

# Business Pack

Product Disclosure Statement (PDS) and Policy Document



Allianz 



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# Introduction

Welcome and thank you for choosing Allianz Steadfast Business Pack Policy.

## About Allianz

The insurer of this product is Allianz Australia Insurance Limited ABN 15 000 122 850 (Allianz) AFS Licence No. 234708.

Allianz is one of Australia's largest general insurers. We utilise years of local expertise, combined with global experience to offer a wide range of products and services to Our customers. As a member of the worldwide Allianz Group, We are committed to continuous improvement of Our products and services and strive to achieve this through knowledge transfer within the Group, dedicated technical research units, sharing globally new product developments and a wide range of risk management services.

## About Steadfast

Steadfast is an unlisted public company comprising over 270 shareholders. Each shareholder is an independent insurance brokerage. This Policy is available exclusively to You through shareholders of Steadfast Group Limited. Steadfast Group Limited does not issue, guarantee or underwrite this Policy.

## Important information about Steadfast's advice

Any advice Steadfast gives about this Policy does not take into account any of Your particular objectives, financial situation or needs. For this reason, before You act on Steadfast's advice, You should consider the appropriateness of the advice, taking into account Your own objectives, financial situation and needs. Before You make any decisions about whether to acquire this Policy We recommend You should read this insurance Policy.

## Summary of the available covers

Cover Type	Summary of covers (See relevant section for details, relevant limits, and specific conditions and exclusions that apply)
Section One – Business Property cover	This covers damage to Business Property at the Situation caused by defined events and provides a number of automatic additional benefits and an optional Flood benefit.
Section Two – Business Interruption cover	This covers consequential loss of income and/or profits or revenue from the interruption of or interference with Your insured Business due to Damage and provides a number of automatic additional benefits and optional benefits.
Section Three – Theft cover	This covers loss of or damage to Business Property at the Situation and provides a number of automatic additional benefits.
Section Four – Money cover	This covers loss of or damage to Money in transit, Money contained in the Business Premises, Money in Your personal custody and Safes or Strongrooms. It also includes a number of automatic additional benefits.
Section Five – Employee Dishonesty cover	This covers You against Loss of Business Property (including Money) due to the fraudulent or dishonest conduct of an Employee for their own gain or the financial benefit of any other person or organisation. It also provides a number of automatic additional benefits.
Section Six – Machinery cover	This covers Insured Damage to Your insured electrical, electronic and mechanical machinery including their interconnecting cabling and piping and to boilers and pressure vessels caused by a Breakdown. It also provides a number of automatic additional benefits and an optional benefit for deterioration of Stock.
Section Seven – Electronic cover	This covers Insured Damage to or Breakdown of Your insured computers and/or electronic equipment. You can choose either Accidental Damage cover (including Breakdown) or Breakdown only cover. It also provides a number of automatic additional benefits and optional benefits.
Section Eight – Public and Products Liability cover	This covers You for amounts You are legally liable to pay as compensation for Personal Injury and/or Property Damage occurring within the Geographical Limit as a result of an Occurrence in connection with Your Business. It also provides a number of automatic supplementary payments.



Section Nine – Glass cover	This covers You for accidental Breakage of Glass at the Situation and provides a number of additional benefits.
Section Ten – General Property cover	This covers loss or damage to General Property. You can choose Accidental Damage cover or a cover restricted to collision and/or overturning of the conveying vehicle.
Section Eleven – Transit cover	This covers damage to Business Property whilst in transit anywhere within the Commonwealth of Australia caused by a Defined Event.
Section Twelve – Personal Accident and Sickness cover	This provides for payment of: <ul style="list-style-type: none"> <li>• a set percentage of the Capital Sum Insured if the Insured Person suffers an Injury resulting in a Defined Event; or</li> <li>• a weekly benefit for Temporary Total Disablement as a result of an insured Injury or Sickness or a Temporary Partial Disablement as a result of an insured Injury.</li> </ul> It also provides a number of automatic additional benefits and optional benefits.

## About this insurance

This is an important document. You should read it carefully before making a decision to purchase this insurance. It will help You to:

- decide whether this insurance will meet Your needs; and
- compare it with other products You may be considering.

Please note that any recommendation or opinion in this document is of a general nature only and does not take into account Your objectives, financial situation or needs.

You need to decide if this insurance is right for You and You should read all of the documents that make up the Policy to ensure You have the cover You need.

Preparation date: 05/08/2011.

## Our contract with You

Where We agree to enter into a Policy with You it is a contract of insurance between Us and You (see the definition of “You” for details of who is covered by this term). The Policy consists of:

- this document which sets out the standard terms of Your cover and its limitations;
- Your current Schedule issued by Us. The Schedule is a separate document, which shows the insurance details relevant to You. It may include additional terms, conditions and exclusions relevant to You that amend the standard terms of this document. Only those sections shown as covered in Your Schedule are insured; and
- any other change to the terms of the Policy otherwise advised by Us in writing (such as an endorsement or Supplementary PDS). These written changes may vary or modify the above documents.

These are all important documents and should be carefully read together and kept in a safe place for future reference.

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

Any new or replacement Schedule We may send You, detailing changes to Your insurance or the Period of Cover, will become the current Schedule, which You should carefully read and retain.

## Cooling off period and cancellation rights

You can exercise Your cooling off rights and cancel the Policy within twenty one (21) days of the date You purchased the Policy and receive a refund of the premium paid, provided You have not exercised any right or power under the Policy (e.g made any claim) and these rights and powers have not ended.

We may deduct any reasonable administrative and transaction costs incurred by Us that are reasonably related to the acquisition and termination of the Policy and any Government taxes or duties We cannot recover, from Your refund amount.

After the cooling off period has ended, You still have cancellation rights, however We may deduct a pro rata proportion of the premium for time on risk, plus any reasonable administrative costs and any Government taxes or duties We cannot recover (refer to “General Policy conditions applicable to all sections” “Cancellation rights” on page 13, for full details).

## What is covered

Where We have entered into a Policy with You, We will insure You for:

- loss or damage caused by one or more of the covered insured events; and

- the other covered benefits, as set out in the Policy occurring during the Period of Cover.

Other persons may be entitled to cover, but only if specified as so entitled and limited only to the extent and interest specified.

Cover is provided on the basis:

- that You have paid or agreed to pay Us the premium for the cover provided;
- of the verbal and/or written information provided by You which You gave after having been advised of Your Duty of Disclosure either verbally or in writing.

If You failed to comply with Your Duty of Disclosure or have made a misrepresentation to Us, We may be entitled to reduce Our liability under the Policy in respect of a claim and/or We may cancel Your Policy. If You have told Us something which is fraudulent, We also have the option of avoiding Your Policy (ie treating it as if it never existed).

Your Duty of Disclosure and the consequences of nondisclosure, are set out under the heading 'Your Duty of Disclosure', on page 6.

## Some words have special meanings

Certain words used in the Policy have special meanings. The "Words with special meaning" section of this document on pages 8 to 9 contains such terms. In some cases, certain words may be given a special meaning in a particular section of the Policy when used or in the other documents making up the Policy.

Headings are provided for reference only and do not form part of the Policy for interpretation purposes.

## Your obligation to comply with the Policy terms and conditions

You are required to comply with the terms and conditions of the Policy. Please remember that if You do not comply with any term or condition, We may (to the extent permitted by law) decline or reduce any claim payment and/or cancel Your Policy.

If more than one person is insured under the Policy, a failure or wrongful action by one of those persons may adversely affect the rights of any other person insured under the Policy.

## How to make a claim

If You need to make a claim under the Policy, please refer to "Claims" on page 12.

## How We settle claims

Where We agree to reinstate or replace Damaged property, We will replace Your property with new goods

or repair it using new materials. If You ask for a cash settlement instead, We will deduct an amount for wear, tear and depreciation. This amount depends on the age of the Damaged item and the expected useful life.

If You replace an item without Our authority, We will only pay You what We could have replaced it for using trade discounts that are available to Us. More details around how We settle claims are provided in this document under the Basis of Settlement sections within each cover section.

## How We calculate Your premium

The amount of Your premium is determined by taking a number of different matters into account. You can seek a quote at any time.

It is important for You to know in particular that the premium varies depending on the information We receive from You about the risk to be covered by Us. The higher the risk is (e.g. high claims experience), the higher the premium will be. Based on Our experience and expertise as an insurer, We decide what factors increase Our risk and how they should impact on the premium.

We calculate Your premium on the basis of information that We receive from You when You apply for insurance. Some factors impacting premiums include:

- Your nominated sum insured;
- where Your Business is situated;
- the materials used in the construction of Your building(s);
- the nature of Your Business;
- security measures used for Your Business Property (eg. alarms, deadlocks); and
- any additional Excess You nominate to pay above Our basic Excess. This means that when You purchase a Policy You may elect to take a higher Excess in the event of a claim, which will reduce the cost of Your premium. If You are interested in this, You should ask Your intermediary to supply You with quotes based on differing amounts of Excesses.

Your premium also includes amounts that take into account Our obligation to pay any relevant compulsory Government charges, taxes or levies (e.g. Stamp Duty, GST, Emergency and Fire Services Levy) in relation to Your Policy. These amounts will be set out separately on Your Schedule of insurance as part of the total premium payable.

In cases where We are required to pay an estimated amount (e.g. for Fire Services Levies) based on criteria set by the Government, We allocate to the Policy Our estimate of the amount We will be required to pay. We may over or under recover in any particular year but We

will not adjust Your premium because of this. You can ask Us for more details if You wish.

Minimum premiums may apply. In some cases, discounts may apply if You meet certain criteria We set. Any discounts/entitlements only apply to the extent any minimum premium is not reached. If You are eligible for more than one, We also apply each of them in a predetermined order to the premium (excluding taxes and Government charges) as reduced by any prior applied discounts/entitlements. Any discounts will be applied to the base premium calculated prior to any taxes being added.

When You apply for this insurance, You will be advised of the total premium amount payable, when it needs to be paid and how it can be paid. This amount will be set out in the Schedule, which will be sent to You after the entry into the Policy. If You fail to pay We may reduce any claim payment by the amount of premium owing and/or cancel the Policy. Special rights and obligations apply to instalment premium payments as set out below.

## Instalment premiums

If You pay Your premium by instalments refer to the “General Policy conditions applicable to all sections” section for important details on Your and Our rights and obligations. Note that an instalment premium outstanding for 14 days allows Us to refuse to pay a claim.

In some cases a service fee will apply where You select to pay Your premium by instalments. We tell You the total amount payable when You apply and when and how it can be paid. This is confirmed in the Schedule We issue to You.

## Renewal procedure

Before Your Policy expires We will advise You whether We intend to offer renewal and if so on what terms.

This document also applies for any offer of renewal We may make, unless We tell You otherwise.

It is important that You check the terms of any renewal offer before renewing to satisfy Yourself that the details are correct. In particular, check the sum insured amounts and Excess(es) applicable to ensure the levels of cover are appropriate for You.

Please note that You need to comply with Your Duty of Disclosure before each renewal (see below).

## Your Duty of Disclosure

Before You enter into the Policy with Us, the Insurance Contracts Act 1984 requires You to disclose to Us every matter that You know or could reasonably be expected to know is relevant to Our decision whether and on what terms Your application for insurance is acceptable and to calculate how much premium is required for Your insurance.

You have the same duty to disclose those matters to Us before You renew, extend, vary or reinstate the Policy.

The duty applies until the Policy is entered into, or where relevant, renewed, extended, varied or reinstated (Relevant Time). If anything changes between the time You provide answers or make disclosure and the Relevant Time, You need to tell Us.

### What You do not need to tell Us

You do not need to tell Us about any matter:

- that diminishes Our risk;
- that is of common knowledge;
- that We know or should know as an insurer; or
- that We tell You We do not need to know.

### Who does the duty apply to?

The Duty of Disclosure applies to You and everyone that is an insured under the Policy. If You provide information for another insured, it is as if they provided it to Us.

### What happens if the Duty of Disclosure is not complied with?

If the duty of disclosure is not complied with We may cancel the Policy and/or reduce the amount We pay if You make a claim. If fraud is involved, We may treat the Policy as if it never existed, and pay nothing.

## Privacy Act 1988 – Information

We collect Your personal information directly from You where reasonably practicable or if not, from other sources. We collect it to provide Our various services and products (e.g. to market, arrange and administer insurance and to handle and settle claims) and to conduct market or customer research. We also use it to develop and identify services of Our related companies and alliance partners that may interest You (but You can opt out of this by calling the Allianz Direct Marketing Privacy Service Line on 13 2664 EST 8am-6pm, Monday to Friday or indicate Your decision in the appropriate area of the Privacy section of Our website at [www.allianz.com.au](http://www.allianz.com.au)). If You do not provide the information We require We may not be able to provide You with this service.

We disclose information to third parties who assist Us in the above (e.g. insurers, insurance intermediaries, insurance reference bureaus, related companies, Our advisers, persons involved in claims, external claims data collectors and verifiers, Your agents and other persons where required by law). We prohibit them from using it for purposes other than those We supplied it for.

Where You provide Us with information about another person for the above purposes, You must tell Us if You haven't got their consent to this. If You wish to gain



access to Your personal information (including to correct or update it), have a complaint about a breach of Your privacy or You have any query on how Your personal information is collected or used, or any other query relating to privacy, contact Us on 13 2664 EST 8am-6pm, Monday to Friday.

## General Insurance Code of Practice

The General Insurance Code of Practice was developed by the Insurance Council of Australia to further raise standards of practice and service across the insurance industry through promoting better communication between insurers and customers and outlining a standard of practice and service to be met by insurers.

We keenly support the standards set out in the Code.

You can obtain more information on the Code of Practice and how it assists You by contacting Us. Contact details are provided on the back cover of this document.

## Complaints – Internal and External Complaints Procedure

If You are dissatisfied with Our service in any way contact Us and We will attempt to resolve the matter in accordance with Our Internal Dispute Resolution procedures. To obtain a copy of Our procedures contact Us on 13 2664. A dispute can be referred to the Financial Ombudsman Service (FOS) subject to its terms of reference. It provides a free and independent dispute resolution service for consumers who have general insurance disputes falling within its terms and its contact details are:

The Financial Ombudsman Service  
Free call: 1300 78 08 08  
Post: GPO Box 3, Melbourne, Victoria 3001  
Website: [www.fos.org.au](http://www.fos.org.au)

## Compensation arrangements

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

Because of this:

- the protection provided under the Financial Claims Scheme legislation applies in relation to Us and the Policy. If We were to fail and were unable to meet Our obligations under the Policy, a person entitled to claim under insurance cover under the Policy may

be entitled to payment under the Financial Claims Scheme (access to the Scheme is subject to eligibility criteria). Information about the Financial Claims Scheme can be obtained from the APRA website at <http://www.apra.gov.au> and the APRA hotline on 1300 13 10 60; and

- We are exempted by the Corporations Act 2001 (Cth) from the requirement to meet the compensation arrangements Australian financial services licensees must have in place to compensate retail clients for loss or damage suffered because of breaches by the licensee or its representatives of Chapter 7 of that Act. We have compensation arrangements in place that are in accordance with the Insurance Act.

## Terrorism Insurance Act

We have determined that this Policy (or part of it) is a Policy to which the Terrorism Insurance Act 2003 applies. We may elect to reinsure part or all of Our liability under the Act with the Commonwealth Government reinsurer, the Australian Reinsurance Pool Corporation (ARPC).

As a consequence, We may be required to pay a premium to ARPC and that amount (together with the cost of that part of the cover provided by Us and administrative costs associated with the legislation) is reflected in the premium charged to You. As with any other part of Our premium, it is subject to Government taxes and charges such as GST, Stamp Duty and where applicable, Fire Service Levy.

