk Address

We will cover Your laptop computer against Breakdown under this Section anywhere in the world if:

- a) the laptop computer is an Insured Item under this Section; and
- b) the laptop computer is covered under Section 10 – General Property.

### 2) New additions

Subject to the provisions of this Policy, We will provide temporary cover under this Section for a period of up to 90 days for an additional item of electronic equipment that is installed or brought into use during the Period of Insurance, provided that:

- a) You notify Us within a 90 day period from the date of installation or bringing into use of the additional item and pay Us any additional premium We may require which will be calculated from the date of installation or bringing into use;
- b) the additional item is free from known defects and is in sound working order when it is installed or brought into use;
- c) this temporary cover shall not commence until the additional item has worked satisfactorily for 8 hours;
- d) this temporary cover shall only apply to the item if it is of a similar kind to the Insured Items shown as insured in the Schedule; and
- e) the Sum Insured and Excess for the new item will be that specified for the similar Insured Item shown as insured in the Schedule.

## Basis of Settlement

Unless otherwise specified in the Schedule, and subject to any limitation or restriction applying to any specific additional benefit, special benefit or specific condition, in the event of a claim payable under this Section We will, at Our option, pay the cost of repairing or replacing the Insured Item.

### 1) Cost of repair

We will pay the costs necessarily incurred to restore the damaged Insured Item to the condition it was in prior to the Breakdown occurring, including:

- a) costs of dismantling and reassembly and/or reinstallation;
- b) costs of removal of debris;

- c) costs of any overtime or similar penalty rate costs;
- d) costs of freight charges within Australia, provided that air freight is by a recognised airline's scheduled service;
- e) costs of statutory charges including sales tax, customs duties and/or GST;
- f) costs of overseas air freight by any recognised scheduled service or overseas labour;
- g) costs of temporary repair; and
- h) costs of consultants' fees approved by Us.

Provided that:

- a) for clauses c), d) and f) the most We will pay is limited to 50% of the Sum Insured, in addition to the Sum Insured; and
- b) for clauses a), b), e), g), and h) the amount We will pay is limited to the Sum Insured not otherwise exhausted.

In the event that any required parts are unavailable, and the item is otherwise repairable, We will compensate You for the amount that the part would have cost, if available, to replace or the cost of similar parts in similar items that are still available.

## 2) Cost of replacement

- a) For an Insured Item less than 10 years old, We will pay the cost of replacing the Insured Item or the cost of an item of similar type, function and quality as new.
- b) For an Insured Item 10 years old or more, We will pay:
  - i) the market or actual depreciated value of the Insured Item; or
  - ii) the cost of replacing the Insured Item or the cost of an item of similar type, function and quality;

whichever is the lesser, provided that We will not pay less than 20% of the Sum Insured for that Insured Item.

## Specific Conditions

### 1) Reinstatement of Sum Insured

Following a claim under this Section, the amounts by which the Sums Insured for Insured Items are reduced as a consequence of the Loss or Damage will be reinstated as from the date of the Breakdown provided that:

- a) there is no written request from You or written notice by Us to the contrary; and
- b) You pay the premium We require for the reinstatement of Sums Insured.

### 2) Excess

We will deduct any Excess applicable for this Section from each and every claim made under this Section.

# Section 9 – Machinery Breakdown

## Introduction

Where Machinery Breakdown is shown as insured in the Schedule with specific Sums Insured shown for the respective items covered, We agree to provide You with the insurance set out in this Section.

The Important Information, General Definitions, General Conditions and General Exclusions are also applicable to this Section.

## Definitions Applicable to this Section

**Boilers and Pressure Plant** means those parts of the permanent structure of boilers and pressure plant (not used for domestic purposes) separately specified in the Schedule which are subject to internal steam, gas or fluid pressure (other than atmospheric pressure) or vacuum, including:

- 1) fittings, pipes and direct attachments which are connected to the permanent structure without any intervening valve or cock;
- 2) supports for the structure (other than foundations, masonry or brickwork) such as furnace doors, access doors, external combustion chambers, smoke boxes and casings;
- 3) metal parts of pressure and water gauges and their connections to the permanent structure; and
- 4) rotating, reciprocating or electrical apparatus attached to the permanent structure.

Provided that these items:

- 1) have successfully completed initial commissioning; and
- 2) are owned by You or for which You are legally responsible, and which are used for the purpose of the Business.

**Breakdown** means Damage to Unspecified Machinery, Specified Machinery and Boilers and Pressure Plant from any cause not excluded, which requires repairs or replacement to enable normal working to continue.

