

PROPERTY INSURANCE POLICY

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Table of Contents

GENERAL	4
THE INSURER	4
ABOUT YOUR POLICY	4
OUR AGREEMENT	4
PRIVACY	4
GENERAL INSURANCE CODE OF PRACTICE	5
DUTY OF DISCLOSURE	5
DISPUTE RESOLUTION	5
TRADES	AND
SANCTIONS	5
AUSTRALIAN TERRORISM INSURANCE ACT 2003 NOTICE	7
GENERAL POLICY DEFINITIONS	7
GENERAL EXCLUSIONS	8
GENERAL CONDITIONS	9
SECTION 1 PROPERTY	13
DEFINITIONS	13
COVER UNDER THIS SECTION	18
ADDITIONAL BENEFITS	18
BASIS OF SETTLEMENT OF CLAIMS	20
UNDERINSURANCE / AVERAGE CONDITION	21
SECTION 2 BUSINESS INTERRUPTION	22
DEFINITIONS APPLYING TO THIS SECTION	22
COVER UNDER THIS SECTION	23
ADDITIONAL BENEFITS	25
SECTION 3 BURGLARY	26
DEFINITIONS APPLYING TO THIS SECTION	26
COVER UNDER THIS SECTION	27
ADDITIONAL BENEFITS	27
CONDITIONS APPLICABLE TO THIS SECTION	29
EXCLUSIONS	29
SECTION 4 MONEY	30
COVER UNDER THIS SECTION	30
ADDITIONAL BENEFITS	31
EXCLUSIONS	31
SECTION 5 GLASS	32
DEFINITIONS APPLYING TO THIS SECTION	32
COVER UNDER THIS SECTION	33
ADDITIONAL BENEFITS	33
SETTLEMENT OF CLAIMS	33

EXCLUSIONS	33
SECTION 6 GENERAL PROPERTY	34
DEFINITIONS APPLYING TO THIS SECTION.....	34
COVER UNDER THIS SECTION	34
BASIS OF SETTLEMENT	34
EXCLUSIONS	34
SECTION 7 MACHINERY BREAKDOWN	35
DEFINITIONS APPLYING TO THIS SECTION.....	35
COVER UNDER THIS SECTION	36
ADDITIONAL BENEFITS	36
BASIS OF SETTLEMENT	36
EXCLUSIONS	37
SECTION 8 ELECTRONIC EQUIPMENT.....	38
DEFINITIONS APPLYING TO THIS SECTION.....	38
MATERIAL DAMAGE TO ELECTRONIC EQUIPMENT – SUBSECTION A	38
BASIS OF SETTLEMENT – SUBSECTION A.....	38
REPAIRABLE DAMAGE– SUBSECTION A	39
TOTAL LOSS – SUBSECTION A	39
SPECIAL EXTENSIONS – SUBSECTION A	40
EXCLUSIONS APPLICABLE TO SUBSECTION A	40
DATA REPLACEMENT COSTS – SUBSECTION B	41
CONDITIONS APPLICABLE TO SUBSECTION B	41
EXCLUSIONS APPLICABLE TO SUBSECTION B	41
INCREASED COST OF WORKING (COMPUTER) – SUBSECTION C	42
EXCLUSIONS APPLICABLE TO SUBSECTION C	42

GENERAL

THE INSURER

This insurance policy is underwritten by Swiss Re International SE (ABN 38 138 873 211). Swiss Re International SE is licensed by the Australian Prudential Regulation Authority (APRA)

ABOUT YOUR POLICY

The policy has 8 sections, each with a different type of cover available. The detail of the types of cover available are set out in each Section of this Policy document. All of the covers in this Policy are subject to the General Provisions included in this Policy document.

The Policy wording, Schedule and Endorsements (if any) are to be read together as one Policy. Any word or expression which has been given a specific meaning in any Section shall have that meaning throughout the Policy.

OUR AGREEMENT

Because You have paid or agreed to pay the premium to Us, We agree subject to the terms, exclusions limitations and conditions contained in or endorsed on this policy to provide the insurance cover stated in each of the Sections You have selected and which are shown in the Schedule. The Policy is current for the Period Of Insurance stated in the Schedule.

Our liability will not exceed the sum insured or limit of indemnity or sub-limit of indemnity as stated in the Policy or Schedule.

In the event of a claim, You must pay the Excess applicable to that claim. We will not pay the Excesses stated in the Schedule. If any loss or damage leads to a claim under more than one Section of the Policy, You must pay the highest Excess applicable, but You will only pay one Excess.

In agreeing to provide You with this cover We have relied upon the truth of the answers given in the written Proposal Form You completed or which was completed on Your behalf and which explained Your Duty of Disclosure. If the answers given in the written Proposal Form are not full and truthful this Policy may not protect You if You have a claim.

PRIVACY

We only use the personal information you provide to us to quote on and insure your risks. Personal information is only provided to our Insurers (and their representatives) and those we appoint to assist us with claims under your policy. We will not trade, rent or sell your information.

If you don't provide us with complete information, we cannot properly quote for your insurance and we cannot insure you. You can check the personal information we hold about you at any time.

If you provide us with personal information about anyone else, we rely on you to have told them that you will provide their information to us, to whom we may provide it, the purposes for which we will use it and that they can access it. If the information is sensitive, we rely on you to have obtained their consent on these matters.

For more information about our Privacy Policy, please visit our website – www.ausuw.com

GENERAL INSURANCE CODE OF PRACTICE

This Insurance Policy is Insurance Council of Australia's General Insurance Code of Practice compliant, apart from any claims adjusted outside Australia. Insurers and Australis proudly support the General Insurance Code of Practice. The purpose of the Code is to raise standards of practice and service in the general insurance industry. Any enquiry or complaint relating to this Insurance should be referred to Australis in the first instance. If this does not resolve the matter or you are not satisfied with the way a complaint has been dealt with, you should write to:

Sheema Khurshed – Claims & Liabilities
Swiss Reinsurance Company
Level 29
363 George Street Sydney NSW 2000
Web: www.swissre.com

Email Sheema_Khurshed@swissre.com
Telephone Number: +61 2 8295 9577
Facsimile Number: +61 2 8295 9600

DUTY OF DISCLOSURE

Under the Insurance Contracts Act 1984 (the Act), you have a Duty of Disclosure. You are required before you enter into, renew, vary, extend or reinstate your Policy, to tell us everything you know and that a reasonable person in the circumstances could be expected to know, is a matter that is relevant to our decision whether to insure you, and anyone else to be insured under the Policy, and if so, on what terms.

1. You do not have to tell us about any matter
 - a) that diminishes the risk
 - b) that is of common knowledge
 - c) that we know or should know in the ordinary course of our business as an Insurer, or
 - d) which we indicate we do not want to know.
2. If you do not comply with your Duty of Disclosure we may reduce or refuse to pay a claim or cancel your Policy. If your non-disclosure is fraudulent we may treat this Policy as never having worked.

DISPUTE RESOLUTION

In the event that a dispute arises between Insurers and the Insured out of or otherwise in relation to this Policy, then:

1. Any party to the dispute shall, without prejudice to any other right or entitlement they may have, give written notice to the other party (the "**Dispute Notice**") requiring them within 7 days of this notice to negotiate (whether in a face to face meeting or by teleconference) in good faith as to how the dispute can be resolved;
2. If a dispute is not resolved within 10 days of the Dispute Notice, either party can request the other party within a further 10 days to agree on either:
 - a) a process for resolving the dispute through means other than litigation or arbitration, such as further negotiation, mediation, or any other alternative dispute resolution technique. The rules governing any such technique shall be agreed as between the parties and where no such agreement as to the process and or guidelines is reached within 10 days, then it shall be by mediation by a mediator selected by the Chairperson for the time being of Lawyers Engaged in Alternative Dispute Resolution (**LEADR**) (or other appropriate professional body as agreed by the parties); or
 - b) referral of the matters in dispute to an independent expert for an expert determination. The parties agree that they will not be bound by the determination of the expert. The expert:
 - i) will be a person agreed between the parties within 10 days of the dispute being referred to expert determination or failing this, the expert will be a person appointed by the Australian Insurance Law Institute (or other appropriate professional body as agreed by the parties);

- ii) will act as an expert and not as an arbitrator;
- iii) will proceed in such a manner as he or she thinks fit without being bound to observe the rules of natural justice or the rules of evidence;
- iv) will take into consideration all documents, information and other written and oral material that the parties place before him or her including documents, information and material relating to the facts in dispute and to arguments and submissions upon the matters in dispute; and
- v) will act with expedition to provide the parties with a determination in writing within 35 days of the referral to him or her of the matters in dispute.

Both parties must use their best endeavours to achieve resolution by the selected process and further agree that neither party will initiate litigation (as set out in clause 3 below) without first pursuing such informal resolution techniques in good faith;

In the event that the dispute is not resolved by such informal process within 35 days of the Dispute Notice (or such other period as agreed in writing between the parties) the dispute shall be referred to litigation.

3. Following either a mediation or an expert determination pursuant to clause (b) of this provision, either party may then initiate proceedings in any competent Court in the Commonwealth of Australia in relation to the matters in dispute.

Such proceedings may only be commenced on 14 days written notice to the other party and shall be determined in accordance with the law and practice applicable in such Court.

Any summons, notice or process to be served upon the Insurers may be served upon:

Australis Group (Underwriting) Pty Ltd
Level 3, 117 Clarence Street
Sydney NSW 2000

Austrails Group has authority to accept service and to appear on Insurers' behalf.

If proceedings are instituted against any one of the Insurers, all Insurers participating in this insurance will abide by the final decision of such Court or any competent Appellate Court.

4. Except where the dispute renders it impossible to do so, the parties will continue performing their respective obligations under the Policy while the dispute is being resolved, unless and until such obligations are terminated or expire in accordance with this Policy.
5. Each party must use its reasonable endeavours to ensure that where a dispute is reasonably foreseeable, it is dealt with at a sufficiently early stage to ensure that there is a minimal effect on the ability of either party to perform its obligations under the Policy.
6. Notwithstanding anything in this schedule, either party may at any time commence Court proceedings in relation to any dispute or claim arising under, or in connection with the Policy where the party seeks urgent interlocutory relief.