For further information contact Allianz or Your intermediary.

## Updating this PDS

We may need to update this PDS from time to time if certain changes occur where required and permitted by law. We will issue You with a new PDS or a Supplementary PDS or other compliant document to update the relevant information except in limited cases. Where the information is not something that would be materially adverse from the point of view of a reasonable person considering whether to buy this insurance, We may issue You with notice of this information in other forms or keep an internal record of such changes (You can get a paper copy free of charge by contacting Us using Our details on the back cover of this PDS).

Other documents may form part of Our PDS and the Policy. If they do We will tell You in the relevant document.

## Further information and confirmation of transactions

If You require further information about this insurance or wish to confirm a transaction, please contact Us.

# Words with special meaning

Some words have special meaning wherever they appear in the Policy:

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

“**Business Hours**” means when You or any of Your employees are at the Business Premises for the purpose of conducting Your Business.

“**Business Premises**” means the buildings, outbuildings, yards and land used by You for Your Business at the Situation.

“**Business Property**” means buildings, contents, Stock and items listed on the current Policy Schedule and used in Your Business.

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

“**Excess**” means the amount, or the loss applicable to a specified period of time, expressed as an Excess on the current Policy Schedule or elsewhere in the Policy. This is the first amount of any loss that You must pay before We pay Your claim.

“**Family**” means any member of Your Family who lives permanently with You, including Your partner.

“**Flood**” means the inundation of normally dry land by water escaping or released from the normal confines of any natural watercourse or lake (whether or not they have been altered or modified) or from any dam, reservoir or canal.

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

“**Money**” means current coin, bank notes, currency notes, cheques, credit card sales vouchers, securities, postal orders, money orders, negotiable and non-negotiable securities and other like documents of value, phone cards and/or stored value cards, unused postage and revenue stamps, public transport tickets, private transport tickets (excluding airline tickets), bridge or highway tokens, car wash tokens, lottery tickets, authorised gift vouchers from external parties, discount vouchers, contents of franking machines and includes cash boxes, alarm bags, or any other portable container used to convey Money all

belonging to You or for which You are legally responsible or have assumed a responsibility to insure but does not mean any of these in the possession of or carried by, professional Money carriers, professional carriers or common carriers.

“**Period of Cover**” means the time cover commenced to the time cover expires. The dates are shown on the current Policy Schedule. Unless stated otherwise, cover shall expire at 4.00pm local time at the place where You arranged the cover.

“**Policy**” means this document, the Policy Schedule and any attachment or memoranda affixed and any future documents issued to You which amends the policy wording or Policy Schedule.

“**Policy Schedule or Schedule**” means the most current Schedule of Insurance or any future renewal schedule, including any endorsements issued by Us in connection with this Policy.

“**Proposal**” means the application for insurance completed by You or on Your behalf by which You provided the information upon which We relied to enter into this Policy.

“**Rewriting of Records**” means the cost of restoration of computer records, documents, manuscripts, securities, deeds, specifications, plans, drawings, designs, business books and other records of every description.

“**Situation**” means the Situation stated in the current Policy Schedule.

“**Stock**” means

1. products and material You intend to sell
2. raw or consumable materials used by You to make or alter Your products
3. Your products while being made, repaired or altered
4. any consumable products or materials used in Your Business
5. goods for which You are responsible.

Under the Theft cover section, Stock does not include tobacco, products containing tobacco, cigars or cigarettes unless they are specified on the current Policy Schedule.

“**Subsidiary Company**” means any company in which You have a controlling interest. For the purpose of this definition the term ‘controlling interest’ shall mean the beneficial ownership of shares carrying more than 50% of votes capable of being cast at a general meeting of all shareholders of the company.

“**Vehicle**” means any type of machine on wheels or on self laid tracks made or intended to be propelled by other

than manual or animal power, and any trailer or other attachment to be utilised in conjunction with or drawn by any such machine.

“**Watercraft**” means any vessel, craft or thing made or intended to float on or in or travel through water, other than model boats.

“**We, Us, Our, Allianz**” means Allianz Australia Insurance Limited AFS Licence No. 234708, ABN 15 000 122 850 of 2 Market Street, Sydney, NSW, 2000.

“**You, Your, Yours, Yourself**” means the person(s), companies or firms named on the current Policy Schedule as the ‘Insured’.

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

# General Policy exclusions applicable to all sections

The following General exclusions apply to all sections of this Policy.

1. The Policy does not cover loss, destruction, liability, or damage:

a. **War**

caused by, contributed to by or arising from any war, whether war be declared or not, hostilities or rebellion, civil war, revolution, insurrection, military or usurped power, invasion or act of foreign enemy;

b. **Nuclear**

caused by, contributed to by or arising from ionizing radiation or contamination by radioactivity from:

- (i) any nuclear fuel or from any nuclear waste; or
- (ii) the combustion of nuclear fuel (including any self-sustaining process of nuclear fission);
- (iii) nuclear weapons material;

c. **Lawful seizure**

caused by, contributed to by or arising from the lawful seizure, detention, confiscation, nationalisation or requisition of the Business Property;

d. **Wilful acts**

subject to the provisions of the Insurance Contracts Act 1984, We will not pay for any loss or damage caused by either Your wilful act or by the wilful act of another party committed with Your knowledge and consent and which You were capable of preventing.

e. **Territorial limits**

to Your Business Property that is outside the Commonwealth of Australia at the time of its loss or damage, except as specifically stated otherwise in the appropriate section and We agree in writing to the contrary.

2. Except as specifically provided otherwise, this Policy does not cover:

- a. consequential loss of any kind;
- b. legal liability to pay compensation or damages;
- c. damage caused by faults or defects known to You or any employee whose knowledge in law would be deemed to be Yours and not disclosed to Us at the time this Policy was entered into.

3. This Policy does not cover any loss or damage to any appliance, machinery, equipment or other property which is a computer or which contains or comprises any computer technology (including computer chip or control logic) and which fails to perform or function in the precise manner for which it was designed for any reason arising from the performance or functionality of such computer technology (including computer chip or control logic).

#### 4. Terrorism

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto, this Policy excludes and does not cover death, injury, illness, loss, damage, cost or expense, directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with, any Act of Terrorism, as defined herein, regardless of any other cause or event contributing concurrently or in any other sequence to the death, injury, illness, loss, damage, cost or expense.

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

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

This Policy also excludes and does not cover death, injury, illness, loss, damage, cost or expense, directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with, any action in controlling, preventing, suppressing, retaliating against or responding to any Act of Terrorism.

This Terrorism exclusion will not apply to cover sections Theft, Money, Glass and General Property. This Terrorism exclusion will apply to the other cover sections of the Policy, unless otherwise provided for in the Terrorism Insurance Act.

#### 5. Electronic Data

##### a. Electronic Data – Part 1

This Electronic Data exclusion is applicable to the following sections of this Policy:

- Section One – Business Property cover
- Section Two – Business Interruption cover
- Section Three – Theft cover
- Section Four – Money cover
- Section Nine – Glass cover
- Section Ten – General Property cover
- Section Eleven – Transit cover

(i) These Policy sections do not insure:

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

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

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

(ii) However, in the event that a peril listed below (being a peril insured by the relevant Policy sections but for this exclusion) is caused by any of the matters described in paragraph (i) above, then the relevant Policy sections, subject to all their provisions, will insure:

- physical loss of or damage or destruction to Business Property directly caused by such listed peril, and/or
- consequential loss insured by this Policy.

Further, this exclusion does not apply in the event that a peril listed below (being a peril insured by the relevant Policy Sections but for this exclusion) causes any of the matters described in paragraph (i) above.

Accidental Damage other than non-physical Damage, fire, lightning, thunderbolt, explosion, implosion, earthquake, subterranean fire, volcanic eruption, impact by Aircraft or aerial object dropped therefrom, impact by road vehicle or animal, sonic boom, theft of Electronic Data

solely where such theft is a consequence of theft of any computer and/or computer hardware and/or firmware and/or microchip and/or integrated circuit and/or similar device containing such Electronic Data, breakage of glass, the acts of persons taking part in riots or civil commotions or of strikers or of locked-out workers or of persons taking part in labour disturbances, storm and/or tempest and/or rainwater and/or wind and/or hail, water and other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or pipes at the Business Premises.

- (iii) For the purposes of the basis of settlement provision in these Policy sections, computer systems records includes Electronic Data as defined in paragraph (i) above.

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

#### **b. Electronic Data – Part 2**

This Electronic Data exclusion is applicable to the following sections of this Policy:

- Section Six – Machinery cover
- Section Seven – Electronic cover

These Policy sections do not cover any loss or damage of whatsoever kind arising directly or indirectly out of:

- (i) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data;
- (ii) error in creating, amending, entering, deleting or using Electronic Data;
- (iii) total or partial inability or failure to receive, send, access or use Electronic Data for any time or at all; or
- (iv) any business interruption losses resulting therefrom,

regardless of any other contributing cause or event whenever it may occur, unless such loss or Damage is a direct consequence of otherwise insured damage and provided that Electronic Data and Electronic Data Media and/or business interruption is insured by these Policy sections.

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

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

#### **6. Business in liquidation or ceases to trade**

If Your Business is placed into liquidation or administration, a receiver is appointed or the business is wound up or is permanently discontinued, then unless otherwise agreed by Us in writing, all cover under this Policy ceases from the time Your interest is transferred or Your Business ceases to trade.

#### **7. Unoccupancy**

Unless We otherwise agree in writing, We will not pay for any loss or damage to Your Business Property if the occurrence happens after Your Business Premises has been unoccupied for more than 90 consecutive days.



# Claims

## 1. What You must do after loss, damage or accident

Protect Yourself from any danger present.

Assist other people within Your capabilities if required.

Take reasonable steps to prevent further loss, damage or liability.

Notify the police immediately if any of Your property is lost, stolen, or maliciously damaged and provide the police with all assistance to apprehend the offending party.

Advise Us of the claim as soon as practicable and then supply Us with full written details by completing Our claim form. You or someone acting on Your behalf must complete a claim form within a reasonable time of an occurrence. If You do not, We may reduce the amount We pay if the delay causes increased costs or prevents Us investigating the claim.

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

## What You must not do after a loss or accident

You must not admit fault or agree to pay for damage without Our consent. Do not make an offer, settle, or attempt to settle any claim against You. If You do We may not pay all or part of the claim.

You must not incur any costs or expenses or authorise repairs (other than necessary temporary repairs) without Our agreement.

## 2. Claims preparation expenses

We will pay for costs necessarily and reasonably incurred for the preparation of a claim for which We agree to indemnify You under this Policy. The most We will pay is \$25,000 in total any one claim, unless a higher amount is included in the particular section of the Policy.

Provided that before You incur these claim preparation costs You obtain Our written approval to incur these costs.

This benefit is in addition to any limit of indemnity.

## 3. Multiple Excesses

If a claim arises from a single event and You can obtain cover under more than one Policy section, You will only be required to pay the highest single Excess applicable regardless of the number of Excesses applying to the individual Policy sections.

Provided that this shall not apply to claims arising from loss or Insured Damage claimable under the optional benefit of Section Six – Machinery cover.

# General Policy conditions applicable to all sections

The following General conditions apply to all sections of this Policy.

Breach of a condition or warranty without Your knowledge or consent or error in name, description or Situation of property will not prejudice Your rights under this Policy provided notice in writing is given to Us when such breach or error comes to Your knowledge. Reasonable extra premium shall be paid if required, from the date of such breach or error.

## Accountancy records

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

## Cancellation rights

- a. In addition to Your Cooling off rights detailed earlier, You may cancel the Policy at any time by telephoning Us.
- b. We have the right to cancel the Policy where permitted by and in accordance with law. For example, We may cancel:
  - (i) if You failed to comply with Your Duty of Disclosure; or
  - (ii) where You have made a misrepresentation to Us during negotiations prior to the issue of the Policy; or
  - (iii) where You have failed to comply with a provision of the Policy, including the term relating to payment of premium; or
  - (iv) where You have made a fraudulent claim under the Policy or under some other contract of insurance that provides cover during the same period of time that the Policy covers You,

and We may do so by giving You at least three days notice in writing of the date from which the Policy will be cancelled. The notification may be delivered personally or posted to You at the address last notified to Us.

- c. Subject to d., if You or We cancel the Policy We may deduct a pro rata proportion of the premium for time on risk, reasonable administrative and transaction costs related to the acquisition and termination of the Policy We incur and any government taxes or duties We cannot recover.

- d. In the event that You have made a claim under the Policy and We have agreed to pay the full sum insured for Your property no return of premium will be made for any unused portion of the premium.

## Premium funders

If the premium has been funded by a premium funding company which holds a legal right over the Policy by virtue of a notice of assignment and irrevocable power of attorney, a refund will be made to the premium funding company of the proportionate part of the premium applicable to the unexpired Period of Cover.

## How Goods and Services Tax (GST) affects any payments We make

The amount of premium payable by You for this Policy includes an amount on account of the GST on the premium.

When We pay a claim, Your GST status will determine the amount We pay.

When You are:

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

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

You must advise Us of Your correct Australian Business Number and Taxable Percentage.

Any GST liability arising from Your incorrect advice is payable by You.

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

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

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

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

## Our maximum liability

Except as otherwise stated elsewhere in this Policy, the maximum amount We will pay will not exceed the amount stated in the Policy Schedule as the sum insured or the limit of liability for those sections selected.

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

## Inspections

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

## Jurisdiction

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

## Other persons or organisations

If any person or entity shall have any interest in the Business Property, We shall protect that interest in the event of a claim, provided that interest is disclosed in Your Business records and You shall have disclosed the nature and extent of that interest to Us at the time of notification of the claim.

Where the separate interests of more than one party in the Business Property are insured under this Policy, any act or neglect of one party will not prejudice the rights of the remaining party or parties, subject to General Policy exclusion 1.d. Wilful acts, and provided that the remaining party/ies shall, within a reasonable time after becoming aware of any act or neglect whereby the risk of loss, damage or destruction has increased, give notice in writing to Us and shall on demand pay such reasonable additional premium as We may require.

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

All persons entitled to claim under the Policy are bound by the terms and conditions of the Policy.

When a claim is paid under the Policy and is also recoverable under another Policy or policies, You agree to

permit Us to seek contribution from the other insurer or insurers.

## Progress payments

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

## Sale of salvage

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

## Reasonable care

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

1. if You discover Your products may be defective and the defect may cause a claim under the Public and Products Liability cover section, at Your expense You must take reasonable steps to restrict, trace, recall, modify, replace or repair the products
2. maintain and look after other person's or organisation's property and buildings used or occupied by You, in accordance with Your agreement with them
3. if Your occupation includes digging below ground at sites away from Your Business Premises You must obtain the location of underground services from the owners of the services
4. use and store all hazardous materials as required by law.

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

## Reinstatement of sum insured

In the event of damage insured under one or more of the Business Property, Business Interruption, Theft, Money and Glass cover sections of this Policy, the amount by which the sum insured or limit of indemnity is reduced as a consequence of the loss or damage will be automatically reinstated as from the date of loss or damage provided that:

- (a) there is no written request from You or written notice by Us to the contrary;
- (b) the section is an operative section of the Policy; and
- (c) You pay the premium which We require for the reinstatement.

We will not reinstate the sum insured on the Business Property cover or Business Interruption cover sections if We have paid a total loss under either of these sections.

## Single occurrence

We will not pay for loss or damage to property covered by the Policy under more than one section of the Policy in respect of the same item and occurrence unless a relevant sum insured has been paid out in full and You have not been fully covered for the loss or damage.