**Collapse** means the sudden distortion of the furnace of a boiler or any part of a pressure vessel caused by the bending or crushing of the permanent structure by the force of steam, gas, fluid pressure or vacuum including Damage caused by overheating resulting from a deficiency of water.

**Deterioration** means the deterioration of Refrigerated Stock to the point that it cannot be used for the purpose for which it was intended as a result of:

- 1) the rise or fall in temperature of refrigerated room(s) or cabinet(s) arising from:
  - a) an insured Breakdown for which a claim has been admitted under this Section, or would have been admitted other than for the application of the Excess;

- b) the operation or failure of fuses, thermostats and overload devices protecting the refrigeration Machinery in its operation provided that the Machinery is otherwise regularly maintained or serviced;
- c) contamination of Refrigerated Stock caused by direct contact of refrigerant leaking from the storage chamber;
- d) failure of the electrical supply authority to supply or restrict electricity to the Risk Address caused by:
  - i) an accidental failure of the supply authority's system;
  - ii) the rationing of electrical supply caused solely by the accidental damage to part of the supply authority's system;
  - iii) a deliberate act of the supplier for the sole purpose of safeguarding life or protecting a part of the supply authority's system;
- 2) a change in gaseous concentration in the storage chamber caused by an insured Breakdown or sudden leakage of refrigerant from the Machinery.

**Explosion** means the sudden, unforeseen and violent rending of any Boilers and Pressure Plant by force of internal steam, gas or fluid pressure or the pressure of ignited flue gases.

**Machinery** means mechanical, hydraulic and electrical plant and machinery which:

- 1) has successfully completed initial commissioning; and
- 2) is owned by You or for which You are legally responsible, and which is used for the purpose of the Business.

Provided that Machinery does not include:

- 1) Boilers and Pressure Plant;
- 2) motor vehicles or other mobile plant;
- 3) lifts or escalators;
- 4) wiring, fittings and outlet sockets of electric lighting or electric power circuits;
- 5) computers and electronic data processing equipment;
- 6) telephone and other communication equipment;
- 7) research, electro-medical and diagnostic equipment;
- 8) vending or amusement machines or any coin or card operated machines; or
- 9) audio visual, amplification, burglar alarms and closed circuit television installations or other monitoring or surveillance equipment.

**Refrigerated Stock** means refrigerated perishable goods owned by You or for which You are legally responsible and which are used for the purpose of the Business, contained in refrigerated chambers cooled by:

- 1) any Machinery insured under this Section and located at the Risk Address; or
- 2) temporary plant at the Risk Address not exceeding 60 days.

**Specified Machinery** means items of Machinery separately listed in the Schedule with specific Sums Insured.

**Unspecified Machinery** means items of Machinery other than Specified Machinery.

## The Cover

Subject to the provisions of this Policy, We will pay You in accordance with the basis of settlement in respect of items shown as insured in the Schedule with a Sum Insured, as follows:

- 1) for Unspecified Machinery, Specified Machinery, Boilers and Pressure Plant, against Breakdown;
- 2) for Boilers and Pressure Plant, against Breakdown, Collapse or Explosion; or
- 3) for Refrigerated Stock, against Deterioration;

occurring at the Risk Address during the Period of Insurance.

## Limits Applying to The Cover

The most We will pay:

- 1) in respect of Unspecified Machinery for any one Event is the Sum Insured for Unspecified Machinery;
- 2) in respect of Specified Machinery or Boilers and Pressure Plant during the Period of Insurance or for any one Event is the Sum Insured shown for the item of Specified Machinery or Boilers and Pressure Plant, provided that if the costs of repairing the Machinery or Boilers and Pressure Plant exceed the costs of replacing the Machinery or Boilers and Pressure Plant, We will not pay more than:
  - a) what We would be required to pay to replace it; or
  - b) the Sum Insured;whichever is the lesser;

- 3) for Deterioration of Refrigerated Stock during the Period of Insurance or for any one Event is the Sum Insured for Refrigerated Stock, provided that the Sum Insured for Refrigerated Stock shall be adjusted in accordance with specific condition 3) Seasonal Increase in the Sum Insured for Deterioration of Refrigerated Stock.