TRADES AND SANCTIONS

No insurer shall be deemed to provide cover and no insurer shall be liable to pay any claim or pay any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of any jurisdiction applicable to that insurer.

AUSTRALIAN TERRORISM INSURANCE ACT 2003 NOTICE

The Insurers have treated this Insurance (or part of it) as an Insurance to which the Australia Terrorism Insurance Act 2003 (ATIA) applies.

ATIA and the supporting regulations made under the Act deem cover into certain policies and provide that the Terrorism exclusion to which this Insurance is subject shall not apply to any "eligible terrorism loss" as defined in ATIA.

Any coverage established by ATIA is only in respect of any "eligible terrorism loss" resulting from a "terrorist act" which is a "declared terrorist incident" as defined by ATIA. The Terrorism exclusion to which this Insurance is subject applies in full force and effect to any other loss and any act or event that is not a "declared terrorist incident".

All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged.

If any or all of the Insurers have reinsured this Insurance with the Australian Reinsurance Pool Corporation, then any such Insurers will not be liable for any amounts for which they are not responsible under the terms of ATIA due to the application of a "reduction percentage" as defined in ATIA which results in a cap on the Insurer's liability for payment for "eligible terrorism losses".

GENERAL POLICY DEFINITIONS

Australia means the Commonwealth of Australia, its dependencies and Territories.

Business means the Business, trade or occupation specified in the Schedule carried on by You or on Your behalf at and from the Situation and no other for the purpose of this Policy.

Business Hours means Your office and working hours (including overtime) during which You or Your employees are on the premises at the Situation for the purpose of Your Business.

Excess means the amount of each claim, or series of claims which arise out of one event under any one Section, for which We will make no payment. Should more than one Excess be payable under this Policy for any claim or series of claims arising from the one event, such excesses shall not be aggregated and the highest single level of Excess only shall apply. The amount of the Excess for each Section is stated in the Schedule.

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

Money means cash, notes, negotiable instruments, cheques, postal notes, post office money orders, negotiable securities, stamps, credit card sales vouchers, instant lottery tickets, bus or transport tickets, telephone credit cards or franking machine credits.

Period Of Insurance means the period stated in the Schedule for which cover is current.

Policy means this Policy wording together with the Schedule and Endorsements and is also deemed to mean Certificate.

Proposal Form means the Commercial Package Insurance Proposal Form or other written Proposal Form You completed or which was completed on Your behalf.

Safe or Strongroom means a container or structure which is specifically designed for the secure storage of Money or valuables and is designed to protect the contents against fire and to resist unauthorised opening by hand-held or power operated tools.

Schedule means the most recent Schedule given to You. It shows the Policy Number together with other details of cover.

Sea means oceans, bays, ports or tidal waters.

Seasonal Increase means the following periods unless otherwise stated in the Schedule:

15 December to 15 January the following year (inclusive); 15 days prior to and including Easter Sunday; 15 days following Easter Sunday, gazette public holidays falling outside the above periods, to bank closing time on the next business day following the public holiday.

Situation means the location or address of the risk as stated in the Schedule.

Sum(s) Insured/Limit of Liability means the amounts as stated in the Schedule.

Water means water including snow, sleet or hail or any other liquid.

We, Us, Our, Insurers means Swiss Re International SE (ABN 38 138 873 211, AFS Licence 355088).

You, Your means the person(s) named in the Schedule as the Insured.

GENERAL EXCLUSIONS

1. We will not pay claims that arise directly or indirectly out of:

- a) war, invasion, act of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or looting, sacking or pillaging following the same, or confiscation or nationalisation or requisition or destruction or damage to property by or under the orders of any government or public or local authority following the same;
- b) the use, existence or escape of nuclear weapons material, or ionising radiation from or contamination by radioactivity from any nuclear fuel or nuclear waste from the combustion of nuclear fuel (including any self-sustaining process of nuclear fission);
- c) loss, destruction or damage which occurs outside the Commonwealth of Australia except as stated in the relevant Section;
- d) consequential loss of any kind including consequential loss due to delay, lack of performance, loss of contract or depreciation of value of land or stock except as stated in the relevant Section.
- e) loss or damage intentionally caused by You or by any person acting with Your express or implied consent.
- f) loss or damage arising out of Your failure to keep any insured property in good repair and condition.
- g) flood.
- h) wear, tear, atmospheric conditions, mould, mildew, insects, vermin, motion of light, inherent defect.

2. War & Terrorism Exclusion:

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

- a) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion or assuming the proportions of or amounting to an uprising, military or usurped power;
- b) any act of terrorism.

For the purpose of this exclusion an act of terrorism means an act, including but not limited to the use of force or violence and/or threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This exclusion also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (a) and/or (b) above.

If the Insurers allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Insured.

In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

GENERAL CONDITIONS

These conditions apply to all Sections of this Policy

1. Claims

- a) If an event happens which may result in a claim under the Policy, You or Your legal representative must:
- i) Advise Us and send written confirmation within 30 days.
 - ii) Take all reasonable steps to stop or reduce further loss or damage.
 - iii) Take all reasonable steps to recover lost or stolen property.
 - iv) Immediately inform the Police of any burglary, theft, malicious damage or vandalism. You may also be required by Us to provide Us with a copy of the written Police report.
 - v) Supply Us with details of any other insurances which cover or may cover the event.
 - vi) Advise Us of any impending prosecution or inquest.
 - vii) Give Us all the information and assistance We may reasonably require.
 - viii) Use the best endeavours to preserve and not alter the condition or location of any products, appliances, plant or other items which might prove necessary or useful by way of evidence in connection with any claim until We have had an opportunity of inspection unless the alteration or repair of any products, plants, appliances or other items is necessary for practical or safety reasons. You are not entitled to abandon any property to Us.
- b) You must not agree to settle any claim without Our consent.

We shall have full discretion in the conduct of any negotiations and the settlement of any claims.

After payment for or replacement of any property (not being a building) lost or damaged, the property becomes ours subject to Your right to reclaim it on repayment to Us of the amount paid by Us in respect of such property.

Your failure to comply with any part of this Condition may result in the reduction of the amount We pay for a claim by the amount that fairly represents the extent to which Our interests have been prejudiced. We may also cancel this Policy.

2. Cancellation

You may cancel this Policy at any time by written request. After cancellation by You, We will retain or be entitled to the premium for the period during which this policy has been current, calculated at Our current short-term rates.

We may cancel the Policy on any of the grounds stated in the Insurance Contracts Act 1984. After cancellation by Us, You will be entitled to a pro-rata refund of the premium.

3. Duty of Disclosure

Before You enter into a contract of general insurance with Us, You have a duty under the Insurance Contracts Act 1984, to disclose to Us every matter that You know, or could reasonably be expected to know, is relevant to Our decision whether to accept the risk of the insurance and , if so, on what terms.

You have the same duty to disclose those matters to Us before You renew, extend, vary or reinstate a contract of general insurance. Your duty does not require disclosure of a matter:

- a) that diminishes the risk to be undertaken by Us;
- b) that is of common knowledge;
- c) that We know, or in the ordinary course of business, ought to know;
- d) as to which compliance with Your duty has been waived by Us.

If You fail to comply with Your duty of disclosure, We may be entitled to reduce Our liability under this contract in respect of a claim or may cancel this contract. If Your non-disclosure is fraudulent, We may also have the option of avoiding this contract from its beginning.

4. Alteration of Risk

You must notify Us in writing if there are any changes in the facts or circumstances, which existed when this insurance commenced.

If We agree to cover those changes We may require You to pay additional premium. This Policy will not cover those changes unless We have notified You in writing of Our agreement to them and You have paid Us any additional Premium, which We may have required. If We do not agree to cover the changes, We may cancel this Policy.

5. Unoccupancy

The cover under this Policy ceases if the buildings at the Situation have not been occupied for a period of 60 consecutive days. However, if You notify Us beforehand in writing, We may consent to the continuation of cover. Such consent will only be effective if notified to You in writing.

To be occupied, the buildings at the situation must have been used by person(s) present at the Situation for Business purposes for at least six consecutive hours on each of two consecutive days. For the purposes of this clause, attendances at the Situation for other purposes or for lesser or non-consecutive periods will not be taken to amount to occupation.

6. Subrogation

If We agree to provide indemnity under this policy in respect of any claim, then regardless of whether or not actual payment has been made, We shall immediately be subrogated to any rights contractual or otherwise which You may have in connection with that claim.

7. Other Insurance

If at the time of any loss, destruction or damage happening there is insurance covering the same loss, destruction or damage effected by a person other than You, We will only be liable for any amount over and above that recoverable under the other insurance.

8. Reasonable Care and Maintenance

You must take all reasonable care:

- a) to prevent loss, destruction or damage happening to the property insured;
- b) to maintain the buildings, structures, fittings, fixtures, furnishings, appliances, machinery, implements and plant in sound condition;
- c) to comply with all statutory obligations and by-laws or regulations imposed by any Public Authority;
- d) to ensure that only competent employees are employed;
- e) to prevent bodily injury or loss of or damage to property;
- f) to minimise any loss;
- g) to ensure that where applicable burglar alarms and intrusion prevention systems shall be made operative whenever the premises at the Situation are not occupied or are unattended and tested daily except during non-business days. Fire protection systems shall comply with the relevant Australian standard in respect of installation and testing and be operative at all times.

Your failure to comply with any part of this Condition may result in the reduction of the amount We pay for a claim by the amount that fairly represents the extent to which Our interests have been prejudiced. We may also cancel this Policy.

9. Fraudulent Claims

If You or anyone acting on Your behalf or with Your connivance should make a claim knowing or reasonably suspecting it to be false or fraudulent, We may refuse to pay the claim or cancel this Policy or do both.