## Waiver of subrogation rights

We may not be liable to pay any benefits under this Policy for loss, damage or liability if You agree or have agreed to limit or exclude any right of recovery against any third party who would be liable to compensate You with respect to that loss, damage or liability however:

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

## Bankruptcy or insolvency

In the event that You should become bankrupt or insolvent, We shall not be relieved thereby of the payment of any claims hereunder because of such bankruptcy or insolvency.

In case of execution against You of any final judgment covered by this Policy being returned 'unsatisfied' by reason of such bankruptcy or insolvency, then an action may be maintained by the injured party or their representative against Us in the same manner, and to the same extent as You but not in excess of the limit of liability

## Non-imputation

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

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

## Non payment of premium by instalments – right to refuse a claim

Where You pay Your premium by instalments, You must ensure that they are paid on time because if an instalment has remained unpaid for a period of at least 14 days, We may refuse to pay a claim. We will notify You if an instalment has not been paid.

## Designation of Property

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

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

Furthermore, under the Theft cover section, Stock does not include tobacco, products containing tobacco, cigars or cigarettes unless they are specified on the current Policy Schedule.

## Rewards

We will pay You up to \$5,000 or any higher amount shown in the current Policy Schedule for the reasonable cost of any reward paid by You to recover any property belonging to You or for which You are responsible that is lost, destroyed or damaged and which is insured under the Business Property, Theft, Money or Glass cover sections of this Policy.

However:

- (a) the terms of the reward must be agreed by Us before it is offered, and
- (b) no such payment shall be made by You unless the value of the property exceeds the reward.

We shall not unreasonably withhold or refuse consent to the terms of any reward payable under this General Policy condition.

# Section One – Business Property cover section

## Words with special meaning applicable to this section

Some words have special meaning wherever they appear in this section. These words and their meanings are listed below.

“**Buildings**” means Buildings and structural appurtenances at the Situation.

### Buildings includes:

1. verandahs, carports, car parks, sealed driveways and paths, shelters, awnings, gangways, staircases and all outbuildings
2. fixtures and fittings owned by the owner of the building
3. underground and above ground services including aprons, supply mains and meters
4. walls, gates, fences, flagpoles, floodlights and signs
5. permanently fixed water and fuel tanks.

### Buildings does not include:

1. Plant and machinery
2. Stock
3. Contents
4. Property undergoing erection, construction, alteration or addition (including the partial dismantlement of existing structures), where the total contract value of all work to be carried out at any one Business Premises exceeds \$500,000 or 20% of the total sum insured on Buildings and Contents, whichever is the lesser provided that this limit shall apply only to the portion of the Business Premises or Business Property which is the subject of any such work and not to any other portion of the Business Property
5. Land, unsealed driveways and paths, dams, bridges, canals, roadways, tunnels, railway tracks and roadways (not at the Situation), wharves, docks and piers

This definition of ‘Buildings’ is subject to the ‘Designation of property’ General Policy condition.

“**Contents**” means all property at the Business Premises, belonging to You or for which You are responsible for.

### Contents includes:

1. fixtures, fittings and glass owned by Your landlord which You are legally responsible for and leasehold improvements

2. machinery
3. plant permanently fixed to Your Buildings
4. documents of title and any other documents of aesthetic, historic, scientific or social value for past, present or future generations
5. computer systems records, manuscripts, other documents, deeds, specifications, plans, drawings, designs, business books and other records of every description
6. paintings, works of art and curios
7. Stock
8. goods sold but not delivered and goods held by You on consignment or commission
9. property not owned by You but on Your Business Premises for service, repair, alteration or safe keeping
10. property of Your welfare, sports and social clubs.

### Contents does not include:

1. Buildings
2. growing crops, trees or plants other than pot-plants
3. animals, livestock, fish, birds and any other living organism except laboratory cultures, Stocks of foodstuffs, of nursery plants, or Stocks of a pet shop
4. motor Vehicles or trailers, caravans or motorcycles all while registered or licensed to travel on a public road, provided that this exclusion will not apply to:
  - (i) mobile plant and equipment (excluding cars, sedans, panel vans, and trucks) not otherwise insured;
  - (ii) motor Vehicles or trailers, caravans or motorcycles that are Stock in trade of Your Business
5. Money
6. jewellery, furs, bullion, articles containing gold and silver which are not Stock and which exceed \$10,000 any one item
7. Contents undergoing erection, construction, alteration or addition (including the partial dismantlement of existing structures), where the total contract value of all work to be carried out at any one Business Premises exceeds \$500,000 or 20% of the total sum insured on Buildings and Contents, whichever is the lesser, provided that this limit shall apply only to the portion of the Business Premises or Business Property which is the subject of any such work and not to any other portion of the Business Property
8. land, dams, bridges, canals, roadways, tunnels, railway tracks (not at the Situation), wharves, docks and piers



9. locomotive, rolling stock, Watercraft, Aircraft or any accessories, equipment or spare parts whilst contained in or on these items unless they are Stock and are on Your Business Premises at the time of any loss or damage.

The definition of "Contents" is subject to the "Designation of property" General Policy condition.

"Market Value" means the estimated amount for which the Business Property should exchange immediately before the damage, between a willing buyer and a willing seller in an arms-length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.

## Types of cover

The scope of cover provided is explained in the clauses 'Defined events cover' and 'Accidental damage cover'.

## How We will pay Your claim

There are two methods of paying Your claims. They are 'reinstatement or replacement value' and 'indemnity value'.

The claim payment method You are covered for is shown on the current Policy Schedule.

### Method of settlement – reinstatement or replacement value

We will pay the cost of rebuilding, replacing or repairing any damaged part of Your Business Property to the same condition as when they were new or, where appropriate, in accordance with the 'Output replacement' clause set out below.

Business Property may be rebuilt or erected at another location and in a manner suitable to You provided You pay any additional costs to build or erect elsewhere.

If the Business Property is lost or damaged You must commence to rebuild, replace or repair within a reasonable time of the loss or damage, after Our consent has been obtained. If You do not, We will pay no more than the cost that would have been incurred if the work of rebuilding, replacement or reinstatement has been commenced and carried out with reasonable dispatch.

### Extra cost of reinstatement

(Applicable to Buildings, machinery and plant).

Where 'Reinstatement or replacement' basis of settlement is shown in the Policy Schedule, this section extends to include the extra cost of reinstatement (including demolition or dismantling) of damaged property insured necessarily incurred to comply with the requirements of any Act of Parliament or Regulation made under an Act or By law or the Regulation of any Municipal or Statutory Authority, subject to the following

provisions and subject also to the terms, conditions and sums insured of this section.

Provided that:

- (a) the work of reinstatement, must be commenced and carried out within a reasonable period, failing which We will not pay more than the amount which would have been payable under the Policy if the work of reinstatement had been commenced and carried out with reasonable dispatch;
- (b) the work of reinstatement may be carried out wholly or partially upon any other site, if the requirements of the Act, Regulation or By-law necessitate it, subject to Our liability not being increased.
- (c) Our total liability under this clause 'Extra cost of reinstatement' will be limited to:
  - (i) the sub-limit of liability shown in the current Policy Schedule for 'Extra cost of reinstatement' which shall be in addition to the sum insured; or
  - (ii) if no such sub-limit of liability is stated, and the damage is less than fifty percent (50%) of the Replacement Cost of the Buildings or Contents, Our liability shall be limited to the extra cost necessarily incurred in reinstating the damaged Business Property only;
- (d) the amount recoverable shall not include the additional costs incurred with complying with any such Act, Regulation or By-law or requirement with which You have been required to comply prior to the happening of the damage.

The underinsurance condition of the Business Property cover section of the Policy will not be applied to the amount payable under this clause.

### Method of settlement – Indemnity

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

We will also pay, in accordance with the 'Extra Cost of Reinstatement' clause, the additional costs required to comply with the requirements of any statutory authority or by-laws, provided You were not required to comply with any of the by laws prior to the loss or damage occurring.

The Underinsurance/average condition in this section is amended to read:

In the event of loss or damage to property We shall be liable for no greater proportion of the loss or damage than the sum insured at the location bears to eighty

percent (80%) of the current value of the property insured, provided that Our liability shall not exceed the sum insured stated against each item in the Policy Schedule.

### **Output replacement**

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

- (a) Where any Business Property is to be replaced with any item or items which have the same or a lesser total function, capability or output, then the basis of settlement is the new installed cost of such replacement item or items as would give the same total function, capability or output as the Business Property.
- (b) Where any Business Property is to be replaced with an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is no greater than the replacement value of that Business Property, then the basis of settlement is the new installed cost of the item or items so replaced.
- (c) Where any Business Property is to be replaced by an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is greater than the replacement value of the Business Property, then the basis of settlement is the lesser of the reinstatement value or that proportion of the new installed cost of the replacement item or items which the output of the Business Property damaged bears to the output of the replacement item or items. If the reinstatement value of the damaged Business Property is not ascertainable then the basis of settlement is the new installed cost of the replacement item or items.

### **Floor space ratio index (Plot ratio)**

Where Buildings are damaged and the cost of reinstatement is more than 50% of the cost of reinstatement if the Buildings had been totally destroyed and reinstatement of such damage is limited or restricted by:

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

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

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

Provided that Our total liability for reinstatement or replacement value, additional costs of compliance and under this 'Floor Space Ratio Index (Plot Ratio)' clause shall not exceed the sum insured in respect of the Buildings which are the subject of the claim.

### **Branded goods**

In the event of a claim, any salvage of branded goods or merchandise owned by You or held by You in trust or on commission and any goods sold but not delivered shall not be disposed of by sale without Your consent. If such salvage is not disposed of by sale, then the basis of settlement of the claim shall be the Market Value of the goods after brands, labels or names have been removed by You or on Your behalf.

### **What You are covered for**

We will cover You for loss or damage caused by the events listed under 'Defined events cover' and 'Accidental damage cover' to Your Business Property which occurs during the Period of Cover.

The current Policy Schedule shows what You have covered and the method of settlement.

#### **Defined events cover**

We cover You for loss or damage at the Business Premises caused by the following defined events:

1. Bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks, fixed appliances, fixed pipes or other systems used to hold or carry liquid (including the reasonable cost of identifying and locating the cause of damage) but We will not cover the repair or replacement of such apparatus, appliances, tanks, pipes or other systems which give rise to the damage.
2. Earthquake, volcanic eruption, subterranean fire or tsunami.

We will not pay for the first \$20,000 or 1% of the sum insured at the damaged Business Premises (whichever is the lower amount) of each claim caused by earthquake, volcanic eruption, subterranean fire or tsunami.

You only have to pay one Excess if further damage occurs within 72 hours of an occurrence.

3. Fire, lightning or explosion.
4. Impact by:
  - (a) a Vehicle designed primarily for use on land.

- (b) an animal.
  - (c) trees or branches of trees. This cover includes the reasonable costs associated with the removal and disposal of the tree or branches, which caused the damage.
  - (d) communication masts, towers, antennae or satellite dishes.
  - (e) Aircraft or Watercraft.
  - (f) meteorites or debris from an Aircraft, rocket or satellite.
  - (g) a falling building or other structure or part thereof.
5. Malicious damage, including damage by burglars or thieves, other than damage caused by You or anyone who permanently or temporarily lives with You.
  6. Riots, civil commotions, strikes or locked out workers or persons taking part in labour disturbances including resultant acts of any lawfully constituted authority.
  7. Storm, tempest, rainwater, snow, sleet, wind, hail but not:
    - (a) by water from or action of the sea, tidal wave, storm surge, high water or Flood.
    - (b) to gates, fences, retaining walls, shade cloth, exterior textile awnings or blinds which exceeds \$25,000 in respect of any one occurrence for loss or damage.
    - (c) to property in the open air unless such property is a permanent structure designed to function without the protection of walls or roof.
    - (d) erosion, subsidence, landslide, collapse or any other movement of earth.
    - (e) caused by water entering as a result of structural defects, faulty design or faulty workmanship in the Buildings.
    - (f) caused by water entering the Buildings through an opening in the wall or roof made for the purpose of alterations, additions, renovations, or repairs.
  8. Escape of molten material from its intended confines on or about the Business Premises but excluding:
    - (a) the cost of repairing any fault which permitted such escape,
    - (b) the cost of retrieving or removing escaped material from any escape channel or catchment area designed for the purpose,
    - (c) loss of or damage to such escaped material,

- (d) loss or destruction of or damage to furnace linings, crucibles, moulds, other containers or ladles from which molten material escapes.

#### **Accidental damage cover**

We will cover You for accidental loss or damage to Your Business Property at the Business Premises other than the events or items listed in 'What You are not covered for under Accidental damage cover'.

The maximum amount We will pay for Accidental damage cover for any occurrence is the lesser of \$250,000 or the total sum insured for Buildings and Contents unless a higher amount is specified in the current Policy Schedule as the accidental damage sum insured.

#### **What You are not covered for under Accidental damage cover**

We will not pay for claims under 'Accidental damage cover' for:

1. loss or damage caused by any defined events cover in this section
2. loss or damage caused by events or to the items listed under general exclusions
3. loss or damage insurable under any other section or sections of this Policy
4. Business Property to the extent insured under the General Property cover section
5. for damage which occurs as a result of Your failure to repair or prevent bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks or fixed pipes used to hold or carry liquid within a reasonable amount of time of discovering an occurrence
6. unexplained disappearance or unexplained inventory shortage, whether resulting from clerical or accounting errors or shortages in supply or delivery of materials to or by You
7. loss or damage caused by demolition, other than demolition by or ordered by a public authority, if the value of the demolition work exceeds \$500,000 or 20% of the total sum insured on Buildings and Contents, whichever is the lesser
8. pollution or contamination of Business Property unless caused by a defined event
9. theft, except where the Business Premises 'Buildings' insured by the owner under this Policy section are tenanted under a lease agreement by another party, person or entity not named in the Policy, in which case, the insured owner will be entitled to be indemnified against loss by theft of their Business Property (as defined in this section for 'Buildings') at the Business Premises in accord with the terms and

conditions of the 'Theft cover section' of this Policy regardless of whether it is selected in this Policy or otherwise. The maximum We will pay in respect to any loss under this additional protection provided under this Business Property cover section in relation to theft shall be limited to \$20,000 in total any one occurrence.

10. loss or damage following breakage of external glass to signwriting or ornamentation affixed to the glass, except where You are a tenant of a building and not required by lease to insure Glass.

## Additional benefits applicable to this section

The following additional benefits are provided if You have selected the Business Property cover section:

### Capital Additions

We cover additions to Your Buildings, Contents, and specified items obtained or built during the Period of Cover to an amount not exceeding 20% of the total sum insured on Buildings, Contents and specified items or \$500,000 whichever is the lesser, in respect of property insured at any one Situation. This additional benefit is in addition to Your sum insured.

### Catastrophe Escalation Cost

If:

- (a) any of Your Buildings are destroyed or damaged by any event insured against by this cover section, and
- (b) We classify such destruction or damage as a total loss; and
- (c) the event giving rise to the destruction or damage has resulted in any competent authority declaring a state of emergency affecting the area in which Your Building is situated;

We will:

- (d) increase the sum insured applicable to such Buildings under this cover section by up to 20% provided that Your Building is rebuilt, and
- (e) increase the amounts payable under the 'Capital Additions' (relating to Buildings only) and 'Temporary protection and security guards' Additional benefits of this cover section by 20%;

to cover any Increase in building costs for labour and materials and any other additional costs which may apply after the event.

Provided that:

- (i) We shall not pay more than the increased building costs which are actually incurred by You.

- (ii) We will not pay any amount under this Additional benefit until You have incurred costs exceeding the sum insured applicable to such Building under this cover section.