## Additional Benefits

### 1) Cover for an additional item of Machinery or Boilers and Pressure Plant

Subject to the provisions of this Policy, where Unspecified Machinery, Specified Machinery or Boilers and Pressure Plant is shown as insured in the Schedule, We will provide temporary cover under this Section for a period of 90 days for an additional item of Unspecified Machinery, Specified Machinery or Boilers and Pressure Plant installed or brought into use at the Risk Address during the Period of Insurance, provided that:

- a) You will notify Us within a 90 day period from the date of installation or bringing into use (whichever is applicable) of full particulars of the item of Unspecified Machinery, Specified Machinery or Boilers and Pressure Plant and pay to Us any additional premium that We may require which will be calculated from the date of installation or bringing into use;
- b) the additional item of Unspecified Machinery, Specified Machinery or Boilers and Pressure Plant shall be free from known defects, comply with any statutory requirements, and is in sound working order when it is installed or brought into use;
- c) this cover shall not operate until the item of Unspecified Machinery, Specified Machinery or Boilers and Pressure Plant has worked satisfactorily for 8 hours;
- d) if the item of Unspecified Machinery, Specified Machinery or Boilers and Pressure Plant is unacceptable to Us for insurance, We shall, within 3 days of receiving Your notice, give You not less than 3 business days notice advising that the additional item of Unspecified Machinery is no longer covered under this Section;
- e) this temporary cover shall only apply if the item is of a similar kind to and is in the same category as an item which is shown as insured in the Schedule; and
- f) the Sum Insured and Excess for the new item will be that specified for the similar item shown as insured in the Schedule.

## 2) Hire costs of temporary machinery or Boilers and Pressure Plant

In the event of Breakdown, Collapse or Explosion to an item of Unspecified Machinery, Specified Machinery or Boilers and Pressure Plant for which a claim is payable under this Section, We will pay the reasonable costs necessarily incurred for hiring a substitute item of Unspecified Machinery, Specified Machinery or Boilers and Pressure Plant (whichever is applicable), provided that We will not pay more than 50% of the Sum Insured for Unspecified Machinery, the Sum Insured for the item of Specified Machinery or the Sum Insured for the item of Boilers and Pressure Plant (whichever is applicable), in addition to the respective Sum Insured.

## 3) Additional charges

In the event of Breakdown of Machinery or Breakdown, Collapse or Explosion of Boilers and Pressure Plant resulting in a claim which is payable under this Section, We will pay the reasonable expenses necessarily incurred for:

- a) removal of debris, excluding any Pollutants deposited beyond the boundaries of the Risk Address;
- b) any overtime work including penalty rates, or work performed on public holidays;
- c) freight charges within Australia, provided that air freight is by a recognised airline's scheduled service;
- d) overseas air freight by any recognised scheduled service or overseas labour;
- e) the cost of temporary repairs; and
- f) consultants' fees.

Provided that We will not pay more than 50% of the Sum Insured for Unspecified Machinery, the Sum Insured for the item of Specified Machinery or the item of Boilers and Pressure Plant (whichever is applicable), in addition to the Sum Insured.

## 4) Submersible and deep well pumps

We will pay up to \$500 for any one Event for the costs associated with the removal or reinstallation of borehole or deep well type pumps.

## 5) Loss of or Damage to property caused by flying fragments

In the event of Breakdown of Machinery or Breakdown, Collapse or Explosion of Boilers and Pressure Plant resulting in a claim which is payable under this Section, subject to the Sum Insured not otherwise exhausted We will pay in accordance with the Basis of Settlement for

Loss of or Damage to other property owned by You or for which You are responsible, located at the Risk Address, that results from flying fragments from the broken Machinery, Boilers and Pressure Plant.

## 6) Increased cost of working

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

Provided that:

- a) these costs are additional to Your normal operating costs;
- b) these costs are incurred because of an interruption of Your normal operations that directly results from Insured Damage to Machinery or Boilers and Pressure Plant that is covered by this section;
- c) You receive Our prior written approval to incur these costs;
- d) We will not pay more than \$10,000 for increased cost of working; and
- e) We will not pay for any costs incurred during the first 48 hours following the loss.