10. Reinstatement of Sum Insured

In the event of payment of a claim under any Section of the Policy, the amount by which that Section's sum insured or limit of indemnity is reduced in consequence of the loss or damage will be automatically reinstated from the date of the loss, destruction or damage, provided that:

- a) There is no written request from You or written notice by Us to the contrary;
- b) The Section is an operative Section of the Policy;
- c) You pay the additional premium We require for the reinstatement.

11. Other Interests and Joint Insureds

This Policy only covers the interests of the named Insured and such other interests notified to Us at the time of cover and from time to time thereafter and which are accepted by Us by written notification to You. No interest in this Policy may be transferred without Our written consent and all persons entitled to benefit under the Policy shall be bound by its terms.

Where the Policy covers the interest of more than one party, any act or neglect of an individual party will not prejudice the rights of the other party(ies), provided that such other party(ies) shall immediately on becoming aware of any act or neglect whereby the risk of loss, destruction or damage has increased give notice in writing to Us and on demand pay the additional premium We require.

12. Earthquake

For the purpose of the application of any Excess, all loss destruction or damage resulting from earthquake occurring during each period of seventy two (72) consecutive hours shall be considered as one event whether such earthquake is continuous or sporadic in its sweep and/or scope and the loss, destruction or damage was due to the same seismological conditions. Each event shall be considered to have commenced on the first happening of any such loss, destruction or damage not within the period of any previous event.

13. Progress Payments

Progress payments on account of any claim accepted under this Policy will be made to You or on Your behalf at such stages as may be mutually agreed upon if desired by You and on production of an interim report from a loss adjuster.

14. Governing Law

This Policy is governed by the laws of Australia, any person's rights under this Policy will be read subject to these laws as they apply at the time of any claim or exercise of any right under this Policy.

15. Adjustment of Premium

If the premium for any Section of the Policy in any Period Of Insurance is calculated on estimates You provided, You must within thirty (30) days from the end of the Period Of Insurance declare such information as We advise You is required. The premium may then be adjusted and any difference paid by You or refunded to You as the case may be. Any adjustment will be subject to Our receiving or retaining the minimum premium We require.

16. Due Observance and Inaccurate Information

The due observance and fulfilment of the terms and conditions of this Policy by all persons insured by this Policy, to the extent that they are capable of being construed as such, are conditions precedent to any liability of Us to make any payment under this Policy.

If a Policy Condition or Warranty is breached without Your knowledge or consent, or You give Us inaccurate information believing in its truth, then provided You notify Us in writing as soon as the breach or error comes to Your knowledge, Your rights under the Policy will not be prejudiced. If this information increases the hazard You must pay any additional premium We may require, to be calculated from the date of the breach or error.

SECTION 1 PROPERTY

This Section forms part of the Policy only if shown in the Schedule and , if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the General Provisions of the Policy and in the Schedule.

Our total liability for all Damage arising during any one Period of Insurance or for any loss for which a claim would be payable under this Section arising out of one event or series of events arising directly or indirectly from one source or original cause, will not exceed, for each item specified in the Schedule, the Sum Insured shown in the Schedule for that item. In addition, We will also pay other amounts as provided for under Additional Benefits.

The amount payable for any loss for which a claims would be payable under this Section for Accidental Damage is limited to the Sum Insured shown in the Schedule for each item specified in the Schedule.

DEFINITIONS

In this Section:

1. **Accidental Damage** means Damage to Property Insured but does not include Damage, caused by, or as a consequence of:
 - a) Fire and Perils. Anything that is specifically excluded under Fire and Perils is also excluded from this cover.
 - b) theft or any attempt thereat or armed hold-up,
 - c) Breakage of glass
 - d) fraudulent or dishonest acts by Your employees,
 - e) wear and tear, fading, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good,
 - f) the action of animal, fish, birds, moths, termites or other insects, vermin,
 - g) rust or oxidation, mildew, mould, wet or dry rot, corrosion, change of colour, dampness of atmosphere or other variations in temperature, evaporation,
 - h) disease, inherent vice or latent defect-loss of weight, change in flavour or texture or finish,
 - i) error or omission in design or plan or specification or failure of design, faulty materials or faulty workmanship, incorrect siting of buildings as a result of incorrect design or specification,
 - j) demolitions ordered by Government, public or local authority as a result of Your failure of Your agents to comply with any lawful requirement,
 - k) any order of any government public or local authority including the confiscation nationalisation requisition repossession or damage to or of any property,
 - l) erosion, subsidence, landslide, collapse or any other movement of earth,
 - m) testing, intentional overloading or experiments of any kind,
 - n) welding, grinding, cutting, drilling or shaping, or the application of tools to the property,
 - o) unexplained inventory shortage unexplained disappearance resulting from clerical or accounting errors or shortage in the supply or delivery of materials to or from You,
 - p) loss induced by trickery
 - q) mechanical, hydraulic, electrical or electronic breakdown, failure, malfunction or derangement of any nature
 - r) fusion of any nature
 - s) Pollution or Contamination unless it is sudden and unforeseen,
 - t) Normal settling, seepage, shrinkage or expansion in Buildings or foundations, walls, pavements, roads, and other structural improvements, creeping, heaving vibration,

- u) Computer Virus.
- v) kidnapping, bomb threat, threat of contamination, hoax, extortion or any attempt at any of these.
- w) legal liability of any kind then as provided for herein.
- x) Consequential loss of any kind,
- y) to, or Theft of, Money and negotiable securities.
- z) to property undergoing any process where the Damage results from its being processed.

The above exclusions e), f), i), m), n), r), t), u) of this cover shall be limited to the item, appliance, unit or machine immediately affected and shall not extend to Damage to other property and that would otherwise be covered under this Section.

2. **Buildings** means the property belonging to You or for which You are legally responsible, or for which You have assumed a responsibility to insure, described below:

- a) The building together with outbuildings (including flammable goods stores), foundations, annexes and gangways
- b) Fixed coverings to walls, floors and ceilings but excluding fixed carpets other than landlord's fixed carpets.
- c) structural improvements including:
 - i) fixtures, lifts elevators, escalators and equipment all permanently fixed and non-portable.
 - ii) paths, driveways, car parks, driveway aprons, terraces, walls, gates, fences, letterboxes, signs (attached & detached), walls, floodlights, flagpoles, hoists, gangways, staircases, exterior lights, masts, antennae and aerials, storage tanks including fixed attachments and fixed accessories thereof.
 - iii) swimming pools, saunas and spas all permanently fixed including fixed attachments and fixed accessories thereof.
- d) Room heaters, stoves, air-conditioners, fans, light fittings and hot water services all permanently fixed and non-portable, and
- e) Other fixed (non-portable) apparatus or appliances attached to the gas, plumbing, drainage or sewerage system, or to the electrical system (other than by means of a flexible or tensile cord to a power point).
- f) Pipes, ducts, wires, cables, metres, and switches used in connection with the provision of lighting, heating, cooling, communication, water supply, drainage, sewerage and other services.
- g) Exterior blinds and awnings.
- h) Materials and supplies intended for use in the construction, erection, repair of, or alternation and addition to, the building to an amount not exceeding ten per cent (10%) of the Sum Insured or the amount specified in the schedule.
- i) tanks above or below ground.
- j) paths, aprons and roadways pertaining to Buildings
- k) Fire extinguishment equipment or electronic surveillance equipment installed in or on the building,

but does not include:

- i) property undergoing construction or erection or property comprising alterations or additions or repairs when the value of all such work undertaken exceeds 10% of the Buildings sum insured or the amount specified in the Schedule.
- ii) Buildings undergoing demolition.

3. **Computers** means electronic data processing equipment including software programs
4. **Contents** means items belonging to You or for which You are legally responsible, or have assumed a responsibility to insure, described below:
- a) Machinery, machinery foundations settings and beddings, plant, tools, instruments and utensils of trade, non fixed or portable equipment, office equipment, safes, strongrooms, fire extinguishment equipment, safes, strongrooms, portable fire extinguishment equipment and portable electronic surveillance equipment
 - b) Furniture, furnishings, carpets, curtains, internal blinds.
 - c) unregistered mechanically or electrically propelled vehicles,
 - d) Where You are the tenant of leased or rented premises:
 - i) landlord's fixtures and fittings other than breakage of glass for which You are liable under the terms of a lease or similar agreement
 - ii) fixtures and fittings, or materials and supplies intended for use in the construction of fixtures and fittings, installed or to be installed for Your own use.
 - e) Where You are the tenant of leased or rented premises:
 - f) Documents, manuscripts, business books but only for their value as stationary.
 - g) Patterns, models, moulds, designs.
 - h) Unused books, books of reference, stationary.
 - i) Advertising material and display equipment
 - j) Computers, all equipment connected to and operating from Computers and all disk, tapes, cards or other materials used for storing data

Contents does not mean:

- i) Stock.
 - ii) Specified Items.
 - iii) Watercraft, aircraft, registered mobile plant, motor vehicles, motorcycles, trailers or caravans, including accessories, tools and spare parts whilst attached to or within the watercraft, aircraft, registered mobile plant, motor vehicle, motorcycle, trailer or caravan.
 - iv) any living creature or organism, except laboratory cultures, Stock of food stuffs, Stock of nursery plants, or Stock of a pet shop.
 - v) growing crops or pastures.
 - vi) Bullion, money, jewellery, furs, watches, precious or semi-precious stones.
5. **Debris** means the residue of Damaged Property Insured excluding any material that is itself a pollutant or contaminant and which is deposited beyond the boundaries of the Insured Premises.