Increase in building costs means the difference between the cost of reinstatement actually incurred in accordance with the Basis of Settlement provisions of this cover section and the cost of reinstatement that would have applied had the event not occurred.

### Directors and Employees personal property

Personal property of directors and employees of Your Business if the person to whom the personal effects belong is not named as an insured.

Cover is limited to \$5,000 for any one employee. This additional benefit provides cover to You. It does not provide any insurance cover to any director or employee.

### Discharge of mortgages

If Business Property has been damaged and the damage is covered by the Business Property cover Section, where the sum insured is not otherwise exhausted, We will pay up to the balance of the sum insured, for the reasonable legal costs to discharge a mortgage or mortgages on Buildings or Contents following settlement of a claim on the basis of a total loss whether actual or constructive.

Where the sum insured is exhausted, in respect of the discharge of a mortgage on Buildings only, We will pay up to an additional ten percent (10%) of the total sum insured on Buildings, for the reasonable legal costs to discharge a mortgage or mortgages following settlement of a claim on the basis of a total loss whether actual or constructive.

### Fire Brigade attendance fees

We will pay up to \$50,000 for any statutory charges payable by You to a fire brigade or firefighting authority for attendance at a fire or chemical emergency involving insured property. This additional benefit is in addition to Your sum insured.

### General Property – Fire cover

Where Your Policy Schedule shows You have selected cover under Section Ten – General Property cover, the cover for fire provided in this cover section under Defined event 3. is extended to include General Property insured under Section Ten whilst away from the Situation.

We will not pay more than:

- a. the sum insured shown in the Policy Schedule for Section Ten – General Property cover, for all General Property;
- b. the sub-limit specified for any item contained in Section Ten – General Property cover.

No cover will be provided where You have taken the optional benefit – Fire under Section Ten.

### **Government fees**

We will pay any fee, contribution or other impost payable to any other Government, Local Government or other Statutory Authority where payment of the fee, contribution or impost is necessary to the obtaining of consent to reinstate any property insured provided that We will not be liable for payment of any fines and/or penalties imposed upon You by any such authorities.

The cost of government fees is included in the sum insured for Business Property.

### **Landscaping**

Loss, damage or destruction by the defined events (other than storm, tempest or rainwater) to growing plants, shrubs, garden plots and lawns (including rock work, retaining walls, ornamentation and edging pertaining thereto) and resultant expenses necessarily incurred in cleaning, clearing and/or repairing drains, gutters, sewers and the like, all contained in or on or forming part of or implicitly pertaining to the Buildings insured, up to but not exceeding \$50,000 or 20% of the sum insured at the Business Premises specified in the Policy Schedule in respect of any one loss. This additional benefit is included in the sum insured of the Buildings covered by this section.

### **Limited transit**

Business Property is covered, up to the lesser of \$50,000 or 20% of the sum insured for Contents including Stock, if it is in transit in or on any Vehicle owned or operated by You anywhere in Australia away from Your Business Premises, including storage during the transit, but only for damage caused by fire or explosion, wind or earthquake or acts of malicious persons.

### **Loss of land value**

Up to \$100,000 for the reduction in land value, which shall be the value certified by the Valuer General or other competent person or authority selected by Us, that results from the requirements of any statutory authority that does not allow rebuilding (or only partial rebuilding) at the Business Premises following loss or damage covered by this section.

Provided that:

- (a) this shall be calculated by subtracting the land value after rebuilding or after We have agreed that rebuilding is not possible, from the land value before the damage, and
- (b) We will not pay more than 20% of the sum insured for Buildings at the Situation where the damage happened.

The underinsurance condition does not apply to this additional benefit, which is in addition to the sum insured.

### **New premises – temporary cover**

We will temporarily extend cover provided by this section to property at any new Situation first occupied by You during the Period of Cover provided that:

- (a) this temporary cover period is limited to the lesser of:
  - (i) 60 days from the date You acquire or commence using the premises, or
  - (ii) the expiry date of the current Period of Cover, or
  - (iii) the date on which the property ceases to belong to You
- (b) the property is used for the business described in the Policy Schedule
- (c) the property is of similar type to that already insured under this cover section
- (d) the new premises comprise Buildings of similar construction, fire and burglary protection as featured in any premises currently described in the Policy Schedule
- (e) You must provide to Us full details of the new premises within 60 days of the commencement of this temporary cover. If We agree to continue the cover You must pay any additional premium that We may require.

The maximum We will pay for this additional benefit is 50% of the highest sum insured shown on the Policy Schedule for each item of property.

### **Playing surfaces**

We will pay, up to the greater of \$50,000 or the amount shown in the current Policy Schedule for playing surfaces, for the cost of repairing damage to outdoor playing surfaces at the Situation, caused by:

- (a) vandals or malicious persons, other than You or Your guests, director's partners, officers, employees or members, or their guests
- (b) fire occurring to insured property at the Situation for which We have admitted liability under this section, or
- (c) the action of the fire fighting services, police or other emergency services in attending to their duties at the Situation.

This additional benefit is in addition to the sum insured.

### **Prevention of imminent damage**

We will pay up to \$50,000 for necessary costs You incur to extinguish a fire on or in the vicinity of Your Business



Premises which causes or threatens property damage or for necessary costs to prevent or diminish imminent damage to Your property by any other insured peril.

We will not pay under this additional benefit for:

1. any fines, penalties or liability incurred by You
2. any loss or damage to Your property.

This additional benefit is in addition to Your sum insured.

### **Professional fees**

If Business Property has been damaged and the damage is covered by the Business Property cover section, We will pay the reasonable professional fees incurred to rebuild or repair Your Buildings and Contents.

The cost of professional fees and legal costs are included in the sum insured of the property lost or damaged.

### **Removal of debris**

If Business Property has been damaged or destroyed and is covered by the Business Property cover section, We will pay the reasonable costs incurred for the demolition, dismantling, necessary temporary repairs, cleaning up and/or removal, storage and disposal of debris from the Business Premises. We will also pay for Your legal liability for the cost of removal of debris from adjoining premises, property, services, roadways and waterways as well as on the site. We will pay You up to \$50,000 or 20% of the total sum insured on Building and Contents shown on the Policy Schedule for the damaged premises whichever is the lesser (in addition to the sum insured) or the higher amount shown in the current Policy Schedule for removal of debris or if this is insufficient and You have not exhausted Your sum insured on the damaged items requiring demolition and/or removal of debris, We will pay up to the remaining balance of the sum insured.

### **Rewriting of Records**

We will pay You, in addition to Your sum insured, up to \$25,000 or any higher amount shown in the current Policy Schedule for Rewriting of Records, for clerical and professional costs incurred by You to re-write Your necessary business records if they are lost, destroyed or damaged, whilst located at Your Business Premises or off site anywhere in the Commonwealth of Australia, by an occurrence. We will not pay You for any financial loss caused by the loss of Your records under this additional benefit

### **Seasonal increase in Stock**

If You have insured Stock as a separate item to Your Contents, the sum insured on Stock is increased by 50% for:

1. (a) eight (8) weeks prior to and including Christmas Day;  
(b) three (3) weeks after and including 26 December;
2. (a) six (6) weeks prior to and including Easter Tuesday;  
(b) one (1) week after but not including Easter Tuesday.
3. (a) six (6) weeks prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter).  
(b) one (1) week after the same festive, religious or ethnic event or celebration.
4. Any other period shown on the current Policy Schedule, in lieu of the covers in 1-3 above.

Provided You can demonstrate that the Stock levels during such period have risen by more than 20% above standard levels and that the increase has happened solely for the purpose of meeting additional customer demand associated with such period.

If Your sum insured for Stock is included in another item on the current Policy Schedule We will only apply the increase to the portion of the sum insured which relates to Stock.

### **Temporary protection and security guards**

If Business Property has been lost or damaged and is covered by the Business Property cover section, We will pay for the cost of temporary protection, including employment of security guards, to safeguard the property insured:

- (a) where the sum insured is not otherwise exhausted, We will pay the reasonable costs and expenses reasonably incurred; and
- (b) when the sum insured becomes exhausted, We will pay an additional amount of up to \$25,000, pending repair or replacement, consequent upon damage for which a claim is payable.

If an occurrence results in a claim being paid under this section and another section of the Policy, the highest single limit under the relevant section applies. The benefit of Temporary protection and security guards shall not be cumulative under this Policy.

### **Temporary removal**

We also cover Your insured Business Property while temporarily removed to any other premises within the Commonwealth of Australia.

Provided that:

- (a) We will not cover motor Vehicles or trailers, Watercraft, caravans or motorcycles unless they are:

- (i) Stock in trade of Your Business; or
  - (ii) forklift trucks or similar appliances that are normally used for hauling or lifting goods at Your Business Premises.
- (b) We will not cover Stock in trade that is on consignment to other parties, unless it is owned by You or is property for which You are responsible.
- (c) The maximum amount We will pay for this additional benefit will be 20% of the sum insured.
- (d) This additional benefit will not apply to any property insured, which has been removed for a period greater than 90 days without Our prior written consent.

### Undamaged foundations

If foundations are not destroyed following an occurrence and any Government or Statutory Authority requires reinstatement of the Business Property to be carried out on another site, the abandoned foundations will be considered as destroyed. If the resale value of the original building site is increased due to the presence of the abandoned foundations, the increase in resale value will be paid to Us at the time of sale.

### Optional benefit

#### Flood

When 'Flood' is shown in the current Policy Schedule, We will cover loss of or damage to Business Property caused by Flood.

### What You are not covered for under this section

1. We will not pay for loss or damage under the Business Property cover section caused by:
  - (a) tenants
    - intentional loss or damage caused by Your tenants other than damage caused by fire or explosion
  - (b) wear and tear
    - (i) birds, insects, mice, rats or other vermin
    - (ii) rust, corrosion, or oxidation
    - (iii) mildew, mould, rotting, disease, contamination, pollutants, or industrial fallout
    - (iv) inherent vice, change of colour, loss of weight, loss of volume, change in flavour, change in texture
    - (v) variation in temperature, variation in humidity, variation in controlled atmosphere

- (vi) wear, tear, fading or gradual deterioration provided that this Exclusion 1(b) shall not apply to subsequent loss or damage to Your Business Property occasioned by a peril (not otherwise excluded) resulting from any event referred to in this exclusion.
- (c) movement of foundations
- (i) vibration, heaving, creeping, shrinking, settling, or expansion of foundations or supports of Business Property
  - (ii) erosion, subsidence or earth movement unless caused suddenly by a defined event
  - (iii) collapse of Business Property unless caused suddenly by a defined event
- (d) faulty work
- (i) error in, omission of or wrong design
  - (ii) faulty materials or faulty workmanship
- provided that this Exclusion 1(d) shall not apply to subsequent loss or damage to Your Business Property occasioned by a peril (not otherwise excluded) resulting from any event referred to in this exclusion.
- (e) cessation of work
- partial or complete cessation of work, process, operation or activity caused by strikes, labour disputes or locked out workers except as a result of physical loss or damage to the Business Property committed by persons taking part in strikes or labour disputes, or by locked out workers
- (f) incorrect siting of Business Property
- (g) heat
- spontaneous combustion, fermentation, heating or any process involving the direct application of heat provided that this exclusion 1(g) shall be limited to the item or items of Your Business Property immediately affected and shall not extend to other Business Property damaged as a result of such spontaneous combustion, fermentation or heating or process involving the direct application of heat.
- (h) Flood
- (i) the sea
    - the action of water from the sea, tidal wave or high water
  - (j) self-explosion of boilers or other pressure vessels.

We do not cover damage to the boiler or pressure vessel where the boiler or pressure vessel:

- (i) is not solely used for domestic purposes, or
- (ii) has a value of more than \$200,000.

However We do cover resultant damage to other Business Property.

2. We will not pay under the Business Property cover section for:
  - (a) legal liability  
any legal liability You incur to pay compensation, damages, fines, or penalties
  - (b) breakdown  
cost to repair or replace Business Property due to:
    - (i) mechanical, hydraulic, electrical or electronic breakdown, malfunction, breakage or failure unless caused by an insured occurrence
    - (ii) Computer Virus
    - (iii) access to Your computer systems and records by any person not on Your Business Premises
3. We will not pay for loss or damage under the Business Property cover section arising from demolition ordered by government or public or local authorities due to failure by You or Your agents to obtain the necessary permits.

## Specific conditions applicable to this section

### Tenants actions

If a tenant of Yours or a tenant of Your landlord (but not You) without Your consent, causes or contributes to any loss or damage covered by this section which is in breach of any terms or conditions, We will cover You for Your loss or damage as per this section, provided

1. You have taken all reasonable actions, as soon as You become aware of conditions causing the breach, to have the tenant comply with the terms
2. You notify Us within a reasonable amount of time of becoming aware of the breach
3. You agree to pay a reasonable increase in premium for the additional risk.

### Underinsurance/average

For each occurrence under the 'Business Property cover section', We will not be liable for more than that proportion of damage which; in respect of Buildings, Contents, Stock and specified items the sum insured

on the total amount for Buildings, Contents, Stock and specified items at the Situation, at the time of the commencement of each Period of Cover bears to eighty percent (80%) of the full insurable value of such Buildings, Contents, Stock and specified items;

Conditions:

1. Our liability is limited to the sum insured at the Situation as shown in the Policy Schedule.
2. This clause will not apply if the amount of any damage does not exceed ten percent (10%) of the sum insured at the Situation.

Example;

Total value \$200,000

80% of value = \$160,000

Sum insured \$144,000

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

We would pay \$90,000.

Any additional costs incurred to comply with the requirements of any statutory authority, by-laws or regulations shall be omitted from the calculation of Our proportion.

### Release

Without prejudicing Your position under this cover section, You may release any railways, other transportation companies, statutory governmental, semi-governmental or municipal authority from any liability if required by any contract to do so.

### Leased building clause

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

### Storage premises

Without prejudicing Your position under this cover section, You may enter into a contract which includes a disclaimer clause in relation to the storage of goods or merchandise.

### Indexation

We may automatically adjust the sum(s) insured each year according to the most appropriate price indices (as determined by Us). The premium You pay will be based on the adjusted sum(s) insured.

# Section Two – Business Interruption cover section

## Words with special meaning applicable to this section

Some words have special meaning wherever they appear in this section. These words and their meanings are listed below.

“**Damage**” means physical loss, destruction or damage (occurring during the Period of Cover) from the operation of a peril or event insured against under the ‘Business Property cover section’, the ‘Theft cover section’, the ‘Money cover section’, the ‘Glass cover section’ or the ‘General Property cover section’ of Your Policy.

“**Indemnity Period**” means the period beginning with the occurrence of the Damage during which the results of Your Business are affected by the Damage and ending at the expiration of the maximum period specified in the current Policy Schedule or, in the case of Weekly Revenue, ending at the earliest of either the expiration of the maximum period specified in the Policy Schedule or when Weekly Revenue during that period equals or exceeds 95% of Standard Weekly Revenue.

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

There are three Parts available in this section:

- Part A – Annual Revenue basis
- Part B – Weekly Revenue basis
- Part C – Insurable Gross Profit basis

Your Policy Schedule indicates which Part has been selected by You.

## Part A – Annual Revenue basis

### Words with special meaning for Part A

Some words have special meaning wherever they appear in this Part. These words and their meanings are listed below.