## Specific Exclusions

We will not pay for:

- 1) any costs associated with:
  - a) cleaning or maintenance services;
  - b) alterations, additions, improvements or overhauls, adjustments or replacement of undamaged components whether carried out in the course of repairs or as a separate operation;
  - c) replacement or restoration following gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);
  - d) repair of or claims for scratches to, or discolouration, of painted or polished surfaces;
  - e) adjustment, cleaning or recharging of refrigeration or air conditioning equipment unless necessary as part of the repair of Machinery insured under this Section;
  - f) provisional repairs or remedial action unless such repairs or action constitute part of the final repairs and do not increase the total repair costs; or
  - g) loss of refrigerant, oil or lubricant due solely to worn or deteriorated seals or valves;

- 2) the cost of repair or replacement of:
  - a) worn or spent belts, filters, refrigerant dryers, fuses, electric heating elements, electrical contacts, thermostats, thermostatic expansion valves, lamps gland packing, seals, cutting blades, glass or ceramic components, fuel lamps, collecting brushes, belts, joints or non metallic parts and all operating media; or
  - b) component parts necessitated by wear and tear caused by or resulting from ordinary use or working or gradual deterioration;
- 3) loss, destruction or damage caused by:
  - a) any crack, fracture, blister, lamination, flaw or grooving even when accompanied by leakage, which has not penetrated completely through the entire thickness of the material of the Machinery or Boilers and Pressure Plant;
  - b) any slowly developing deformation or distortion to any Machine or Boilers and Pressure Plant;
  - c) fire, smoke or soot, extinguishment of a fire or subsequent demolition, spontaneous combustion;
  - d) lightning or thunderbolt, Earthquake, hail, wind, rain, storm, Flood, Storm Surge, action of the sea, tidal wave, erosion, collapse, subsidence, landslide, mudslide, settling or movement of earth;
  - e) impact by aircraft or other aerial devices, falling trees, vehicles, Watercraft, external antennas, communication towers, masts, satellite dishes or any animal;
  - f) theft or attempted theft, malicious damage;
  - g) leakage of water or liquid from any pipe, tank, guttering or fixed apparatus including automatic fire sprinkler systems;
  - h) any process of heat treatment, welding, grinding, cutting, drilling, shaping or the application of tools to the Machinery or Boilers and Pressure Plant;
  - i) unloading on delivery to, or loading prior to dispatch from the Risk Address;
  - j) an inherent vice or latent defect;
  - k) any error or omission in design, plan or specification or failure of design;
  - l) testing and commissioning, intentional overloading or experiments, and any usage beyond or outside the manufacturer's specifications;
- 4) any additional costs due to:
  - a) delay or detention; or
  - b) penalties;
- 5) any loss or damage to any Machinery or Boilers and Pressure Plant for which the manufacturer or supplier or other parties are responsible under any maintenance or service agreement or manufacturer's or supplier's warranty, or would have been responsible but for a breach of the conditions of such agreements or warranty by You;
- 6) any loss, damage or destruction to:
  - a) reticulated electrical wiring, liquid or gas piping; or
  - b) a safety or protective device caused by its own operation;
- 7) consequential loss of any kind or description whatsoever unless specifically included in this Section.

## Basis of Settlement

Unless otherwise specified in the Schedule and subject to any limitation or restriction applying to any specific additional benefit, special benefit or specific condition, claims will be settled on the following basis:

In the event of a claim payable under this Section for:

### 1) Breakdown

In respect of Breakdown of Specified Machinery, Unspecified Machinery or Boilers and Pressure Plant, subject to any limitation or restriction applying to any specific additional benefit or special benefit We will at Our option repair or replace the items that suffered Damage or pay a cash equivalent of such repair or replacement. We will also pay the cost of:

- a) liquids or refrigerant gases or insulating oil necessary to complete the repairs;
- b) transport, labour and the on-site cost of parts.

Provided that:

- a) if necessary parts are unavailable or obsolete, Our liability will be limited to the estimated cost of similar parts for similar equipment to that which suffered Damage that is currently available;
- b) if necessary parts are found to be unobtainable, Our liability will be limited to the manufacturer's or supplier's last list price;
- c) We will not pay for the cost of alterations, improvements, maintenance or overhauls carried out in conjunction with the repair or replacement.

### 2) Collapse or Explosion

In respect of Collapse or Explosion of Boilers and Pressure Plant, We will at Our option repair or replace the damaged or destroyed item or pay the cash equivalent of such repair or replacement.

Provided that:

- a) if the damage is repairable We will pay the necessary costs to restore the item to its condition immediately before the Collapse or Explosion;
- b) if restoration costs exceed the value of a new and equivalent replacement item then We will replace the damaged or destroyed item with an item of similar quality and size. If the item is replaced with one that is of a better quality or size, We will pay the cost that would have been incurred if an exact replacement had been installed;
- c) We will not pay for the cost of alterations, improvements, maintenance or overhauls carried out in conjunction with the repair or replacement.