6. **Fire and Perils** means,

- a) Fire resulting from explosion or otherwise, but excluding spontaneous combustion, fermentation, heating or any process involving the direct application of heat. This exclusion shall be limited to the item or items immediately affected and shall not extend to other property Damaged as a result of such spontaneous combustion, fermentation, heating or any process involving the direct application of heat.
- b) Lightning or thunderbolt
- c) Attempts by civil authorities to prevent the spread of fire.
- d) Impact by:
 - i) vehicles designed primarily for use on land.
 - ii) animals, but not Damage by eating, chewing, clawing or pecking by animals or birds.
 - iii) trees or branches of trees. This cover includes the reasonable costs associated with the removal and disposal of the trees or branches that caused the Damage.
 - iv) communication masts, towers, antennae to satellite dishes.
 - v) Watercraft.
 - vi) Aircraft and other aerial devices.
- e) Storm, tempest, rainwater, snow, sleet wind, hail but not Damage caused:
 - i) by water from or action of the sea, tidal wave, storm surge, high water, Flood.
 - ii) to gates, fences, retaining walls.
 - iii) to shade cloths, shades, shade sails, plastic awnings and blinds.
 - iv) to property in the open air unless such property is a permanent structure designed to function without the protection of walls or roof.
 - v) by erosion, subsidence, landslide, collapse or any other movement of earth.
 - vi) by or resulting from water seeping, percolating or otherwise penetrating into the Buildings as a result of structural defects, faulty design or faulty workmanship in the construction.
 - vii) by water entering Buildings through an opening in the wall or roof made for the purpose of alterations, additions, renovations or repairs.
- f) Water, liquids or substances discharged, overflowing or leaking from fixed apparatus, fixed appliances, fixed pipes or other systems.
- g) Explosion but not Damage to boilers (other than boilers used for domestic purposes only), economisers, vessels under pressure or their contents resulting from their own explosion.
- h) Earthquake, subterranean fire or volcanic eruption, tsunami occurring during any period of 72 consecutive hours. An excess of \$20,000 or one per cent (1%) of the total Sum Insured at the situation, which ever is the lesser, applies to this cover.
- i) Impact by aircraft or other aerial devices or articles dropped therefrom sonic boom.
- j) Riots, civil commotions, strikes or locked out workers or persons taking part in labour disturbances or whereby Damage occurs as a result of vandalism by persons not being tenants (including damage or destruction to, but not loss of property caused by theft or any attempt thereat) or any lawfully constituted authority in connection with the foregoing acts but nor by:
 - i) cessation of works whether total or partial;
 - ii) cessation, interruption, or retarding, of any process or operation as a direct result of strikes, labour disturbances or locked out workers.

7. **Property Insured** means the property shown in the Schedule under this section.

8. **Removal of Debris** means,

- a) the removal, storage and disposal of Debris and of any thing that has caused insured Damage, from the Situation.
- b) the removal, storage and disposal of Debris from premises, roadways, services, railways or waterways owned by any other person or entity, where You are liable at law to remove, store or dispose of such Debris as a result of insured Damage, together with the cost of cleaning up, but provided that such liability has not arisen as a result of any agreement made by You unless liability would have attached in the absence of such agreement.
- c) the demolition, dismantling, shoring up, propping or underpinning of Property Insured or the carrying out of other temporary repairs to Property Insured as a result of insured Damage.
- d) the demolition and removal of Property Insured that is necessary for the purpose of repair or replacement as a result of insured Damage.

9. **Stock** means the items belonging to You or for which You are legally responsible, or have assumed a responsibility to insure, described below:

- a) merchandise or materials of trade manufactured, unmanufactured or in the course of manufacture;
- b) materials used in manufacture and packaging;
- c) consignment stock;
- d) goods held in trust or on commission;
- e) pallets and containers'
- f) consumable materials used in the operation of machinery;
- g) goods on lay-by, or held for repair or service,

and including Your liability for Customs, Excise and other Duties which You may become liable to pay as a result of Damage to stock.

COVER UNDER THIS SECTION

We will indemnify You for Damage caused by Fire and Perils or Accidental Damage to Property Insured, whilst at the Situation

ADDITIONAL BENEFITS

Following a claim under this Section for which We have agreed to indemnify You, the Insurance is extended to include:

1. Temporary Removal of Property

Cover is extended to include Stock and Contents whilst temporarily removed from the Situation but excluding:

- a) Motor vehicles other than forklift trucks and similar appliances used for hauling or lifting goods at the Situation
- b) Stock on consignment
- c) Stock and Contents that have been removed for a period in excess of ninety (90) days without Our written agreement to continue cover.

The most we will pay under this Additional Benefit is 10% of the total Sum Insured on Stock and Contents but only to the extent that the sum insured is not otherwise exhausted.

In respect of Stock and Contents in transit or in the open air,

- a) Accidental Damage cover does not apply, and
- b) Cover is limited to Fire and Perils.

2. Removal of Debris and Temporary Repairs

Cost of Removal of Debris, Demolition, Dismantling and any temporary repairs necessary (including Your legal liability for the cost of removal of debris, demolition, dismantling and any temporary repairs in regard to adjoining premises, property, services, roadways, waterways, as well as at the Situation) as a direct result of a Specified Event (up to the greater of the sum insured under that item stated in the Schedule or \$10,000).

3. Architects and Other Fees

Architects, Surveyors, Legal and Consulting fees approved by Us (which will not exceed those chargeable under the scales of the various institutes and authorities regulating their charges) necessarily incurred and payable to any of the persons referred to in this clause in the reinstatement of the damage to Your property **but** only to the extent that the sum insured on that item is not otherwise exhausted and not including fees incurred to prepare a Claim under the Policy.

4. Fire Extinguishment & Emergency Services Costs

Costs and expenses, including wages of Your employees, up to \$5,000 necessarily and reasonably incurred:

- a) in extinguishing fire at or in the vicinity of, and threatening to involve; or
- b) in preventing or diminishing imminent Damage to; or
- c) in gaining access consequent upon Damage to,
- d) the property Insured.
- e) in the replenishment of fire fighting appliances and apparatus.
- f) for the purpose of shutting off the supply of water or other substances that are accidentally discharged from any fire protective equipment or otherwise.
- g) in the Removal of Debris from the Situation by Fire Brigade Services.
- h) for which you are liable under any Fire Brigade Services
- i) for which you are liable under any Fire Brigade Act or similar legislation following circumstances described in (a) above.
- j) the cost of damage to materials including employees' clothing and personal effects

Payment under this Additional Benefit is not dependent on Damage to Property Insured.

5. Capital Additions

Cover for property Insured at any one situation is extended to include any alterations and additions to Buildings and Contents to an amount not exceeding ten per cent (10%) of the sum insured on such property or the amount specified in the Schedule.

6. Discharge of Mortgage

Where the Sum Insured is not otherwise exhausted, We will pay up to balance of the Sum Insured for the reasonable legal costs to discharge a mortgage or mortgages on Buildings only.

7. Rewriting of Records

If insured Contents are Damaged in circumstances for which a claim is payable under his Section, the reasonable costs associated with the rewriting, reconstructing and restamping of Your records and books of accounts. The most We will pay under this Additional Benefit is ten per cent (10%) of the contents Sum Insured.

8. Employees Tools, Equipment, Personal Effects and Clothing

Clothing, tools, equipment and personal effects, not otherwise insured, belonging to Your social clubs, or belonging to the owners, partners, proprietors, directors or employees of Your Business whilst at the Insured Premises not exceeding \$2000 for any one person.

9. Landscaping

Loss or damage to Landscaping (up to a maximum of \$1,000 any one loss) which includes trees shrubs plants and lawns resulting from Accidental Damage and Fire and Perils excluding storm, tempest, rainwater, wind, snow, sleet and hail.

10. Seasonal Increase

The Sum Insured for Stock will automatically increase by one hundred per cent (100%) during the following time periods:

- a) 15 December to 15 January the following year (inclusive)
- b) 15 days prior to and including Easter Sunday;
- c) 15 days following Easter Sunday,
- d) gazette public holidays falling outside the above periods, to bank closing time on the next business day following the public holiday.

11. Branded Goods

Were We admit a claim under this section in respect of, and then salvage, goods and/or merchandise bearing a brand name or Trademark and where such goods and/or merchandise belong to You or are held by You on trust or commission, they shall not be disposed of by sale or auction without Your consent.

Further, if such consent is not forthcoming, then the damage will be assessed at the value of the goods or merchandise after removal of the brand name or Trademark.

This clause is intended to extend to goods sold but not delivered.

BASIS OF SETTLEMENT OF CLAIMS

The basis of settlement for claims is Reinstatement or Replacement and Extra Costs, unless otherwise specified in the Schedule, as follows:

Reinstatement, Replacement

“Reinstatement or Replacement” means in the case of a Building the rebuilding of it where destroyed and in the case of Contents lost or destroyed its replacement with similar property, in either case to a condition substantially the same as but not better or more extensive than its condition when new. Where Buildings or Contents are damaged it means the repair of the damage and the restoration of the damaged portion of the Building or Contents to a condition substantially the same as but not better or more extensive than its condition when new.

“Indemnity” means the cost necessary to replace, repair or rebuild the property destroyed or damaged to a condition substantially the same as but not better or more extensive than its condition at the time the damage occurred, making due allowance for depreciation, wear, tear and deterioration.

The work of rebuilding, replacing, repairing or restoring as the case may be, must be commenced and carried out with reasonable despatch, failing which We will not pay more than the indemnity value. The work may be carried out on another site and in any manner suitable to Your requirements but subject to Our liability not being increased.

When Building or Contents are destroyed or damaged in part only, We will not pay more than the amount We could have been called upon to pay for reinstatement or replacement if such Building or Contents had been wholly destroyed.

No payment beyond the indemnity value of the loss shall be made until a sum equal to the cost of reinstatement shall have been actually incurred.

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

Extra Costs

We will pay for the extra cost of reinstatement, including demolition or dismantling of damaged Buildings or Contents necessarily incurred to enable compliance with the requirements of any statute or regulation of any municipal or statutory authority operative at the time of the reinstatement provided the work of reinstatement (which may be carried out wholly or partially upon another site if the previously mentioned statute or regulation of any municipal or statutory authority so necessitates subject to Our liability not being increased) must be commenced and carried out with reasonable despatch failing which We shall not be liable to make payment beyond the amount which would have been payable under this Section if this Clause had not been incorporated therein **but not**, any additional cost incurred in complying with any such requirement which You may have been required to comply with prior to the destruction or damage. Clause 6 shall not be applied to the amount recoverable under this Clause.