“**Annual Revenue**” means the Revenue earned during the twelve months immediately before the date of the Damage.\*

“**Revenue**” means the Money paid or payable to You as a:

- Wholesaler or retailer of goods – for goods sold and delivered in the course of Your Business less the cost of any related purchases (after any discounts).
- Motel operator – in respect of facilities, accommodation, food and drink made available and services rendered in connection with Your Business, less the cost of any related purchases (after any discounts) and laundering and cleaning expenses.
- Professional practitioner or consumer services provider – for services rendered and work performed in connection with Your Business.
- Property owner – by tenants (being Rent Receivable).

“**Standard Revenue**” means the Revenue earned within that period during the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period.\*

\* to which such adjustments will be made as may be necessary to provide for the trend of Your Business and for variations in or other circumstances affecting Your Business either before or after the Damage or which would have affected Your Business had the Damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage.

## What You are covered for

In the event of interruption of or interference with Your Business in consequence of Damage to any building or any other property or any part thereof used by You at the Premises for the purpose of Your Business, We will pay You in respect of each item selected by You and shown in the current Policy Schedule, the amount of the loss resulting from such interruption or interference.

Provided that:

- (a) the payment is in accordance with the basis of settlement provision for the item
- (b) We have paid for or admitted liability in respect of such Damage under the relevant section of Your Policy, or another insurer has paid for or admitted liability in respect of such Damage, unless no such payment shall have been made or liability shall not have been admitted for such Damage (by Us or another insurer) solely due to the application of an Excess, and
- (c) Our liability in no case will exceed in respect of each item the sum insured shown in the current Policy Schedule for that item.

The insurance under this section provides protection with regard to loss under:

- Item 1. Revenue
- Item 2. Additional increase in cost of working
- Item 3. Accounts receivable
- Item 4. Claim preparation expenses

### Basis of settlement

#### Item 1. Revenue

This item is limited to the loss of Revenue and increase in the cost of working.

The amount payable as indemnity under Item 1 will be:

(a) in respect of the loss of Revenue:

the amount by which the Revenue earned during the Indemnity Period falls short of the Standard Revenue, in consequence of the Damage, and

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

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Revenue which, but for the additional expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the amount of reduction in Revenue thereby avoided,

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

Provided that if the sum insured for this item is less than eighty percent (80%) of the Annual Revenue, the amount payable will be reduced so that We will be liable for no greater proportion of the loss under this item than that which the sum insured bears to eighty percent (80%) of the Annual Revenue.

This provision will not apply if Your claim is for less than 10% of the sum insured for this item.

- Item 2. Additional increase in cost of working – see ‘Common Clauses to Parts A, B and C’.
- Item 3. Accounts receivable – see ‘Common Clauses to Parts A, B and C’.
- Item 4. Claim preparation expenses – See ‘Common Clauses to Parts A, B and C’.

## Part B – Weekly Revenue basis

### Words with special meaning for Part B

Some words have special meaning wherever they appear in this Part. These words and their meanings are listed below.

“**Weekly Revenue**” means the Money paid or payable to You each week as a:

- Wholesaler or retailer of goods – for goods sold and delivered in the course of Your Business less the cost of any related purchases (after any discounts).
- Motel operator – in respect of facilities, accommodation, food and drink made available and services rendered in connection with Your Business, less the cost of any related purchases (after any discounts) and laundering and cleaning expenses.
- Professional practitioner or consumer services provider – for services rendered and work performed in connection with Your Business.
- Property owner – by tenants (being Rent Receivable).

“**Standard Weekly Revenue**” means the average of the Weekly Revenues in that period during the fifty two (52) weeks immediately before the date of the Damage which corresponds with the Indemnity Period, adjusted as may be necessary for trends, variations in or other circumstances affecting Your Business, so that the adjusted figure will represent as far as possible the weekly results which, but for the Damage, would have been obtained during the relative period after the Damage.

### What You are covered for

In the event of interruption of or interference with Your Business in consequence of Damage to any building or any other property or any part thereof used by You at the Premises for the purpose of Your Business, We will pay You in respect of each item selected by You and shown in the current Policy Schedule, the amount of the loss resulting from such interruption or interference.

Provided that:

- (a) the payment is in accordance with the basis of settlement provision for the item
- (b) We have paid for or admitted liability in respect of such Damage under the relevant section of Your Policy, or another insurer has paid for or admitted liability in respect of such Damage, unless no such payment shall have been made or liability shall not have been admitted for such Damage (by Us or another insurer) solely due to the application of an Excess, and
- (c) Our liability in no case will exceed in respect of each item the sum insured shown in the current Policy Schedule for that item.

We will not pay any claim under this Part where the interference or interruption to Your Business is for a period of less than three days.

The insurance under this Part provides protection with regard to loss under:



- Item 1. Weekly Revenue
- Item 2. Additional increase in cost of working
- Item 3. Accounts receivable
- Item 4. Claim preparation expenses

### Basis of settlement

- Item 1. Weekly Revenue

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

- Item 2. Additional Increase in Cost of Working – See ‘Common Clauses to Parts A, B and C’.
- Item 3. Claim Preparation Expenses – See ‘Common Clauses to Parts A, B and C’.

## Part C – Insurable Gross Profit basis

### Words with special meaning for Part C

Some words have special meaning wherever they appear in this Part. These words and their meanings are listed below.

“**Annual Rent Receivable**” means the Rent Receivable during the twelve months immediately before the date of the Damage.\*

“**Annual Turnover**” means the Turnover during the twelve months immediately before the date of the Damage.\*

“**Gross Profit**” means the amount by which the sum of the Turnover and the amount of the closing Stock and work in progress exceeds the sum of the opening Stock and work in progress and the amount of the Uninsured Working Expenses.

Note: The amount of the opening and closing Stocks will be arrived at in accordance with Your normal accounting methods, due provision being made for depreciation.

“**Rate of Gross Profit**” means the Rate of Gross Profit, expressed as a percentage, earned on the Turnover during the financial year immediately before the date of the Damage.\*

“**Shortage in Turnover**” means the amount by which the Turnover during a period will, in consequence of the Damage, fall short of the part of the Standard Turnover which related to that period.

“**Standard Rent Receivable**” means the Rent Receivable during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period.\*

“**Standard Turnover**” means the Turnover during that period in the twelve months immediately before

the date of the Damage which corresponds with the Indemnity Period.\*

“**Turnover**” means the amount (less discounts allowed) paid or payable to You for goods sold and delivered and for services rendered in the course of Your Business at the Business Premises.

“**Uninsured Working Expenses**” means the working expenses of Your Business which You have elected not to insure under this section, and which are shown in Your Proposal.

\* to which such adjustments will be made as may be necessary to provide for the trend of Your Business and for variations in or other circumstances affecting Your Business either before or after the Damage or which would have affected Your Business had the Damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage.

### What You are covered for

In the event of interruption of or interference with Your Business in consequence of Damage to any building or any other property or any part thereof used by You at the Premises for the purpose of Your Business, We will pay You in respect of each item selected by You and shown in the current Policy Schedule, the amount of the loss resulting from such interruption or interference.

Provided that:

- (a) the payment is in accordance with the basis of settlement provision for the item
- (b) We have paid for or admitted liability in respect of such Damage under the relevant section of Your Policy, or another insurer has paid for or admitted liability in respect of such Damage, unless no such payment shall have been made or liability shall not have been admitted for such Damage (by Us or another insurer) solely due to the application of an Excess, and
- (c) Our liability in no case will exceed in respect of each item the sum insured shown in the current Policy Schedule for that item.

The insurance under this Part provides protection with regard to loss under:

- Item 1. Gross Profit
- Item 2. Additional increase in cost of working
- Item 3. Accounts receivable
- Item 4. Claim preparation expenses
- Item 5. Rent Receivable

## Basis of settlement

### Item 1. Gross Profit

This item is limited to the loss of Gross Profit due to a reduction in Turnover and the increase in Your cost of working.

The amount payable as indemnity under this item will be:

(a) in respect of reduction in Turnover:

the sum produced by applying the Rate of Gross Profit to the Shortage in Turnover during the Indemnity Period, and

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

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for the additional expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of reduction thereby avoided,

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

Provided that if the sum insured for this item at the commencement of each Period of Cover is less than the sum produced by applying the Rate of Gross Profit to eighty percent (80%) of the Annual Turnover (or its proportionately increased multiple where the Indemnity Period exceeds twelve months), the amount payable will be reduced so that We will be liable for no greater proportion of the loss under this item than that which the sum insured bears to eighty percent (80%) of the Annual Turnover (or its proportionately increased multiple, if appropriate).

This provision will not apply if the amount of the claim does not exceed 10% of the sum insured for this item.

**Item 2.** Additional increase in cost of working – See Common Clauses to Parts A, B and C.

**Item 3.** Accounts receivable – See Common Clauses to Parts A, B and C.

**Item 4.** Claim preparation expenses – See Common Clauses to Parts A, B and C.

**Item 5.** Loss of Rent Receivable

This item is limited to loss of Rent Receivable and additional expenditure.

The amount payable will be:

(a) in respect of loss of Rent Receivable:

the amount by which the Rent Receivable during the Indemnity Period falls short

of the Standard Rent Receivable, in consequence of the Damage, and

(b) in respect of additional expenditure:

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Rent Receivable which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the amount of the reduction in Rent Receivable thereby avoided,

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

Provided that if the sum insured for this item is less than eighty percent (80%) of the Annual Rent Receivable (or its proportionately increased multiple where the Indemnity Period exceeds twelve months), the amount payable will be reduced so that We will be liable for no greater proportion of the loss under this item than that which the sum insured bears to eighty percent (80%) of the Annual Rent Receivable (or its proportionately increased multiple, if appropriate).

This provision will not apply if Your claim is for less than 10% of the sum insured for this item.

## Common clauses to Parts A, B and C

The following clauses are applicable to Parts A, B and C.

### Departmental

If Your Business is conducted in departments or business units the independent trading results of which are ascertainable, the provisions of Item 1 will apply separately to each department affected by the Damage. For the purposes of this clause, the Rent Receivable from letting of property at the Business Premises will be regarded as the proceeds of one such department.

### Sum Insured

Our liability to You will in no case exceed in respect of each item the sum insured expressed against that item in the current Policy Schedule. 'Additional benefits' are within the total sum insured of this section and not additional to the total sum insured.

#### **Item 2.** Additional increase in cost of working

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

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

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

- (a) determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the Damage occurs
- (b) calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the year immediately preceding the month in which the Damage occurs, as compared with such average for the same months of the preceding year
- (c) the amount determined under (a), increased or decreased by the percentage calculated under (b) above, will be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said Damage occurs
- (d) the amount determined under (c) above will be increased or decreased in conformity with the normal fluctuation in the amount of accounts receivable during the fiscal month involved, consideration being given to the experience of Your Business since the last day of the last fiscal month for which statements have been rendered less:
  - (i) the amounts of such accounts evidenced by records not suffering Damage or otherwise established or collected by You
  - (ii) an amount to allow for probable bad debts that would normally have been uncollectable by You
  - (iii) all unearned interest and service charges, and
  - (iv) settlement or term discounts normally allowed.

#### **Item 4.** Claim Preparation and Proving Expenses

In addition to the amount payable under General Condition 'Claim preparation expenses' of this Policy We will pay You up to the amount shown in the current Policy Schedule for the costs of such reasonable professional fees as may be payable by You and other such reasonable expenses necessarily incurred by You and not otherwise recoverable, for preparation and negotiation of claims under this section.

#### **Accumulated Stocks**

In adjusting any loss, account will be taken and equitable allowance made, if any reduction in Turnover or loss of Revenue or Weekly Revenue in consequence of the Damage is postponed by reason of the Turnover or Revenue or Weekly Revenue (as the case may be) being temporarily maintained from accumulated Stocks of finished goods.

#### **Alternative trading**

If during the Indemnity Period, goods are sold, work is performed or services are rendered elsewhere than at the Business Premises for the benefit of Your Business either by You or by others acting on Your behalf, the money paid or payable in respect of such sales, work or services will be brought into account in arriving at the Annual Revenue, Weekly Revenue or Turnover (as the case may be) during the Indemnity Period.

#### **New business**

In the event of Damage occurring at the Business Premises before the completion of the first year's trading of Your Business, the defined terms 'Standard Revenue', 'Annual Revenue', 'Standard Weekly Revenue', 'Rate of Gross Profit', 'Standard Turnover' and 'Annual Turnover' shall instead have the following meanings wherever they appear in this section:

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

'**Annual Revenue**' means the actual Revenue achieved during Your first year of operations, from the commencement of Your Business to the date of the Damage, converted to a 12-month equivalent figure.

'**Standard Weekly Revenue**' means the amount calculated by averaging the Weekly Revenues obtained during the period from the date of the commencement of Your Business to the date of the Damage.

'**Rate of Gross Profit**' means the proportion that the Gross Profit bears to the Turnover during the period between the date of commencement of Your Business and the date of the Damage.

'Annual Turnover' means the actual Turnover achieved during Your first year of operations, from the commencement of Your Business to the date of the Damage, converted to a 12-month equivalent figure.

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

The above definitions may be used as necessary to calculate the trend of Your Business and for variations in or other circumstances affecting Your Business either before or after the Damage or which would have affected Your Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the result which but for the Damage would have been obtained during the relative period after the Damage.

## Additional benefits applicable to this section

This section is extended to include the following additional benefits. Additional benefits 1 to 11 inclusive are payable provided that the sum insured expressed against the relevant item(s) in the Policy Schedule is not otherwise exhausted.

We will pay You (depending on the Part of this section which is applicable to You) for:

(a) loss of Revenue

(b) loss of Weekly Revenue, or

(c) loss of Gross Profit,

resulting from interruption of or interference with Your Business as a result of Damage occurring during the Period of Cover to, or as a direct result of:

### 1. Customers and suppliers – unspecified

Unspecified property at the premises of Your suppliers or customers of goods or materials or services (other than those services provided by any Public utilities) or at storage premises neither owned nor operated by You where You store goods or materials, all within the Commonwealth of Australia, provided that Our liability will not exceed 20% or the percentage shown in the Policy Schedule of the sum insured applicable to this section.

### 2. Prevention of access

(a) property, or intervention of any lawful authority resulting from threat of Damage to property within a 50-kilometre radius of the Business Premises, which prevents access to or hinders the use of the Business Premises.

(b) property forming part of or contained in a complex in which Your Business is located, whether the Premises or property of the Insured forming part of or contained in the complex shall be damaged or not.

### 3. Public utilities

any land-based telecommunications system or any electricity, gas or water supply systems within the Commonwealth of Australia, provided that where public supply is not at or immediately adjacent to Your premises the interruption of supply extends for greater than 48 hours.

### 4. Computer facilities

computer installations, including ancillary equipment and data processing media, utilised by You in the Commonwealth of Australia other than at the Business Premises.

### 5. Roads, bridges and railway lines

roads, bridges and/or railway lines within the Commonwealth of Australia over which raw materials and other Stock are conveyed to or from the Business Premises.

### 6. Storage sites/temporary removal

Your Business Property stored or being processed at any premises in the Commonwealth of Australia not occupied by You. Our total liability under this additional benefit will not exceed 20% of the sum insured.

### 7. Transit

Your Business Property while in transit by road, rail, sea or air within the Commonwealth of Australia and outside of the Business Premises occupied by You, up to an amount not exceeding 20% of the sum insured in respect of any one occurrence.

### 8. Explosion of pressure vessels

Damage to pressure vessels including boilers, compressors or economisers by self-explosion or collapse.

### 9. Documents

Damage to documents and electronic data files belonging to or held in trust by You, while in transit or while at the premises not occupied by You but limited to 20% of the sum insured or the amount shown in the Policy Schedule, whichever is the greater.

### 10. Motor Vehicles owned or operated by You

Damage during the Period of Cover to any registered Vehicles or trailers owned or operated by You, while such Vehicles are at the Business Premises or at other premises in Australia but not on a public thoroughfare.