### 3) Deterioration

In respect of Deterioration of Refrigerated Stock, We will at Our option:

- a) replace the deteriorated Refrigerated Stock; or
- b) pay the actual cost price of the deteriorated Refrigerated Stock.

We will also pay for the additional expenses reasonably incurred by You to reduce the loss by transferring the Refrigerated Stock to suitable alternative storage.

Provided that:

- a) We will not pay for any Refrigerated Stock item that has passed its "used by" or "best before" date;
- b) We will deduct the value of any salvageable Refrigerated Stock items from Our settlement;
- c) We will not pay for Deterioration of Refrigerated Stock caused by the manual operation or manual setting of switches or controls.

### 4) Other property lost or Damaged as a result of flying fragments

We will pay at Our option:

- a) the cost of repairing or reinstating the other property to a condition substantially the same as but not better than or more extensive than its condition when new; or
- b) the cost to replace the other property damaged or destroyed.

## Specific Conditions

### 1) Excess

We will deduct any Excess applicable for this Section from each and every claim made under this Section.

### 2) Reinstatement of Sum Insured for Deterioration of Refrigerated Stock

Following a claim under this Section for Deterioration of Refrigerated Stock, the amount by which the Sum Insured for Deterioration of Refrigerated Stock is reduced as a consequence of the Deterioration will be reinstated as from the date of Deterioration provided that:

- a) there is no written request from You or written notice by Us to the contrary; and
- b) You pay the premium We require for the reinstatement of the Sum Insured.

### 3) Seasonal increase in the Sum Insured for Deterioration of Refrigerated Stock

This specific condition automatically increases the Sum Insured for Deterioration of Refrigerated Stock by 50% for any Event covered under this Section occurring:

- a) during the period of 60 days prior to and including Christmas Day and 21 days following Christmas Day;
- b) during the period of 42 days up to and including Easter Tuesday and 7 days following Easter Tuesday;
- c) on any bank or public holiday;
- d) during the period of 42 days prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter);
- e) during the period of 7 days after the same festive, religious or ethnic event;
- f) during any other period shown on the Schedule for this specific condition.

Provided that the Event also occurs during the Period of Insurance.

# Section 10 – General Property

## Introduction

Where General Property is shown as insured in the Schedule with specific Sums Insured shown for the respective Property Insured items covered, We agree to provide You with the insurance set out in this Section.

The Important Information, General Definitions, General Conditions and General Exclusions are also applicable to this Section.

## Definitions Applicable to this Section

**Property Insured** means Specified Items and Unspecified Items.

**Specified Items** means those items which are shown in the Schedule as specifically covered with a Sum Insured, owned by You or for which You are legally responsible, and which are used for the purpose of the Business.

**Unspecified Items** means items other than any item worth more than \$2,500 shown in the Schedule as covered with a Sum Insured, and which are owned by You or for which You are legally responsible, and which are used for the purpose of the Business.

## The Cover

Subject to the provisions of this Policy, We will pay You in accordance with the basis of settlement for Loss of or Damage to Property Insured which occurs during the Period of Insurance.

## Limits Applying to The Cover

In the event of a claim, the most We will pay for Loss of or Damage to:

- 1) any one Unspecified Item is \$2,500;
- 2) any one Specified Item is the Sum Insured for that Item.

The most We will pay for all claims for Loss of or Damage to Unspecified Items arising during the Period of Insurance is the Sum Insured for Unspecified Items.

## Special Benefit

- 1) Cover for Your dog

We will pay up to \$1,000 any one claim and in the aggregate during any one Period of Insurance if Your dog suffers an Injury as the result of a sudden and unforeseen accident during the Period of Insurance, We will pay for veterinary expenses for treatment carried out by a veterinary surgeon, provided that:

- a) Your dog is in sound health and free from Injury or any physical disability (including Congenital Defects, Hereditary Defects or otherwise) at the time of commencement of this Policy; and
- b) Your dog does not participate in racing activities or training for racing activities, or dog fighting, except for under unforeseen and fortuitous circumstances at the time of the accident; and
- c) where required by either State legislation or local government regulations, Your dog is registered at the time of the accident; and
- d) Your dog is 8 weeks or older at the time any expenses are incurred; and
- e) Your dog is less than 9 years of age when Your Policy first commenced; and
- f) Your dog is not used for commercial purposes. This includes, but is not limited to, police or guard dogs, search/rescue and custom/quarantine dogs, commercial breeding dogs, or any dog which is leased or rented out. This does not apply to any dog which is used in the provision of assistance to sight or hearing impaired persons.