If the cost of reinstatement of the damaged property is less than fifty (50%) per cent of what the cost of reinstatement would have been if such property had been totally destroyed, the amount We will pay under this Clause will be limited to the extra cost of reinstatement necessarily incurred in reinstating only the damaged portion of the property.

Floor Space Ratio Index (Plot Ratio)

Where Buildings are damaged and reinstatement of such damage is limited or restricted by any statute or regulation of any municipal or statutory authority resulting in the reduction of the floor space ratio index (plot ratio) of the site, We shall pay in addition to any amount payable on reinstatement of such Buildings the difference between the actual cost incurred in reinstatement in accordance with a reduced floor space ratio index (plot ratio) and the cost of reinstatement which would have been incurred had a reduced floor space ratio index not been applicable, in the event of a Building being declared a total loss or constructive total loss and following the exercise of powers or authority of any government department local government authority or statutory authority, reinstatement is limited or restricted resulting in the reduction of the floor space ratio index of the site.

Our liability under this Clause shall not cause Our liability in respect of a claim under Section 1 (Specified Events) to exceed the sum insured stated in the Schedule in respect of Buildings which are the subject of the claim.

UNDERINSURANCE / AVERAGE CONDITION

When the amount of a claim is more than five (5%) per cent of the relevant sum insured stated in the Schedule for Building or Contents or Stock, the following underinsurance condition will apply.

If the Sums Insured on Building, Contents or Stock is or are less than eighty (80%) per cent of their respective replacement values at the commencement of the Period Of Insurance, We will not pay a greater proportion of the loss or damage than the relevant sum insured bears to eighty (80%) per cent of the replacement value of the Building, Contents or Stock at the time the loss, destruction or damage occurred.

Our liability under this Clause shall not exceed the sum insured stated against each item in the Schedule.

SECTION 2 BUSINESS INTERRUPTION

The Section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the General Provisions of the Policy and in the Schedule.

DEFINITIONS APPLYING TO THIS SECTION

1. **Actual Average Weekly Income** means the weekly average of the Gross Income for the twelve (12) months immediately before the commencement date of the occurrence of the Damage, after Adjustment
2. **Annual Gross Rentals** means the Gross Rentals earned during the Twelve (12) months immediately before the date of the occurrence of the Damage, after adjustment.
3. **Annual Income** means the Gross Income during the twelve (12) months immediately before the date of damage to which adjustment shall be made to reflect the trend in the Business and any other variables in order to arrive at the same result that would have been attained had the damage not occurred.
4. **Gross Income** means the Money paid or payable to You for goods sold and/or services rendered or for rental income received or payable in the course of Your Business less the purchase cost of stock.]
5. **Gross Rentals** means the amount receivable by You in accordance with a lease or agreement existing at the time of the Damage to the building.
6. **Indemnity Period** means the period beginning with the occurrence of the damage and ending not later than the number of months thereafter stated in the Schedule, during which the results of Your Business are affected as a result of the damage.
7. **Outstanding Accounts Receivable** means the total amount owed to the Business by customers as at the end of the month immediately prior to the date of the damage adjusted for:
 - a) bad debts;
 - b) amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the damage) to customers' accounts in the period between the date to which the last statement relates and the date of the damage; and
 - c) any abnormal condition of trade which had or could have had a material effect on the Business,so that the figures thus adjusted shall represent as nearly as reasonably practicable those which would have been attained at the date of the damage had the damage not occurred.
8. **Payroll** means the remuneration (including but not limited to wages, salaries, payroll tax, fringe benefits tax, bonuses, holiday pay, sick pay, workers' compensation levies, superannuation and pension fund contributions and the like) paid to all of Your employees.
9. **Standard Gross Rentals** means the Gross Rentals earned during the period in the twelve months immediately before the date of the occurrence of the Damage that corresponds with the Indemnity Period (appropriately adjusted where the Indemnity Period exceeds twelve (12) months), after Adjustment.
10. **Standard Income** means the Gross Income during the period corresponding with the Indemnity Period in the twelve (12) months immediately before the date of damage, to which adjustments 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 attained had the damage not occurred.
11. **Weekly Income Sum Insured** means the Sum Insured for each week, which You have selected and which is shown in the Schedule.

COVER UNDER THIS SECTION

If the Business carried on by You in interrupted or interfered with as a result of Damage occurring during the period of Insurance to:

1. Property insured under any of the following Sections of this policy:
 - a) Section 1 – Property; or
 - b) Section 3 – Burglary;
 - c) Section 4 – Money;
 - d) Section 5 – Glass;
 - e) Section 6 – General Property
 - f) Section 8 – Electronic Equipment

For which a claims has been paid or liability admitted, or such claim would have been paid or liability admitted but for the application of an Excess; or

2. Property insured under another insurance policy, and:

the insurer has paid or admitted liability under its policy or would have paid or admitted liability but for the application of an Excess.
3. Property insured by You under Section 1, as a result of a explosion or implosion of boilers (other than boilers used for domestic purposes only), economisers, or vessels under pressure, including their own

We will take into account any sum saved during the indemnity period in respect of such charges and expenses of the Business as may cease or be reduced in consequence of the interruption or interference, indemnify You in respect of:

4. Gross Income

- a) the amount by which Your Gross Income earned during the Indemnity Period shall in consequence of the damage fall short of the Standard Income.
- b) the additional expenditure necessarily and reasonably incurred with Our approval for the sole purpose of avoiding or diminishing the reduction in the Gross Income of the Business caused by the loss or damage. The amount expended shall not exceed the reduction in Gross Income thereby avoided (less expenses saved as a result of the damage).

5. Claims Preparation Costs

Reasonable professional fees (up to the greater of \$5,000 or the amount stated in the Schedule) including auditors and accountants charges reasonably incurred for producing and certifying details of a claim under Section 1, Section 3, Section 4, Section 5, Section 6 and Section 8 and which are not otherwise recoverable under this Policy.

6. Payroll

a) Loss of Payroll:

i) During the Initial Period:

amount produced by applying the Rate of Payroll applied to the shortage in Income, less any payroll saved in consequence of the Damage.

ii) During the remaining period:

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

b) Additional Expenditure:

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

7. Increased cost of working

The cost of further expenditure not otherwise payable under this Section, necessarily and reasonably incurred during the Indemnity Period in consequence of the Damage, for the sole purpose of avoiding or minimising a reduction in Gross Income or resuming or maintaining the normal operation of the Business.

8. Gross Rentals

a) The amount by which the Gross Rentals earned during the Indemnity Period fall short of the Standard Gross Rentals.

b) Any additional expenditure necessarily and reasonably incurred by You for the sole purpose of avoiding or minimising the reduction in Gross Rentals during the Indemnity Period, but not exceeding the reduction in Gross Rentals thereby avoided.

9. Weekly Income

The percentage reduction in the Actual Average Weekly Income during the Indemnity Period, applied to the Weekly Income Sum Insured.

Under this item,

a) the Indemnity Period commences with the occurrence of the Damage that gives rise to the interruption or interference, and

b) no payments will be made once the weekly income exceeds ninety five per cent (95%) of the Actual Average Weekly Income, and

c) if the weekly income is less than ten per cent (10%) of the Actual Weekly Income, then the weekly income will be treated as being nil.

ADDITIONAL BENEFITS

Following a claim under this Section for which We have agreed to indemnify You, the Insurance is extended to include:

1. Prevention of Access

Section 2 extends to cover damage by any insured event covered under Section 1 to property in the vicinity of the Situation, bomb threat, which prevents or hinders the use of the Buildings (as defined in Section 1) or access thereto and results in the interruption of or interference with the Business

2. Public Utilities, Customers and Suppliers Extension

- a) Where damage occurs within Australia at an
 - i) electricity station or
 - ii) sub-station,
 - iii) gas works or
 - iv) water works
- b) of the public supply undertaking from which You obtain
 - i) electric current,
 - ii) gas or
 - iii) water or
 - iv) at the premises of Your suppliers and/or customers

and these premises directly supply goods or services to You or You supply goods or services to them and where Damage is caused by and would be covered under Section 1, the consequential reduction of Gross Income resulting from such interruption or interference will be treated as loss resulting from loss or damage to property used by You at the Situation.

We will not pay more than twenty per cent (20%) of the sum insured for Gross Income in respect of loss resulting from such interruption or interference at customers' or suppliers' premises. Nor by reason of this or the combined operation of this clause and any other clauses in this Section, shall We be obliged to pay more than the Sum Insured for Gross Income in any one Indemnity Period or during the term of this Policy.

SECTION 3 BURGLARY

This Section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the General Provisions and in the Schedule.

Our total Liability during any one Period of Insurance, will not exceed, in respect of each item, the Sum Insured shown in the Schedule for that item.

DEFINITIONS APPLYING TO THIS SECTION

1. **Contents** means the items belonging to You or for which You are legally responsible, or have assumed a responsibility to insure, described below:
 - a) furniture, furnishings, carpets, curtains and internal blinds;
 - b) machinery and plant, tools, instruments and utensils of trade, non-fixed or portable equipment, office equipment, Safes, Strongrooms;
 - c) Computers, all equipment connected to and operating from Computers, and all disks, tapes, cards or other materials used for storing data;
 - d) advertising material and display equipment;
 - e) where You are a tenant of leased or rented premises;
 - f) landlord's fixtures and fittings for which You are liable under the terms of a lease or similar agreement;
 - g) fixtures and fittings, or materials and supplies intended for use in the constructions of fixtures and fittings' to be installed for You own use;
 - h) Documents but only for their value as stationary;
 - i) Patterns, models, moulds, designs;
 - j) unused books, books of reference, stationery;

but does not mean:

- i) Tobacco, Cigars and Cigarettes;
- ii) Stock;
- iii) Specified Items;
- iv) Money;
- v) Vehicles or trailers (including their accessories) registered or licensed to travel on a public road, other than mobile plant and equipment that is so registered or licensed, while on Your Premises, but excluding cars, sedans, panel vans and trucks;
- vi) Watercraft, aircraft, locomotives or rolling stock, including their accessories.