## 11. Infectious disease, etc.

We will also pay You for interruption or interference with Your Business due to closure or evacuation of the whole or part of the Business Premises during the Period of Cover by order of a competent government, public or statutory authority as a result of:

- (a) (i) infectious or contagious disease in humans manifested by any person while at the Business Premises,
- (ii) vermin or pests or defects in the drains or other sanitary arrangements at the Business Premises,
- (iii) the outbreak of a notifiable human infectious or contagious disease occurring within a 20 kilometre radius of the Premises;
- (b) injury, illness or disease caused by the consumption of food or drink supplied at or from Your Business Premises during the Period of Cover
- (c) murder or suicide occurring at the Business Premises, or
- (d) shark or crocodile attack occurring within a 20 kilometre radius of the Business Premises during the Period of Cover.

However, there is no cover under additional benefit 11.a.(i) and (iii) due to Highly Pathogenic Avian Influenza in Humans or any other disease declared to be a quarantinable disease under the Quarantine Act 1908 (including amendments).

The maximum amount We will pay for loss arising from this additional benefit 11. is \$200,000 during any one Period of Cover.

## 12. Salvage sale

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

- (a) Clause (a) of Item 1 'Gross Profit' of this section shall, for the purpose of such claim, read as follows:

In respect of reduction in Turnover: the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period (less the Turnover for the period of the salvage sale) shall, in consequence of the Damage, fall short of the Standard Turnover, from which shall be deducted the Gross Profit actually earned during the period of the salvage sale.
- (b) The definition of Shortage in Turnover shall, for the purpose of such claim, mean: the amount by which the Turnover during a period (less the Turnover for the period of the salvage sale) shall, in consequence of the Damage, fall short of the part of the Standard

Turnover which relates to that period, from which shall be deducted the pay-roll paid out of the proceeds of the salvage sale.

## 13. Turnover output

In the event of Damage giving rise to a claim under this section, at Your option, the term "Output" may be substituted for the term "Gross Income" wherever appearing in this section. Provided that only one such term will operate in connection with any one occurrence involving Damage.

## 14. Government incentives

Gross Profit is extended to include the loss of any Government approved incentives, subsidies or market development allowances You are entitled to in relation to Your Business.

## 15. Contractual fines and penalties

Following a claim under Part C – Insurable Gross Profit, Item 1 Gross Profit, We will also pay:

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

The amount payable shall not exceed 20% of the total sum insured for Gross Profit.

## Specific conditions applicable to this section

### Adjustment of premium

We will reduce Your premium for Part A – Revenue or Part C – Insurable Gross Profit cover at the end of each Period of Cover if the Revenue or Gross Profit (as the case may be) earned during the previous 12 months accounting period is less than the sum insured. The adjustment rate is 50% of the difference between the premium payable for the Revenue or Gross Profit sum insured and for the Revenue or Gross Profit earned.

Any payment made by Us for a claim under Part A – Revenue or Part C – Insurable Gross Profit is to be included in the Revenue or Gross Profit earned for the purpose of this adjustment.



## Books of account

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

# Section Three – Theft cover section

## What You are covered for

We cover You for loss of or damage to the Business Property shown under the Theft cover section on the current Policy Schedule caused by:

1. any person who forcibly and violently enters or attempts to enter the Business Premises
2. any person unlawfully concealed on the Business Premises
3. any person who threatens or commits physical violence to You, Your employees or other persons
4. armed hold-up at the Situation
5. any person who breaks into any locked cabinet and/or counter and/or showcase which is located on the Business Premises.

The loss or damage must occur during the Period of Cover.

## How We will pay Your claim

We will not pay more than the sum insured shown on the current Policy Schedule for the Theft cover section, except to the extent stated under the heading 'Additional benefits in addition to Your sum insured'.

## Method of settlement – reinstatement or replacement value

We will pay Your cost to:

- (a) replace the property if the covered property is not found within a reasonable time after the loss, or
- (b) replace the property if the covered property cannot be economically repaired, or
- (c) repair the property if the covered property can be economically repaired

## Method of settlement – Indemnity

We will pay You the replacement cost of the insured property less an equitable amount for age, wear, tear, depreciation and will make an adjustment for the general condition and remaining useful life of the individual item or components that are damaged:

- (a) if You do not replace the covered property which is lost or destroyed, or
- (b) if the covered property can be repaired for less than the cost to replace but You choose not to replace the property.

## Additional benefits applicable to this section

### Additional benefits included in Your sum insured

Where a sum insured is shown on the Policy Schedule for contents or total contents and where that sum insured has not been otherwise exhausted, cover is extended to include:

#### Theft (limited) without forcible and violent entry

- (a) loss or damage, limited to \$10,000 for any one occurrence, by theft or attempted theft of Business Property other than electronic equipment, Stock or customers' goods,
- (b) loss or damage, limited to \$20,000 (unless a higher amount applicable to this paragraph (b) is shown in the current Policy Schedule against the above heading) for any one occurrence, by theft or attempted theft of Your electronic equipment which is not Stock or customers' goods.
- (c) loss of the buildings at the Business Premises if caused by theft, limited to \$10,000 for any one occurrence,

occurring during the Period of Cover from the Business Premises without forcible and violent entry but excluding theft or attempted theft from any open-sided structure such as, but not limited to verandas or yards or other open spaces even if they are partially or fully enclosed. This additional benefit does not cover loss as a result of unexplained disappearance, unexplained or inventory shortage, clerical or accounting errors or shortage in supply or delivery to or from the Business Premises.

#### Damage to Business Premises

The cost to repair Your Business Premises and fixtures and fittings contained inside. The maximum amount We will pay for this additional benefit is the total of:

- (a) the remaining sum insured for each item covered after payment of a claim, and
- (b) the sub-limit (if any) shown in the current Policy Schedule for this additional benefit.

#### Permanently fixed (non-portable) apparatus

Theft, whether following forcible and violent entry or otherwise, of permanently fixed (non-portable) apparatus or appliances, owned by You or for which You are legally responsible or have assumed a responsibility to insure, attached to the building other than by means of a flexible or tensile cord to a power point but limited to an amount not exceeding:

- (a) \$10,000; or

- (b) the balance of the sum insured on either contents or total contents whichever is the lesser.

### Additional benefits in addition to Your sum insured

#### Seasonal increase of cover

All Theft cover sums insured are increased by 50% for:

- (a) eight (8) weeks prior to and including Christmas Day;
- (b) three (3) weeks after and including 26 December;
- (c) six (6) weeks prior to and including Easter Tuesday;
- (d) one (1) week after but not including Easter Tuesday;
- (e) six (6) weeks prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter) where You can reasonably demonstrate that the Stock levels during that period have risen by more than 20% above standard levels; and that the increase has happened solely for the purpose of meeting additional customer demand associated with the happening of that festive, religious or ethnic event or celebration, and
- (f) one (1) week after the same festive, religious or ethnic event or celebration.

Any other period shown on the current Policy Schedule, in lieu of the covers in (a) to (f) above.

#### Temporary protection and security guards

The cost of necessary temporary protection and repairs and the employment of guards/watchmen to protect insured property following an occurrence covered by this cover section. The maximum amount We will pay for each occurrence is \$10,000. If an occurrence results in a claim being paid under this cover section and another section of the Policy, the highest single limit under the relevant cover section applies. The benefit of Temporary Protection and Security Guards shall not be cumulative under this Policy.

#### Locks, keys and combinations

Following an occurrence covered by this section We will pay the cost of:

- (a) replacing locks, keys or combinations used in Your Business and the cost of opening safes and strongrooms. This additional benefit shall also apply if there are reasonable grounds to suspect that keys or combinations have been stolen or copied without Your authority.
- (b) replacing and developing security film exposed because of theft or attempted theft.

The maximum amount We will pay for each occurrence is \$10,000.

If You are also insured under the Money cover section, the benefit payable for Locks, keys and combinations shall not be cumulative and shall be limited to \$10,000 in the aggregate.

### **Rewriting of Records**

The cost of additional clerical and professional costs, limited to \$25,000 any one occurrence, incurred by You to rewrite Your necessary business records if they are lost, destroyed or damaged whilst located at Your Business Premises or off site anywhere in the Commonwealth of Australia, by an occurrence which You are covered for in the Theft cover section.

### **Directors and employees personal property**

Cover is extended to include personal property of directors and employees of Your Business if the person to whom the personal effects belong is not named as an insured.

Cover is limited to \$5,000 any one person and \$10,000 overall in respect of any one loss. This additional benefit provides cover to You. It does not provide any insurance cover to any director or employee.

### **Temporary removal**

We also cover Your insured Business Property while temporarily removed to any other premises within the Commonwealth of Australia.

Provided that:

- (a) We will not cover tobacco, tobacco products, cigars, cigarettes or alcoholic beverages
- (b) We will not cover Stock in trade that is on consignment to other parties unless it is owned by You or is property for which You are responsible
- (c) the maximum amount We will pay for this additional benefit will be 20% of the sum insured.
- (d) this additional benefit will not apply to any property insured, which has been removed for a period greater than 90 days without Our prior written consent.

### **Death following assault**

If any person is injured while protecting or attempting to protect the property from theft and death results from that injury within twelve (12) months, We will pay \$10,000 to the estate of that person. If You are also insured under the Money cover section, the benefits payable for death following assault shall not be cumulative and shall be limited to \$10,000 in the aggregate.

### **Employee dishonesty**

We will pay You for loss of Business Property by theft or dishonesty by any of Your employees occurring during

the Period of Cover, which is discovered within forty five days of its occurrence. Exclusion 3, of 'What You are not covered for under this section', so far as it relates to loss or damage due to theft or attempted theft committed by an employee, does not apply to this additional benefit. Our liability under this additional benefit is limited to \$5,000 for any one occurrence. If You are also insured under the Money cover section and/or the Employee Dishonesty cover section, the benefits payable for employee dishonesty shall not be cumulative and shall be limited to \$5,000 in the aggregate per occurrence.

### **Tenanted premises**

We will pay the cost of repairing damage to Business Premises in which You are a tenant and for which You are legally liable to pay in accordance with the terms of Your lease, provided such damage occurs as a result of theft or attempted theft of Business Property occurring during the Period of Cover. The limit of Our liability under this additional benefit is \$10,000 for any one occurrence.

### **Additional premises – Provisional cover**

Cover is extended to include all Business Property within the Commonwealth of Australia that becomes Yours after the commencement of the Period of Cover, for 30 days from first being used by You (unless the Period of Cover ends sooner or the property ceases to be Yours, whichever shall first occur), but the cover is limited to:

- (a) the Business described in the Policy Schedule, and
- (b) Business Property described in the Policy Schedule.

Our maximum liability under this additional benefit is limited to twenty percent (20%) of the highest sum insured shown in the Policy Schedule in relation to each item of Business Property.

Full details of such additional property are to be supplied to Us within 30 days of Your commencement of the use of the property. We may require an additional premium before We will insure such property.

### **What You are not covered for under this section**

1. We will not pay under the Theft cover section for loss of or damage to:
  - (a) Money and negotiable instruments in excess of \$250
  - (b) jewellery, furs, bullion, property made of gold or silver or precious stones exceeding \$10,000 any one loss and \$2,000 any one item unless they are Stock
  - (c) motor Vehicles unless they are Stock
  - (d) glass unless it is Stock

- (e) property not contained in a locked building, unless insured under Additional benefits ‘Theft (limited) without forcible and violent entry’ and ‘Permanently fixed (non-portable) apparatus’.
2. We will not pay under the Theft cover section for loss of or damage to property caused by:
    - (a) any person lawfully on Your Business Premises
    - (b) any person who does not steal or intend to steal property.
  3. We will not pay under the Theft cover section for loss of or damage to property caused by or in any way contributed to by dishonest acts by You, Your directors, partners, employees or any members of Your Family, other than by an employee following forcible and violent entry.
  4. Loss from a safe, strongroom or security enclosure opened by a key or by the use of details of a combination, either of which has been left on Your Business Premises while closed for business, is not covered for more than the sum insured on Business Property anywhere on the premises outside Business Hours.
  5. We will not pay under the Theft cover section for unexplained disappearances or unexplained shortages, whether resulting from clerical or accounting errors or shortages in supply or delivery of materials to or by You.

## Section Four – Money cover section

### Words with special meaning applicable to this section

Some words have special meaning wherever they appear in this section. These words and the meanings are listed below:

“**Financial Service Provider**” means a bank, building society or credit union or an agency for any of these.

“**Safe**” means a burglar-resistant container which has been designed to resist fire and attack by hand-held or power-operated tools and has been specifically designed for the storage of Money and valuables. Safe includes automatic teller machines.

“**Strongroom**” means a burglar-resistant structure constructed of masonry and steel which has been designed to resist fire and attack by hand-held or power-operated tools and has been specifically designed for the storage of Money and valuables.

### What You are covered for

We cover You for loss of or damage to Money which occurs during the Period of Cover as a result of the Defined events shown on the current Policy Schedule.

#### Defined events

##### Money in transit

Money in Your personal custody or in the custody of persons authorised by You whilst in transit within Australia but not Money in a private residence or any Vehicle left unattended.

Money in transit includes Money whilst contained in the night Safe, night depository chute, or automatic teller machine of any Financial Services Provider. Our liability ceases at the time Your Financial Services Provider ceases trading on the next business day following deposit therein.

##### Money on Business Premises

Money contained in Your Business Premises:

- (a) during Business Hours
- (b) outside Business Hours
- (c) at any time while contained in a locked Safe or Strongroom.

##### Money in private residence

Money contained in:

- (a) Your home, or

(b) in the home of a person authorised by You when it has been taken home for safe keeping from Your Business Premises or the place of collection until the time Your Financial Service Provider ceases trading on its next full trading day.

## How We will pay Your claim

We will pay You up to the sum insured shown on the current Policy Schedule for each of the Defined events.

In the case of securities (which shall mean certificates of stock, bonds, coupons and all other types of securities), the basis of valuation shall be:

- (a) if the securities can with Our approval be replaced, the cost of replacement paid or payable by You, or
- (b) if the securities cannot or are not to be replaced by You, the greater of
  - (i) the price for which You purchased them, or
  - (ii) the closing market value on the last business day prior to the date of discovery by You of the loss or destruction of the securities, or if the time of discovery by You is after the close of the market, their closing market value on the day of discovery by You of the loss or destruction of the securities,
- (c) in the case of a loss of subscription, conversion or redemption privileges through the loss of any security, the value of such privileges immediately preceding the expiration thereof, such valuation being in the currency in which the loss was sustained. Losses sustained in currencies other than Australian dollars shall be settled by converting the amount of loss to Australian dollars at the market rate at the time of settlement of the loss or such other rates as may have been expressly agreed with Us. If there is no market price or value on the relevant day stated herein, then the value shall be agreed between You and Us, or in default thereof, We and You shall submit to arbitration and be bound by the decision of the umpire.

In the case of travellers' cheques, discount house vouchers or lottery tickets, the basis of valuation shall be the original purchase price incurred by You.

## Additional benefits applicable to this section

The following additional benefits shall apply only following loss of or damage to Money or any attempt thereat, insured by this section.

### Additional benefits included in Your sum insured

#### Counterfeit currency

We will pay for losses sustained by You due to the acceptance in good faith in exchange for merchandise,

Money or services, of counterfeit Australian currency notes up to an amount not exceeding \$500 in any one Period of Cover.