For the purpose of this special benefit, the following definitions are applicable:

- a) 'Injury' means a physical and bodily injury which occurs during the Period of Insurance and that is unforeseen and happens accidentally to Your dog as a result of external, violent and visible means;
- b) 'Congenital Defect' means a condition present at, and existing from, the time of birth or in growth and development. Examples of congenital problems include multiple rows of teeth, cleft palate, hydrocephalus, congenital heart problems and cryptorchid (undescended testicle);
- c) 'Hereditary Defect/Hereditary Condition' means that there is a significant genetic component in the development of that particular condition in a particular breed or type of dog. The condition may manifest or show its symptoms at any time during the dog's life. Examples of hereditary conditions include hip dysplasia, elbow dysplasia, entropion eye problems in pugs and dislocating kneecaps in small breeds of dogs.

## Specific Exclusions

- 1) We will not pay for any Loss of or Damage to Property Insured caused by:
  - a) an error or omission in design, plan or specification or failure of design;
  - b) faulty materials or faulty workmanship;

- c) fraud or dishonest acts, embezzlement, forgery, erasure, counterfeiting, loss induced by deception and fraudulent misappropriation by electronic means or otherwise;
- d) testing, intentional overloading or experiments;
- e) any computer virus;
- f) any process of heat treatment, welding, grinding, cutting, drilling, shaping or the application of tools to the Property Insured;
- g) the action of the sea, tsunami or tidal wave.

Provided that this exclusion shall not apply if Loss or Damage is directly or indirectly caused by an Earthquake. The Earthquake Excess stated under Section 1 – Property Damage of this Policy also applies;

- h) mechanical, hydraulic, electrical or electronic breakdown, failure, malfunction or derangement of any machine or electrical or electronic device or temperature controlling equipment;
  - i) faulty packaging or storage;
  - j) wear and tear, fading, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good;
  - k) rust, corrosion, oxidation, mildew, mould, moths, vermin, insects, change of colour, change in temperature, cleaning, change in flavour texture or finish, or alteration to the Property Insured;
  - l) Flood.
- 2) We will not pay for any Loss of or Damage to:
- a) any Property Insured during the course of and as a result of its processing or manufacture;
  - b) Money;
  - c) Property Insured in the open air caused by wind, rain (including rainwater runoff over the surface of the land) or hail unless such property is designed to function without the protection of walls or roofs;
  - d) motor vehicles, caravans, trailers, motorcycles, Watercraft;
  - e) Property Insured whilst undergoing construction, erection, alteration, renovation or demolition.
- 3) With respect to Unspecified Items only, We will not pay for any Loss or Damage to:
- a) jewellery, furs, bullion, precious metals or precious stones, curios or works of art;
  - b) aircraft or aerial devices or the accessories to any of these; or
  - c) livestock, animals, birds, fish, plants or growing crops.

## Basis of Settlement

Unless otherwise specified in the Schedule and subject to any limitation or restriction applying to any specific condition, claims will be settled on the following basis:

In the event of a claim payable under this Section for Loss of or Damage to a Specified Item or an Unspecified Item, We will pay:

- 1) where an item is destroyed or lost, the replacement cost of the Item with a similar item, to a condition equal to but not better or more extensive than, its condition when new;
- 2) where an item is Damaged in part only, the cost of repair of the Damage and the restoration of the Damaged portion of the item to a condition substantially the same as, but not better or more extensive than, its condition when new.

Provided that:

- 1) if the item forms part of a pair or set We will only pay for the replacement or repair of the item that suffered the Loss or Damage. We will not pay to replace the pair or set;
- 2) if the item is not replaced or repaired We will not pay more than the Indemnity Value of the item;
- 3) We will not pay more than the Indemnity Value of the item until the cost of replacement or repair is actually incurred;
- 4) where the item is Damaged in part only, We will not pay more than the sum representing the replacement cost which We would have paid if the item of Property Insured had been wholly destroyed.

## Specific Conditions

### 1) Excess

We will deduct any Excess applicable for this Section from each and every claim made under this Section.

### 2) Automatic reinstatement of the Sum Insured

Following a claim under this Section for Loss of or Damage to Unspecified Items, the amount by which the Sum Insured for Unspecified Items is reduced as a consequence of the Loss or Damage will be reinstated as from the date of the Loss or Damage, provided that:

- a) there is no written request from You or written notice by Us to the contrary; and
- b) You pay the premium We require for the reinstatement of the Sum Insured.

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