2. **Stock** means the items belonging to You or for which You are legally responsible, or have assumed a responsibility to insure, described below,
- a) merchandise or materials of trade manufactured, unmanufactured or in the course of manufacture;
 - b) materials used in making and packing;
 - c) stock on consignment;
 - d) goods held in trust or on commission;
 - e) pallets and containers;
 - f) consumable materials used in the operation of machinery;

but does not include:

- i) Tobacco, Cigars and Cigarettes;
- ii) Contents;
- iii) Specified items;
- iv) Money.

COVER UNDER THIS SECTION

The items shown in the Schedule are insured whilst within the Premises, against destruction, loss or damage (other than breakage of glass) caused by:

1. Theft or attempted Theft, consequent upon forcible or forcible and violent entry into the Premises; or
2. Theft or attempted Theft occurring outside Business Hours, by a person having been feloniously concealed on the Premises, provided that there is evidence of forcible and violent exits from the Premises; or
3. Theft, consequent upon threat of immediate violence or violent intimidation.
4. Armed hold-up at the Situation.
5. Theft, fraud or dishonesty by any of Your employees provided that the loss is discovered within twenty one (21) days of its occurrence and Our limit of liability during any one Period Of Insurance shall not exceed \$1,000 **but not** any loss by theft in which any member of Your household is involved as a principal or accessory or theft from any open space whether fenced or unfenced outside the walls of any building at the Situation.

ADDITIONAL BENEFITS

Following a claim under this Section for which We have agreed to indemnify You, the Insurance is extended to include:

1. Theft Without Forcible Entry

Subject to the sum insured not being otherwise exhausted We will indemnify You for losses of Contents (excluding Stock) resulting from theft without forcible and violent entry from the premises at the Situation up to an amount of \$2,000.

2. Temporary Protection

The cost of temporary protection reasonably necessary for the safety and protection of the Contents and Stock following loss or damage to the premises at the Situation.

3. Developing Film

The cost of developing the film of security cameras following the occurrence of an event specified in SECTION 3, COVER UNDER THIS SECTION, or an attempt thereat.

4. Replacement Locks

The cost of replacing locks and keys which secure external doors, windows and other openings of the buildings at the Situation, the keys for which are lost or stolen during the Period Of Insurance **but** such locks must be replaced with locks of a similar type and quality. We will not pay more than \$1,000 under this Clause in any one Period Of Insurance.

5. Employees Tools, Equipment, Personal Effects and Clothing

The cost of employees' tools, equipment, personal effects and clothing not otherwise insured against loss or damage resulting from an insured event whilst at the Situation up to the sum of \$2,000 or the amount shown in the Schedule, whichever is the greater.

CONDITIONS APPLICABLE TO THIS SECTION

Burglar Alarm Systems

Where the situation is protected by a burglar alarm system, You must ensure that:

1. the burglar alarm system is made more operative whenever the Premises are left unattended, and
2. you exercise all due care to maintain all burglar alarm systems under Your control so that they are in good working order at all times and are tested daily, except on non-business days.

If you do not meet both of these conditions, We may refuse to pay, or reduce the amount We pay for, any claim.

EXCLUSIONS

1. We will not cover Money, documents, patterns, models, moulds, plans or designs (unless stated in the Schedule), tobacco, cigarettes or cigars (unless stated in the Schedule).
2. Any consequential loss whatsoever.
3. loss, destruction or damage due to, or sustained by or through Theft or any attempted Theft, or any act of fraud or dishonesty committed by any:
 - a) members of Your family; or
 - b) persons in Your service, other than loss or destructions or damage through Theft or any attempted Theft committed by persons in Your service following forcible and violent entry by such persons to the Premises.
 - c) loss, destruction or damage if the Premises become unattended and remain so for any period of more than sixty (60) consecutive days, unless Our written agreement to continue cover has been obtained prior to the loss
 - d) loss, destruction or damage as a result of trickery.

SECTION 4 MONEY

This Section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the General Provisions and in the Schedule.

The most We will pay during any one Period of Insurance or for any claim arising out of one event or series of events arising directly or indirectly from one source or original cause, for each item specified in the Schedule, is the Sum Insured shown in the Schedule for that item.

COVER UNDER THIS SECTION

We will pay to You or on Your behalf (up to the Money sum insured stated in the Schedule) the value of Money belonging to You and connected with the Business in the event of loss or damage of Money:

1. in Your personal custody and/or persons authorised by You whilst in transit to or from Your private residence and/or persons authorised by You to and from the bank or whilst such Money is contained in the night safe of any bank where You normally transact business or when being made up for banking **but** Our liability for Money in night safes shall cease at bank closing time on the next business day following deposit therein and in the case of Money drawn as wages and/or salaries and carried by You and/or persons authorised by You also whilst on the premises at the Situation, shall cease when the Money is paid away **but** Our liability in respect of Money not paid out on the day of withdrawal from Your bank shall be limited to an amount not exceeding forty (40%) per cent of the particular withdrawal, provided that during non-business hours such Money be kept in a securely locked safe or securely locked strongroom on the premises;
2. on the premises at the Situation during Business Hours but not Money insured under 5 or 6 of this Section;
3. on the premises at the Situation outside Business Hours, but not Money insured under 5 or 6 of this Section;
4. on the premises at the Situation whilst contained in a securely locked safe or strongroom, but not Money insured under 5 or 6 of this Section;
5. on the premises at the Situation whilst contained in a securely locked automatic teller machine or totalizator agency board machine;
6. on the premises at the Situation whilst contained in a securely locked gaming machine;
7. in Your personal custody at Your private residence and/or the personal custody of persons authorised by You whilst contained in their own private residences **but** 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 private residence was completed.

But for coins and banknotes We will only pay their face value (if any) at the time of the loss or damage and will not pay for any additional value they may have arising out of their rarity or value as collectables.

ADDITIONAL BENEFITS

Following a claim under this Section for which We have agreed to indemnify You, the Insurance is extended to include:

1. **Seasonal Increase:** Seasonal Increase of one hundred (100%) per cent in the Money sum insured unless otherwise stated in the Schedule.
2. **Collusion or Act Of Fraud:** Cover of \$1,000 during any one Period of Insurance for loss by or through the collusion of or any act of fraud or dishonesty by any of Your employees.
3. **Replacement Locks:** The cost of replacing locks and keys which secure external doors, windows and other openings of the buildings at the Situation which are damaged, lost or stolen during the Period Of Insurance during the course of circumstances giving rise to indemnity under this section, **but** such locks must be replaced with locks of a similar type and quality. We will not pay more than \$1,000 under this Clause in any one Period Of Insurance.

EXCLUSIONS

We will not pay for:

1. shortages resulting from clerical or accounting errors or loss due to errors in receiving or paying out;
2. loss not discovered within seven (7) working days after its occurrence;
3. any act of fraud or dishonesty by You or that of any member of your family, directors or partners;
4. loss of Money exceeding \$1,000 during any one period of insurance by or through the collusion of or any act of fraud or dishonesty by any of your employees;
5. loss destruction or damage to Money carried by professional money carriers, professional carriers or common carriers;
6. loss from an unattended vehicle;
7. loss from a safe or strongroom opened by a key or by use of details of a combination either of which has been left on the Premises outside Business Hours;

SECTION 5 GLASS

This Section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the General Provisions of the Policy and in the Schedule.

DEFINITIONS APPLYING TO THIS SECTION

1. **Breakage** means:

- a) for plate of sheet Glass or porcelain, a fracture extending through the entire thickness of the Glass or porcelain; and
- b) for laminated Glass, a fracture extending through the entire through the entire thickness of a lamination, but not:
 - i) any other damage or disfiguration; or
 - ii) caused by or in consequence of fire or artificial heat.

2. **External Glass** means:

- a) external fixed glass forming part of the Premises and any shatter resistant or reflective film affixed thereto.
- b) ceramic tiled shop fronts.

3. **Internal Glass** means :

- a) all internal glass, sinks, wash basins and sanitary ware and mirrors (other than hand mirrors) whilst in the Premises; and
- b) showcase frames, display cabinets and counter frames in the premises.

but does not include:

- i) glass forming part of stock in trade or merchandise;
- ii) glassware, crystal, crockery or china; or
- iii) imperfect glass

4. **Signs** mean Glass or plastic that forms part of a sign

COVER UNDER THIS SECTION

We will indemnify You in the event of Breakage of the Glass shown in the Schedule

ADDITIONAL BENEFITS

Where We have admitted a claim under this Section, Section 5 extends to cover (up to the greater of \$1,000 for each benefit or the amount stated in the Schedule) the following benefits:

1. replacing sign writing or ornamentation affixed to the broken Glass.
2. temporary shuttering, boarding up or other protection reasonably necessary for the safeguarding of the Premises or contents therein, pending replacement of the broken Glass.
3. replacing damaged window frames and tiled shop fronts, but with due allowance for wear and tear.
4. the value at cost, of the stock or contents destroyed or damaged by broken Glass following the Breakage of Glass where such breakage constitutes an admissible claim under this section, less any amount realised from the sale of any salvage.
5. Following a claim under this Section, We will reinstate the Sum Insured from the date of loss, provided you pay or agree to pay any additional premium that may be required by Us.

SETTLEMENT OF CLAIMS

In the event of a Breakage of Glass as shown in the Schedule, We Will, at Our option:

1. replace the broken 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 glass.

EXCLUSIONS

Unattended Premises

We will not pay a claim where the Premises become unattended and remain so for any period of more than sixty (60) consecutive days, unless Our written agreement to continue the cover has been obtained.

SECTION 6 GENERAL PROPERTY

This Section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the General Provisions of the Policy and in the Schedule.

Our total Liability during any one Period of Insurance, will not exceed, in respect of each item, the Sum Insured shown in the Schedule for that item.

DEFINITIONS APPLYING TO THIS SECTION

General Property means the items of property owned by You or for which You are legally responsible which are stated in the Schedule including any accessories or carrying cases.

Loss means loss or damage caused by or arising from a sudden and unforeseen accident.

COVER UNDER THIS SECTION

We will pay for Loss of Property Insured anywhere in Australia.