### Additional benefits in addition to Your sum insured

#### Locks, keys and combinations

Following an occurrence covered by this section We will pay the cost of:

- (a) replacing locks, keys or combinations used in Your Business and the cost of opening safes and strongrooms. This additional benefit shall also apply if there are reasonable grounds to suspect that keys or combinations have been stolen or copied without Your authority.
- (b) replacing and developing security film exposed because of theft or attempted theft.

A sub-limit of \$10,000 any one occurrence applies to this additional benefit.

If You are also insured under the Theft cover section, the additional benefit payable for Locks, keys and combinations shall not be cumulative and shall be limited to \$10,000 in the aggregate.

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

If Money is stolen or there is an attempt at stealing Your Money from Your Safe or Strongroom, We will pay You:

- (a) the cost of opening the Safe or Strongroom and to repair or replace any loss or damage to the Safe or Strongroom that was caused by the theft or attempt
- (b) for loss of or damage to Your cash carrying bag that was caused by the theft or attempt.

A sub-limit of \$10,000 any one occurrence applies to this additional benefit.

#### Temporary protection and security guards

We will pay You the costs necessarily and reasonably incurred by You in effecting temporary protection and the employment of guards/watchmen to safeguard the insured property as a result of theft or attempted theft of Money occurring during the Period of Cover and that is insured under this cover section. The maximum amount We will pay for each occurrence is \$10,000. If an occurrence results in a claim being paid under this cover section and another section of the Policy, the highest single limit under the relevant cover section applies. The additional benefit of Temporary protection and security guards shall not be cumulative under this Policy.

#### Seasonal increase of cover

All Money cover sums insured are increased by 50% for:

- (a) eight (8) weeks prior to and including Christmas Day;
- (b) three (3) weeks after and including 26 December;



- (c) six (6) weeks prior to and including Easter Tuesday;
- (d) one (1) week after but not including Easter Tuesday;
- (e) six (6) weeks prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter) where You can reasonably demonstrate that the Stock levels during that period have risen by more than 20% above standard levels and that the increase has happened solely for the purpose of meeting additional customer demand associated with the happening of that festive, religious or ethnic event or celebration, and
- (f) one (1) week after the same festive, religious or ethnic event or celebration.

Any other period shown on the current Policy Schedule, in lieu of the covers in (a) to (f) above.

#### **Bank and public holidays extension**

The sums insured for Money cover are automatically increased by 100% or \$75,000 whichever is the lesser on days that are gazetted bank or public holidays. This increase shall apply up until bank closing time on the next business day after such holiday. This additional benefit does not apply to damage to Safes and Strongrooms and the Seasonal increase of cover additional benefit.

#### **Death following assault**

If any person is injured while protecting or attempting to protect Money from theft or attempted theft and death results from that injury within twelve months, We will pay the estate of that person \$10,000. This amount is in addition to any amount We pay for loss of Money. If You are also insured under the Theft cover section, the benefits payable for death following assault shall not be cumulative and shall be limited to \$10,000 in the aggregate.

#### **Employee dishonesty**

We will pay You for loss of Money by theft or dishonesty by any of Your employees occurring during the Period of Cover, which is discovered within forty-five days of its occurrence. Exclusion 1(c), of 'What You are not covered for under this section', so far as it relates to loss or damage due to theft or attempted theft committed by an employee, does not apply to this additional benefit. Our liability under this additional benefit is limited to \$5,000 for any one occurrence. If You are also insured under the Theft Cover section and/or the Employee Dishonesty section, the benefits payable for employee dishonesty shall not be cumulative and shall be limited to \$5,000 in the aggregate per occurrence.

#### **Traveller's Money**

Cover is extended to include loss of Money belonging to You, occurring while such Money is in Your personal custody, or in the custody of Your employee, up to the

lesser of \$10,000 or the amount specified on the Policy Schedule for Defined event 'Money in transit', while travelling outside of Australia in connection with Your Business.

#### **Additional premises – Provisional cover**

Cover is extended to include Money at, or in transit to or from any new Business Premises occupied by You after the commencement of the Period of Cover, within Australia, for 30 days from first being used by You (unless the Period of Cover or Your occupancy of such premises ends sooner, whichever shall first occur), but the cover is limited to:

- (a) the business described in the Policy Schedule, and
- (b) the Money insured described in the Policy Schedule.

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

Full details of such additional property are to be supplied to Us within 30 days of Your commencement to use the property. If We agree to cover Money at the additional location, We may require payment of an additional premium.

#### **Property of directors and employees**

If clothing or personal effects are lost or damaged during a theft of Money, We will pay in addition to the sum insured the cost of repairing or replacing these items.

Cover is limited to \$5,000 any one person and \$10,000 overall in respect of any one loss. This additional benefit provides cover to You. It does not provide any insurance cover to any director or employee. There is no cover for You or any person named as the insured on Your Policy Schedule.

## **What You are not covered for under this section**

1. We will not pay for loss or damage caused by:
  - (a) clerical or accounting errors
  - (b) errors in receiving or paying out Money
  - (c) dishonest acts of Your directors, partners, employees or any member of Your Family other than theft by an employee following visible forcible and violent entry.
2. We will not pay for loss of or damage to:
  - (a) Money which was not discovered missing within ten working days of the loss or damage occurring
  - (b) Money whilst contained in an unlocked and unattended Vehicle

- (c) Money from a Safe or Strongroom opened by a key or by use of a combination which has been left on the Business Premises outside Business Hours
- (d) Money, except as provided under additional benefit – ‘Traveller’s Money’, whilst it is outside the Commonwealth of Australia.

## Section Five – Employee Dishonesty cover section

### Words with special meaning applicable to this section

Some words have special meaning wherever they appear in this section. These words and their meanings are listed below:

“Claim documents” means:

1. the documentation created in the preparation of, or evidencing, a claim; and
2. all records and documents that may assist Us to investigate:
  - (a) a claim; or
  - (b) a Loss; or
  - (c) Your right of recovery in consequence of a Loss; including electronic records, computer records, video and audio recordings, working papers, internal memoranda, reports, accounting records and audit documents.

“Employee” means:

1. a person:
  - (a) employed by You under a contract of service; or
  - (b) assigned, by any agency whose business it is to furnish personnel, to perform Employee duties for You, in the ordinary course of Your Business, during the Period of Cover, and whom You have the right to direct in the detail of that person’s performance of work;
2. a former Employee during a period of not more than 30 days following the cessation of that person’s service;
3. a Group of Employees, which means:
  - (a) two or more Employees acting in collusion;
  - (b) an Employee acting alone and also acting as a member of a Group of Employees;
  - (c) two or more Groups of Employees having an Employee in common,

but Employee does not include:

1. a person who is not directly paid remuneration by You other than as described in 1(b) above; or

2. a person who is one of Your directors or trustees, except when performing acts within the scope of the usual duties of an Employee; or
3. a person who is a member of any committee that examines or audits or has custody of or access to Your money, negotiable instruments or goods.

“**Limit of Indemnity**” means the Limit of Indemnity of Employee Dishonesty insurance shown in the Policy Schedule for all Losses during the Period of Cover.

“**Limit per Employee**” means the Limit per Employee for Employee Dishonesty insurance, shown in the Policy Schedule, in respect of any Loss or all Losses caused by an act or acts of the one Employee.

“**Loss**” means direct loss:

1. of:
  - (a) Money;
  - (b) negotiable instruments; or
  - (c) goods;
 which belong to You, or are in Your possession and for the loss of which You are liable;
2. occurring in the ordinary course of Your Business;
3. caused directly by an act of fraud or dishonesty:
  - (a) of an Employee; and
  - (b) committed within twelve (12) months before discovery by You of the act of fraud or dishonesty, and
4. discovered by You:
  - (a) during the Period of Cover; or
  - (b) if this section is not renewed or is cancelled, within twelve (12) months after the Period of Cover or the date of cancellation for this section of the Policy;

but in either case no later than twelve (12) months after the cessation of employment of the relevant Employee, and does not include cover for any indirect or consequential loss whatsoever.

## What You are covered for

1. After You have:
  - (a) provided to Us the Claim Documents; and
  - (b) made available to Us for interview all persons nominated by Us who in Our opinion will be helpful to assist Us to investigate Your claim for Loss;

We will indemnify You against Loss.

2. The amount of the indemnity will be determined in accordance with the clauses under the heading How We will pay Your claim.

## How We will pay Your claim

1. Our total liability for all Losses and Claims Preparation Fees during the Period of Cover shall not exceed the Limit of Indemnity shown on the Policy Schedule.
2. Our liability for all Losses relating to acts of fraud or dishonesty committed by one Employee, or any Group of Employees, or any number of Groups of Employees that contain one common Employee, will not exceed the Limit per Employee shown on the Policy Schedule.
3. Our liability will be reduced by the sum of all moneys to which an Employee who caused a Loss would have been entitled, but which are retained by You or which You are entitled to retain.
4. We will be liable only for that part of the Loss that exceeds the Excess shown on the Policy Schedule or on any endorsement to this section.

## Basis of settlement

The basis of settlement will be:

1. for Business Property, We will at Our option:
  - (a) pay to You the amount of the Loss of Business Property; or
  - (b) reinstate or replace that property, but in so doing We will not be bound to reinstate or replace exactly and completely, but only as circumstances permit and in a reasonably sufficient manner;
2. for Money, We will pay You the amount of Your Loss.

## Additional benefits applicable to this section

### 1. Superannuation funds

The meaning of You, Your, includes any superannuation or pension scheme formed by You and exclusively for the benefit of Employees, but does not include any scheme that is administered by a professional funds manager.

### 2. Welfare, social or sporting club

The meaning of You, Your, includes any welfare, social or sporting club formed with Your knowledge and consent exclusively for the benefit of Employees and their families.

### 3. Retroactive cover

The insurance provided under this additional benefit also applies to any loss by fraud or dishonesty committed during the currency of any previous Policy provided that:

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

### What You are not covered for under this section

We will not pay for any Loss:

- (a) arising from an act committed by an Employee after You have knowledge of, or reasonable cause to suspect, the commission by the Employee of an act of fraud or dishonesty, unless if, when You first obtained the knowledge or reasonable cause for suspicion:
  - (i) the Money, negotiable instruments or goods that are the subject of the Loss were in the possession of the Employee; and
  - (ii) You immediately took all the reasonable action to regain possession of the Money, negotiable instruments or goods
- (b) if the only proof of loss is shortage revealed by accounting records or inventory Stock-take.

### Specific conditions applicable to this section

#### 1. Notification of Loss

You must:

- (a) notify Us in writing within 21 days after discovery by You of Loss, or any act of fraud or dishonesty that may give rise to a Loss or after You first have reasonable cause for suspicion thereof; and
- (b) deliver to Us as soon as practicable, but no later than 3 months after the notice in (a), the Claim Documents and full details in writing of the Loss and of Your claim under this section.

#### 2. Observance of System of Audit, Supervision and Checks

You must observe the system of audit, supervision and checks which, in connection with this section, You stated to Us that You observe.

#### 3. Notification of Alteration of Risk

You must as soon as practicable notify Us in writing of any change that will or might increase the risk, including:

- (a) a change in the nature of Your Business;
- (b) Your non-observance of the system of audit, supervision and checks which, in connection with this section, You stated to Us that You observe;

so that We may either cancel the section or agree to the variation of its terms and conditions.

#### 4. Prevention of Further Loss After Discovery

You must, immediately when You discover Loss, take all reasonable steps to regain possession of the Money, negotiable instruments or goods and take all reasonable steps to prevent further Loss occurring.

#### 5. Unidentifiable Employees

Where a Loss is caused by an unidentifiable Employee, cover is subject to You proving that the Loss was caused by fraud or dishonesty of an Employee and any cost incurred in proving this will be at Your expense.

#### 6. Our Rights of Conduct and Recovery

- (a) We will, upon Your notice to Us of a Loss, have the right to recover the Loss and We will have full discretion in the recovery of the Loss;
- (b) You must not in any way prejudice Our right or ability to recover a Loss;
- (c) You must co-operate with Us fully in the recovery of a Loss.

#### 7. Accumulation of sum insured

Any amount payable to You under this section will not accumulate with any other cover that may be available for the same loss under Section Three – Theft cover section and/or Section Four – Money cover section of this Policy.

# Section Six – Machinery cover section

## Words with special meaning applicable to this section

Some words have special meaning wherever they appear in this section. These words and their meanings are listed below:

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

**“Insured Damage”** means sudden and unforeseen physical loss or destruction of or damage to an Insured Item due to any cause not excluded under this section (and such extensions to this section) which You have selected to be insured under this section of Your Policy and which occurs at the Situation during the Period of Cover and which requires immediate repair or replacement to allow continuation of use.

**“Insured Item”** means any item specified in the current Policy Schedule.

**“Limit Any One Loss”** means the maximum amount We will pay for any one claim as specified in the Policy Schedule and applies where blanket cover has been selected.

**“Plant and Machinery”** means electrical and mechanical items including electronic and other integral parts of the Insured Items including Boilers, Pressure Vessels and Pressure Pipe Systems as defined above.

**“Sum Insured”** means the relevant sum stated opposite each Insured Item as specified in the Policy Schedule and applies where ‘specified items’ cover has been selected.

## What You are covered for

If any Insured Item of Plant and Machinery or any part of an Insured Item of Plant and Machinery specified in the Policy Schedule suffers Insured Damage during the Period of Cover, We will indemnify You in respect of such loss or damage as provided in the basis of settlement clause. This insurance applies whilst the Insured Item is within the Situation and working or at rest or being dismantled, moved, reassembled or reinstalled for the purpose of cleaning, adjustment, inspection, repair, overhaul or relocation but only after completion of successful initial commissioning at the Situation.

## Basis of settlement

1. In the event of Insured Damage under this part We will at Our option pay You, up to the Sum Insured or Limit Any One Loss (whichever is selected) less the applicable Excess, the reasonable cost of repair or replacement necessary to return the Insured Item to its former state of operation including:
  - (a) cost of dismantling, re-erection, cleaning up and removal of debris
  - (b) replacement of refrigerant, lubricating or insulating oil lost from an Insured Item as a direct result of Insured Damage
  - (c) charges for overtime and work on public holidays where necessarily and reasonably incurred
  - (d) freight within the Commonwealth of Australia by any recognised scheduled service
  - (e) overseas air freight by any recognised scheduled service and/or overseas labour, and
  - (f) the cost of temporary repairs and/or hire of a temporary replacement item during the time taken to repair damage to any Insured ItemProvided the total of all these extra costs in clauses 1(c), 1(d), 1(e) and 1(f) are limited to 50% of the normal cost of repair payable under this part.
2. All Insured Damage which can be repaired must be repaired, however should the item be uneconomical to repair due solely to the nature of the Insured Damage, settlement will be as follows:
  - (a) The cost of replacement of the Insured Item by an item of similar function, type, capacity and quality in a condition equal to, but not better than, the condition of the Insured Item when new
  - (b) The Sum Insured for the Insured Item.We will pay the lesser of 2(a) and 2(b).
3. We shall not be required to replace the Insured Item exactly, but only as circumstances permit or the cost of replacement of the Insured Item by an item of similar function, type, capacity and quality and in a condition equal to but not better than the condition of the Insured Item when new.
4. The value of any salvage will be subtracted from any amount payable under this part.
5. The amount of each claim otherwise payable shall be reduced by the amount of the Excess shown in the Policy Schedule.
6. Where components or manufacturer’s specifications are no longer available due to obsolescence, the basis



of settlement will be the cost which would have been incurred if the components or specifications had still been available.

7. Notwithstanding any other clause in this part Our liability under this part shall not exceed the Sum Insured in respect of the Insured Item which has suffered Insured Damage.