BASIS OF SETTLEMENT

1. We may at Our option repair or replace any lost or damaged General Property, or pay the lesser of the amount of the loss or damage up to the market value, or the General Property sum insured stated in the Schedule.
2. We will not pay for the cost of any alterations, improvements or overhauls carried out on the occasion of repair or replacement resulting from a Loss.
3. Where the Loss is confined to part of the item of General Property, We shall pay for the repair or replacement of that item plus the cost of any dismantling and reassembling necessary.

EXCLUSIONS

We will not pay for loss or damage directly or indirectly caused by:

1. Mechanical or electronic breakdown or derangement unless as a consequence of a Loss;
2. Cracking, scratching or breakage of glass or fragile items or surfaces unless as a consequence of Loss;
3. Loss or damage caused by rust or oxidation, mildew, mould, moths, vermin, insects, change of colour, or any process of heating, drying, cleaning, dyeing or alteration to the item of General Property;
4. The action of light or atmospheric conditions or gradually developing conditions, vibration, wear and tear or depreciation;
5. Dishonesty by You or others to whom the item of General Property may be delivered, entrusted, loaned or rented;
6. Action of the sea, tidal wave, high water or flood.
7. Theft without forcible and violent entry to locked premises or vehicles containing the General Property.
8. We will not pay for loss or damage to sporting equipment while in use.
9. We will not pay for consequential loss of any description.

SECTION 7 MACHINERY BREAKDOWN

This Section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the General Provisions of the Policy and in the Schedule.

In respect of Machinery, or Pressure Equipment, Our total liability for any claim arising out of one event or series of events arising directly or indirectly from one source or original cause will not exceed the Sum Insured shown in the Schedule.

DEFINITIONS APPLYING TO THIS SECTION

1. **Breakdown** means unforeseen and sudden physical loss or physical destruction to Machinery, which requires repair or replacement to enable normal working to continue
2. **Cold Chamber** means the cold storage chamber including all parts of the refrigeration or controlled atmosphere gas generating and scrubbing plant system including associated controls and pressure pipe systems necessary for the purpose of maintaining the temperature or gas concentration in the cold storage chamber.
3. **Collapse** means unforeseen and unexpected physical destruction, damage, distortion bending, or crushing of any part of Pressure Equipment, caused by vacuum or reduced pressure in the Pressure Equipment, including damage caused by overheating resulting from insufficiency of water.
4. **Explosion** means unforeseen and unexpected physical destructions or physical damage caused by sudden and violent rending of the permanent structure of the Pressure Equipment by force of internal steam, gas or fluid pressure or vacuum causing displacement of any part of the Pressure Equipment together with forcible ejection of its contents.
5. **Insured Item** means all electrical, electronic and mechanical machinery and plant and any boilers and pressure vessels used by You in the Business.
6. **Machinery** means electric, electronic, mechanical or hydraulic machinery together with associated controls belonging to You or for which You are responsible or have assumed a responsibility to insure, but does not include:
 - a) wiring, fittings and outlet sockets of electric lighting or electric power circuits.
 - b) computers, office machines and portable and/or hand-held electronic equipment.
 - c) telephone and closed circuit television installations
 - d) any Mobile Machinery, vessel, craft or thing made or intended to fly, float or travel, or stored in or mounted upon such Mobile Machinery, vessel, craft or thing
 - e) gaming, gambling, amusement, vending and/or coin/card operated machinery, or audio or visual entertainment equipment;
 - f) machinery not owned by You;
 - g) Research, diagnostic and electro-medical equipment;unless specified in the plant schedule.
7. **Mobile Machinery** means any mechanically operated or driven machine on wheels or self-laid tracks.
8. **Pressure Equipment** means those parts of the permanent structure of a boiler, pressure vessel, economiser or superheater and attached pipe systems that are subject to steam, gas or fluid pressure or vacuum, all belonging to You or for which You are responsible or have assumed a responsibility to insure.

COVER UNDER THIS SECTION

The property for which a sum insured is shown in the Schedule, is insured whilst at the Situation, as follows:

1. for Machinery, against Breakdown
2. for Pressure Equipment, against Collapse and Explosion

ADDITIONAL BENEFITS

Following a claim under this Section for which We have agreed to indemnify You, the Insurance is extended to include:

1. If an item of machinery or a boiler or pressure vessel similar to an item already insured under this section is commissioned during the Period of Insurance, We will extend cover to that item after it is commissioned **but** the item must be free of material defect and in sound working condition at the time it is commissioned as far as You are aware, the item must not be operated until You have met any statutory requirements for inspection and/or certification of the item and You pay us such additional premium as We may require. The addition of any item does not alter the sum insured stated in the Schedule.
2. Where we have admitted a claim under this section, We will pay up to \$5,000 for the cost of hiring temporary plant or the cost of effecting temporary repair or expediting permanent repair including overtime working or the use of express or air freight if the sum insured is not otherwise exhausted.
3. Where statutory requirements oblige you after a breakdown covered by this to changeover to a new specification of gas system, we will pay the additional costs involved subject always to the sub-limit specified in the Schedule.
4. Loss of or damage to goods due to the failure of public supply services resulting from any deliberate act by the supply authority not performed for the sole purpose of safeguarding life or protecting any part of the public supply system;
5. Loss of or damage to goods due to rationing not necessitated solely by accidental damage to the generating or supply equipment of the supply authority;
6. Loss or damage to goods due to or resulting from disease, improper storage, damage to packaging material, inadequate air circulation or non-uniformity of temperature within the cold storage space of the refrigeration machinery.

BASIS OF SETTLEMENT

We will pay for:

1. The cost of replacement of the damaged item where the damaged item cannot be repaired, or the reasonable cost of restoring the damaged item to its former working order **but not** the cost of any alterations, additions, improvements, modifications or overhauls. Where the components or manufacturer's specifications are no longer available due to obsolescence, the Basis of Settlement will be the cost of providing alternative suitable components equal to but not better than the original component being substituted;
2. The cost to replace insulating oil from transformers or capacitors or to replace oil and refrigerant gas from air conditioning units incurred as a result of Breakdown;
3. The cost of dismantling and re-erecting necessary to complete the repairs;
4. Ordinary freight costs to and from a repair shop;
5. Any Customs duties;
6. Charges for overtime and work on Public Holidays limited to twenty-five (25%) per cent of the sum insured for the insured item.

EXCLUSIONS

We will not pay for:

1. Wear and tear;
2. Chipping, scratching or discolouration of painted or finished surfaces;
3. The deterioration of any pre-existing crack, fracture, blister, lamination, flaw or grooving which had not previously penetrated completely through the entire thickness of the material or item, notwithstanding that the repair of the part affected may be necessary either immediately or at some future time, except where caused by Breakdown and except where You did not know or should not reasonably have known of the pre-existing condition;
4. Damage to glass or ceramic components or defective tube joints or other defective joints or seams or any valve fitting, shaft seal, gland packing joint or connection except where caused by Breakdown or foundations, brickwork and refractory materials forming part of an insured item or expendable items including electrical and electronic glass bulbs, tubes, lamps, x-ray tubes, electrical contacts, fuses, heating elements, commutators, slip rings, conducting brushes, thermal expansion (TX) valves, thermostats, protective and controlling devices, overloads, track rails, wear plates, blades, cutting edges, tools, dies, engraved cylinders, moulds, templates, patterns, shear pins, saws, knives, chains, belts, ropes tyres, conveyer belts, pressure switches, bearings, valves, valve plates, filters and dryers;
5. Damage to computers, telecommunication transmitting and receiving equipment, electronic data processing equipment, research, diagnostic and electro medical equipment, lifts, escalators, electrical office machines, coin operated machines, gaming machines, storage tanks and vats, stationary and mobile pressure vessels containing explosive gases, mobile machinery, ducting, reticulating electrical wiring, water and gas piping and other plant and equipment not owned by You or not installed or used at the location otherwise unless stated in the Schedule.
6. Consequential loss of any kind under this section unless specifically stated;
7. Damage under this section caused directly or indirectly by explosion except for the sudden and violent rending of any boiler or pressure plant or pressure pipe system caused by the force of internal fluid pressure or the pressure of ignited flue gases, or the bursting or disruption of turbines, compressors, engine cylinders, hydraulic cylinders, fly wheels or other parts subject to centrifugal force, transformers, switches or oil immersed switch gear but there is no cover for any explosion caused by any other chemical action or reaction;
8. The application of any tool or process in the course of maintenance, inspection, repair, alteration, modification or overhaul;
9. Damage occurring during installation and erection other than dismantling, movement and re-erection for the purpose of cleaning, inspection, repair or installation in another position within the location, the carrying out of tests involving abnormal stresses including the intentional overload of any insured item or any raising or lowering operation in which a single load is shared between more than one item of lifting equipment.
10. Damage for which any manufacturer, supplier, engineer or other person is liable under the provisions of any maintenance or warranty agreement with You;
11. Loss of oil, liquid or gas resulting from leakage from glands, seals, gaskets, and joints or from corroded, pitted or deteriorated parts;
12. The cost of converting refrigeration/air conditioning units from the use of chlorofluorocarbon refrigerant gas to any type of refrigerant gas;
13. Damage as a result of usage beyond the specifications set by the manufacturer.

SECTION 8 ELECTRONIC EQUIPMENT

This Section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the General Provisions of the Policy and in the Schedule.

Our total Liability during any one Period of Insurance, will not exceed, in respect of each item, the Sum Insured shown in the Schedule for that item.

DEFINITIONS APPLYING TO THIS SECTION

1. **Data Media** means material carrying or capable of carrying information or data, including but not restricted to disk packs, discs (hard, floppy and compact), diskettes, tapes and cards.
2. **Insured Equipment** means the pieces of electronic equipment described in the Schedule.
3. **Loss or Damage** means physical loss or damage to the Insured Equipment or the disappearance of such property in circumstances other than mysterious.
4. **Market Value** means the retail value of items or equipment of similar type, capacity, age and condition.

MATERIAL DAMAGE TO ELECTRONIC EQUIPMENT – SUBSECTION A

1. We will pay for Loss or Damage to the Insured Equipment in accordance with the Basis of Settlement and up to the sum insured but not if such Loss or Damage is:
 - a) otherwise covered under Section 1, Section 3 or Section 6 of this policy; or
 - b) excluded under the exclusions applicable to this Subsection or under those General Exclusions on [Page 10](#)provided always that such Loss or Damage occurs during the Period of Insurance and that the Insured Equipment has been commissioned, is within the location and at the time of Loss or Damage is functioning normally.
2. We will also pay for Loss or Damage falling under sub-clause 1. above occasioned to Data Media as if it were Insured Equipment, including Data Media which is temporarily located elsewhere than within the location for the sole purpose of processing, safekeeping or related transit.
3. The amount we will pay, calculated as per the basis of settlement clause, will be subject both the limit of indemnity and the deductible specified in the Schedule as applying to this section.

BASIS OF SETTLEMENT – SUBSECTION A

1. The basis of settlement for claims under Subsection A shall be:
 - a) In the case of television and visual display picture and pickup tubes forming part of a piece of Insured Equipment:
 - i) Where such Insured Equipment has been in use for less than twelve months, we will pay 100% of their new replacement value;
 - ii) Where such Insured Equipment has been in use for more than twelve months, we will pay the new replacement value as reduced by 3% for every month of use to a minimum settlement of 20% of the new replacement value;
 - b) In the case of any other type of tube, bulb or valve forming part of the piece of Insured Equipment, we will pay a percentage of the new replacement value proportionate to the remaining useful life expectancy estimated by the manufacturer of the item;
 - c) In the case of Data Media which is lost or damaged, we will pay for the replacement cost of such Data Media when empty but not the material contained thereon;

- d) In the case of all other pieces of Insured Equipment, we will settle on the basis of a total loss where the cost of repairs equals or exceeds the actual value immediately prior to the Loss or Damage. Where the cost does not equal or exceed that amount, we will settle on the basis of Repairable Damage.

REPAIRABLE DAMAGE– SUBSECTION A

1. Subject always to the right to deduct salvage value from any payment, and subject to the sum insured and deductible, we will pay:
 - a) all expenses necessarily and reasonably incurred to restore the damaged piece of Insured Equipment to its former state of functionality;
 - b) the reasonable cost of dismantling the Insured Equipment for the purpose of such repairs and the reasonable cost of subsequent re-erection;
 - c) the reasonable cost of ordinary freight to and from the place of repair;
 - d) customs or other duties necessarily incurred in the process of repair.
2. With our prior permission only, we will pay the cost of materials and wages reasonably and necessarily incurred where repairs are conducted by You at Your own workshop.
 - a) To a combined maximum of 50% of the cost of replacement at ordinary rates, we will also pay:
 - i) such reasonable extra charges as are necessarily incurred as a result of work being carried out on weekends or on public holidays; and
 - ii) Express freight charges within Australia, where reasonably incurred and where a recognised airline on a scheduled service is used, however not for a specially chartered aircraft.

TOTAL LOSS – SUBSECTION A

1. At Our option, we may:
 - a) replace the piece of Insured Equipment with a similar and equivalent piece; or
 - b) where the piece of Insured Equipment was under five years old as at the date of loss pay You a sum equivalent to the cost of acquiring an equivalent piece; or
 - c) where the piece of Insured Equipment was older than five years as at the date of loss pay the Market Value attributable to that piece as at the date of loss.
2. To a combined maximum of 50% of the replacement at ordinary rates, we will also pay:
 - a) such reasonable extra charges as are necessarily incurred as a result of work being carried out on weekends or on public holidays; and
 - b) Express freight charges within Australia, where reasonably incurred and where a recognised airline on a scheduled service is used, however not for a specially chartered aircraft.

SPECIAL EXTENSIONS – SUBSECTION A

1. Transit Cover

- a) Cover is extended under Subsection A in respect of such pieces of Insured Equipment as are nominated in the Schedule, for Loss or Damage occurring during the normal course of transit anywhere in Australia subject to the exclusions detailed in sub-clause 1-b) below.
- b) Indemnity under the Transit Cover extension is not available in respect of Loss or Damage:
 - i) arising out of theft or attempted theft occasioned whilst the pieces of Insured Equipment are left unattended, however this exclusion does not apply to such items when within securely locked premises or out of sight inside a securely locked motor vehicle provided such vehicle is not left parked overnight on the street;
 - ii) occurring whilst the pieces of Insured Equipment are installed or carried in or on any aircraft, aerial device, vessel or watercraft , however this exclusion does not apply to such items when being carried by You or one of Your employees as personal hand luggage

2. Power Surge Cover

- a) Cover is extended under Subsection A in respect of Loss or Damage arising out of a power surge occurring in the supply of electricity
- b) A higher Unprotected Power Surge Deductible as stated in the Schedule shall apply where the piece of Insured Equipment affected is not fitted at the time of the power surge with an external surge protection device to both the power supply and data lines.

EXCLUSIONS APPLICABLE TO SUBSECTION A

1. We will not pay for loss or damage occasioned to expendable items, including fuses, batteries, belts, chains, tapes or ribbons or any other component ordinarily requiring periodic or frequent replacement.
2. Cover is not available under Subsection A in respect of loss or damage caused or arising out of:
 - a) faults or defects of which You or Your employees were aware or ought reasonably to have been aware prior to the commencement of the Period of Insurance and which were not disclosed to Us;
 - b) rust, corrosion, gradual deterioration or oxidation;
 - c) wasting, wearing away or wearing out of any component of a piece of Insured Equipment in the course of ordinary use.
3. Cover is not available under Subsection A in respect of any kind of consequential loss.
4. Cover is not available under Subsection A in respect of damage in the form of scratching, chipping or discolouration of painted, polished or finished surfaces.
5. Cover is not available under Subsection A in respect of loss or damage to a piece of Insured Equipment occurring when the piece is not in Your possession, except as provided by [SPECIAL EXTENSIONS – SUBSECTION A, 1. Transit Cover](#).
6. Cover is not available under Subsection A in respect of loss or damage caused or contributed to by Your failure to comply with the manufacturer's recommendations and instructions for the maintenance and use of all pieces of Insured Equipment.

DATA REPLACEMENT COSTS – SUBSECTION B

1. Where loss or damage is occasioned to a piece of Insured Equipment insured elsewhere under this policy, except under Section 6 (General Property), and where indemnity is granted under the relevant section, and where there is a loss of information stored on Data Media within a piece of Insured Equipment as a direct consequence of such loss or damage, we will reimburse your reasonable expenses necessarily incurred to reproduce the data or information to restore the Data Media to a condition equivalent to that immediately prior to the loss or damage, however only:
 - a) where such reproduction and restoration is necessary for the normal operation of the electronic data processing system of which the piece of Insured Equipment formed part;
 - b) where at the time of loss or damage, the piece of Insured Equipment was at the location, at the Data Media Storage premises, temporarily at any alternative premises for the sole purpose of data processing or in transit for such purpose;
 - c) to the extent of the Limit of Indemnity appearing in the Schedule.
2. Under 1. above, we will only reimburse such expenses as are incurred within a period of twelve months after the date of the loss or damage.
3. Cover under Subsection B is extended to loss of information which results from loss or damage to an electronic data processing system which is not owned by You and which You are not responsible for insuring, but which is being used by You at the time of the loss or damage to that system provided that indemnity would be available under Subsection A in respect of such loss or damage were such system insured under Subsection A.

CONDITIONS APPLICABLE TO SUBSECTION B

1. It is a condition precedent to indemnity under Subsection B that Data Media must be updated at least weekly and that duplicate copies of updated Data Media must be stored off site for safekeeping.

EXCLUSIONS APPLICABLE TO SUBSECTION B

1. Cover is not available under Subsection B in respect of loss or damage caused or arising out of:
 - a) faults or defects of which You or Your employees were aware or ought reasonably to have been aware prior to the commencement of the Period of Insurance and which were not disclosed to Us;
 - b) rust, corrosion, gradual deterioration or oxidation;
 - c) wasting, wearing away or wearing out of any component of a piece of Insured Equipment in the course of ordinary use.
2. Cover is not available under Subsection B in respect of any kind of consequential loss.
3. Cover is not available under Subsection B in respect of loss or distortion of information, which does not arise from physical loss or damage to the Data Media.
4. Cover is not available under Subsection B in respect of loss or damage caused or contributed to by Your failure to comply with the manufacturer's recommendations and instructions for the maintenance and use of all pieces of Insured Equipment.

INCREASED COST OF WORKING (COMPUTER) – SUBSECTION C

1. Where Loss or Damage to a piece of Insured Equipment occurs in circumstances giving rise to indemnity under Subsection A of this section, and as a direct consequence the normal operation of the electronic data processing system is interrupted, we will reimburse Your reasonable costs of implementing a substitute processing system provided such costs are necessarily incurred to enable the continuation of Your normal business operations during such interruption.
2. We will deduct from any sum payable by Us any amount saved during the period of the interruption in respect of charges and expenses of the Business which cease or are reduced as a result of the Loss or Damage in respect of which indemnity has been granted under Subsection A, including any such savings occasioned by virtue of the interruption of the normal operation of the data processing system.
3. The amount payable by Us will be limited to the costs incurred for a period of three months from the date of loss or damage, and subject always to the limit of indemnity and deductible stated in the Schedule.

EXCLUSIONS APPLICABLE TO SUBSECTION C

1. Cover is not available under Subsection C in respect of:
 - a) costs or expenses incurred during the Time Excess Stated in the Schedule;
 - b) costs or expenses, irrespective of when incurred, solely as a result of the discontinuance of manufacture by reason of obsolescence of the system or of any component part;
 - c) costs or expenses arising out of the necessity to use the substitute processing system caused by the making of alterations or improvements to or the cleaning, alteration, adjustment, inspection, or maintenance of the electronic data processing system;
 - d) costs or expenses arising out of any interruption which results directly or indirectly from any decision, action or inaction of any government or public or statutory authority.