## Additional benefits applicable to this section

### Additional items

If You hire or purchase and commission at Your Business Premises any items similar to items already insured under this section, We will consider these items to be added to the insurance by this section, giving the same cover as for similar items already insured. Provided that:

1. cover for additional items shall not exceed the total Sum Insured for the items already insured under this part.
2. You give Us written notice within 90 days of the hire or purchase and commissioning of the item(s) and pay the appropriate extra premium on a pro rata basis together with any applicable statutory charges.
3. the items are as far as You are aware, suitable for service, free from material defect and in sound working condition.
4. the items shall not be insured until successfully commissioned and all relevant statutory provisions for inspection and certification have been fulfilled.
5. the limits and Excess as shown on the Policy Schedule shall be the same as for similar items already insured.

### Repair costs

The cost of consulting engineers' fees (excluding fees for preparing a claim) necessarily incurred with Our written consent, in the reinstatement of Plant and Machinery. Provided that where the Sum Insured is exhausted We will pay an additional amount of up to \$5,000 in respect of this Additional benefit.

### Inflation Protection

The Sum Insured on items of Plant and Machinery shall at the time of loss be increased according to the consumer price index by the proportion which the number of days since the commencement of the Period of Cover shall bear to the whole of such period.

### Optional benefit

The following optional benefit does not apply unless stated in the current Policy Schedule.

## Deterioration of Stock in cold storage

### What You are covered for under this optional benefit

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

- (a) Insured Damage to the refrigeration machinery for which a claim has been admitted under this section
- (b) operation of or failure to operate controls or protective devices within the refrigeration machinery; but this does not include loss caused by the manual operation or manual setting of controls or protective devices
- (c) contamination of the stored Stock by the accidental escape of refrigerant into the cold chamber
- (d) sudden leakage of refrigerant from the refrigeration machinery or pipe systems forming part of the refrigeration machinery occurring during the Period of Cover at the Situation, or
- (e) sudden and unforeseen failure of the public power supply.

Loss minimisation:

If deterioration occurs or is likely to occur to such Stock by any of the above causes 1(a), 1(b), 1(c), 1(d) or 1(e), We will pay any reasonable expenses incurred by You to prevent or minimise the loss of Stock.

### Basis of settlement

- (a) We will pay the cost of replacement of the lost or damaged Stock calculated immediately prior to the loss or damage occurring or the contracted price from Your usual customer, whichever is the higher. We will not pay more than the Sum Insured stated in the Policy Schedule for the Stock.
- (b) The amount of each claim otherwise payable shall be reduced by the amount of the Excess shown in the Policy Schedule.

### Seasonal increase of cover

An increase of fifty percent (50%) in the limit of indemnity under this extension shall apply during the following periods:

- (a) eight (8) weeks prior to and including Christmas Day;
- (b) three (3) weeks after and including 26 December;
- (c) six (6) weeks prior to and including Easter Tuesday;
- (d) one (1) week after but not including Easter Tuesday;
- (e) six (6) weeks prior to and including any celebrated event of a festive, religious or ethnic nature (other

than Christmas or Easter) where You can reasonably demonstrate that the Stock levels during that period have risen by more than 20% above standard levels; and that the increase has happened solely for the purpose of meeting additional customer demand associated with the happening of that festive, religious or ethnic event or celebration, and

- (f) one (1) week after the same festive, religious or ethnic event or celebration.

Any other period shown on the current Policy Schedule, in lieu of the covers in (a) to (f) above.

#### **What You are not covered for under this optional benefit**

- (a) any loss or damage due to shrinkage, inherent defects or diseases
- (b) loss or damage caused by improper storage, collapse of the packing material or storage structure
- (c) penalties or delay or detention or consequential loss or damage or liability of any nature whatsoever, and
- (d) loss or damage following loss of public power supply due to:
  - (i) the deliberate act of any public power supply authority unless performed for the sole purpose of safeguarding life or protecting a part of the supply system
  - (ii) the decision by any public power supply authority to restrict or withhold supply excepting a scheme of rationing necessitated by damage to any part of the supply system
  - (iii) shortage of power generation fuel or water.

#### **What You are not covered for under this section**

We will not pay for:

1. Loss or damage caused by or arising from:
  - (a) fire, smoke or soot
  - (b) extinguishing a fire including subsequent demolition or repair work
  - (c) lightning
  - (d) chemical explosion (other than explosion of flue gas in Boilers)
  - (e) impact of land-borne Vehicle, Aircraft or water-borne craft
  - (f) earthquake, subterranean fire or volcanic eruption
  - (g) landslide or subsidence
  - (h) storm, tempest, Flood, windstorm or cyclone

- (i) water escaping, discharged or leaking from any source which is external to the Plant and Machinery insured
- (j) theft or burglary
- (k) intentional or malicious damage, or
- (l) the carrying out of tests involving abnormal stresses, including the intentional overloading of any Insured Item.

#### **2. The cost of:**

- (a) replacement of expendable items such as belts, filters, fuses, electric heating elements, electrical contacts, thermostats, TX valves, cutting blades, crushing surfaces, parts made of glass, porcelain or ceramics, chains, seals, links, dies and moulds, conveyor belting, lubricants, fuel and any transfer media
- (b) replacement of unserviceable component parts worn through normal machine operation
- (c) adjustment, cleaning, purging or recharging of refrigeration or air conditioning equipment
- (d) replacement of refractory or brickwork forming part of an Insured Item.

unless necessary as part of the rectification of Insured Damage not otherwise excluded under this section.

#### **3. The cost of:**

- (a) maintenance work including but not limited to the tightening of loose parts, recalibration or adjustments
- (b) alteration, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or as a separate operation
- (c) modification or alteration of insured plant to enable it to operate with a more ozone-friendly refrigerant gas as required by the UNEP (United Nations Environmental Protection) Montreal Protocol with respect to substances which deplete the ozone layer, unless conversion is necessitated by Insured Damage
- (d) replacement or repair, caused by gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation)
- (e) replacement of lighting equipment, reticulated electrical wiring, reticulated liquid and gas piping and ducting
- (f) repair of scratches chipping or discolouration to painted or polished surfaces, unless resulting from Insured Damage
- (g) repair of slowly developing deformation, distortion or fatigue of any part

- (h) repair of blisters, laminations, flaws or grooving even when accompanied by leakage
  - (i) repairs to valves, fittings, glands, joints, gaskets, pipes, lines and connections which are defective or leaking
  - (j) repairs to shaft keys requiring tightening, fitting or renewal
  - (k) damage caused by the movement of foundations, masonry or brick work, or
  - (l) removal or installation of underground pumps and well casings. Unless specifically noted on the Policy Schedule, this exclusion does not apply to submersible pumps.
4. Consequential loss of any kind or description whatsoever.
  5. Insured Damage to any item being moved, if caused by dual lifting.
  6. Anything to the extent You are entitled to recover the costs of labour or parts under a maintenance agreement, warranty, guarantee or indemnity in Your favour by the manufacturer of the relevant item or any other person.
- minor damage, but in all other cases You must give Us or Our representative an opportunity to inspect the loss or damage before any repairs or alterations are effected. If no inspection is carried out by Us or on Our behalf within a period of time which is reasonable having regard to the location of the risk, weather conditions and/or other relevant factors, You may proceed with such repairs or replacement.
5. Nothing contained in this section or in any other condition of this insurance will relieve You of any obligation to take such steps as are necessary to ensure that the operation of the Insured Items is at all times carried out so as to minimise the risk of any claim being made under this insurance.
  6. Insurance cover will cease for any Insured Item which has sustained damage and is operated unless it has been repaired properly and without delay.
  7. You shall notify Us in writing of any intended alterations of or departure from normal working conditions which You know (or a reasonable person in the circumstances could be expected to know) would materially increase the risk.

## Specific conditions applicable to this section

### 1. Newly installed items

At the end of each Period of Cover You shall furnish Us with details of any items newly installed or which have been deleted during the Period of Cover. Additional or return premiums shall be calculated corresponding to the type and value of the items and the Period of Cover from the time of completion of the successful commissioning of the items. Provided that Our liability for all additional items will not exceed fifty percent (50%) of the total Sum Insured or limit of liability as stated in the Policy Schedule.

### 2. Inspection

You shall permit Us or Our representative at all reasonable times the right to inspect and examine any items insured by this insurance.

### 3. Claims and repair procedure

(See also the General Policy condition headed 'Claims')

In the event of any Insured Damage which might give rise to a claim under this insurance You must preserve the parts affected and make them available for inspection by Us or Our representative.

### 4. Upon notification of any loss or damage being given to Us, You may carry out repairs or make good any

# Section Seven – Electronic cover section

## Words with special meaning applicable to this section

Some words have special meaning wherever they appear in this section. These words and their meanings are listed below:

“**Breakdown**” means a sudden and unforeseen mechanical, electrical or electronic malfunction or failure which becomes apparent at the time it occurs and requires immediate repair or replacement to enable normal operation to continue.

“**Dollar Excess**” means the amount specified in the Policy Schedule that You shall first contribute towards each claim, arising out of the one occurrence.

“**Electronic Data**” means the information stored on the Electronic Data Media.

“**Electronic Data Media**” means the discs or tapes used in the computer to store the information.

“**Electronic Plant**” means all computers, word processors including ancillary equipment attached thereto, Software, other electronic equipment and associated air conditioning equipment as specified in the Policy Schedule as Insured Items.

“**Excess**” means for the purposes of this section, the Excess may be a Dollar Excess or a Time Excess. We will subtract the applicable Excess from the claim otherwise payable and We will then pay to You the amount of loss or damage up to the applicable Sum Insured.

“**Insured Damage**” means sudden and unforeseen physical loss or destruction of or damage to an Insured Item due to any cause not excluded under this section (and such extensions to this section) which You have selected to be insured under this section of Your Policy and which occurs at the Situation during the Period of Cover and which requires immediate repair or replacement to allow continuation of use.

“**Insured Item**” means any item specified in the current Policy Schedule.

“**Indemnity Period**” means the period not exceeding three months from the date increased working costs are first incurred during which the results of Your Business shall be affected in consequence of the Insured Damage.

“**Sum Insured**” means the relevant sum stated opposite each Insured Item as specified in the Policy Schedule.

“**Software**” means the collection of programs which cause a computer to perform a desired operation or series of operations.

“**Time Excess**” means the number of days specified in the Policy Schedule during which You must bear the loss.

## What You are covered for

If any Insured Item of Electronic Plant or any part of an Insured Item of Electronic Plant specified in the Policy Schedule suffers Insured Damage, We will indemnify You, as provided in the basis of settlement clause, in respect of the Insured Damage indicated by the cover option You have selected as stated on the Policy Schedule. Cover under this section applies while the Insured Item is:

- (a) working or at rest, and/or
- (b) being dismantled or moved for the purpose of cleaning, inspection, overhaul, repair or relocation or during such operations themselves or whilst being subsequently re-erected at the Situation
- (c) being moved to or from any service contractor away from the Business Premises but within Australia.

## Cover options

### Part A – Accidental Damage

Where Part A – Accidental Damage is shown as operative in the Policy Schedule, the cover will be: Any accidental loss of or Damage to the Insured Item of Electronic Plant including Breakdown.

### Part B – Breakdown only

Where Part B – Breakdown only is shown as operative in the Policy Schedule, the cover will be: Breakdown of the Insured Item of Electronic Plant.

## Basis of settlement

1. In the event of Insured Damage to an Insured Item of Electronic Plant We will pay the cost of replacement or repairs necessary to return the Insured Item to its former state of operation including:
  - (a) cost of dismantling, re-erection, cleaning up and removal of debris
  - (b) charges for overtime and work on public holidays where necessarily and reasonably incurred
  - (c) freight within the Commonwealth of Australia by any recognised scheduled service
  - (d) overseas air freight by any recognised scheduled service or overseas labour
  - (e) the cost of temporary repairs and/or hire of a temporary replacement item during the time taken to repair damage to any Insured Itemprovided that the costs in clauses 1(b), 1(c) 1(d) and 1(e) are limited to 50% of the normal cost of repair

payable under this section and shall be payable in addition to the Sum Insured.

(f) any customs duties and dues.

2. No deduction will be made for depreciation of parts replaced except for valves, tubes (including picture and x-ray tubes) and light sources. We will deduct a proportion of the replacement cost of these items being the proportion which the period of use up to the time of failure bears to the normal service life expected by the manufacturer or supplier.
3. All Insured Damage which can be repaired, must be repaired, however, should the item be uneconomical to repair due solely to the nature of the Insured Damage, settlement will be the lesser of the Sum Insured for the Insured Item as stated in the Policy Schedule, and
  - (a) for Insured Items less than six years old the cost of replacement of the Insured Item by an item of similar function, type, capacity and quality and in a condition equivalent to but not better than, the condition of the Insured item when new; or
  - (b) for Insured Items six years or older, the installed value of the Insured Item will be depreciated by 10% per annum for each year of service to a maximum of 70%.
4. The value of any salvage will be subtracted from the amount payable under this basis of settlement
5. If more than one Insured Item is lost or damaged in one occurrence, We will apply only the highest of the Excesses applicable to such Insured Items.
6. The amount of each claim otherwise payable shall be reduced by the amount of the Excess for this section shown in the Policy Schedule.

## Additional benefits applicable to this section

### Additional items

If You hire or purchase and commission at Your Business Premises any items similar to items already insured under this section, We will consider these items to be added to the insurance by this section, giving the same cover as for similar items already insured. Provided that:

1. cover for additional items shall not exceed the total Sum Insured for the items already insured under this part.
2. You give Us written notice within 90 days of the hire or purchase and commissioning of the item(s) and pay the appropriate extra premium on a pro rata basis together with any applicable statutory charges.

3. the items are as far as You are aware, suitable for service, free from material defect and in sound working condition.
4. the items shall not be insured until successfully commissioned and all relevant statutory provisions for inspection and certification have been fulfilled.
5. the limits and Excess as shown on the Policy Schedule shall be the same as for similar items already insured.

### Repair costs

The cost of consulting engineers' fees (excluding fees for preparing a claim) necessarily incurred with Our written consent, in the reinstatement of Electronic Plant. Provided that where the Sum Insured is exhausted We will pay an additional amount of up to \$5,000 in respect of this Additional benefit.

### Inflation Protection

The Sum Insured on items of Electronic Plant shall at the time of loss be increased according to the consumer price index by the proportion which the number of days since the commencement of the Period of Cover shall bear to the whole of such period.

## Optional benefits

The following optional benefits do not apply unless stated in the current Policy Schedule.

### Electronic Data and Electronic Data Media

#### What You are covered for

We will indemnify You for Insured Damage to the Electronic Data and Electronic Data Media insured under this extension as specified in the Policy Schedule caused solely as the result of Insured Damage covered under this section to an Insured Item which is specified in the Policy Schedule.

We will extend cover under this optional benefit to include restoration of lost 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 to insure but which is being used by You at the time the loss or damage to that system occurs in circumstances which would give rise to indemnity under this section if it was insured under this section.

#### Basis of settlement

We will pay You for such Insured Damage up to the Sum Insured less the applicable Excess specified in the Policy Schedule including:

- (a) the actual cost of replacement of lost of damaged Software and Electronic Data Media by new unused materials



- (b) any expenses which can be proved to have been incurred by You only for the purpose of restoring the Electronic Data by reproduction of data or information in a condition equivalent to that existing prior to Insured Damage and necessary to allow operation of the Insured Item to continue in the normal manner. Lost Electronic Data may be reproduced in an updated form if the cost of doing so is no greater than that of reinstatement in the original form

and provided:

- (c) We shall only be liable for costs and expenses incurred within a period of twelve (12) months following the Insured Damage within the Period of Cover
- (d) This extension only applies whilst the insured Electronic Data Media is:
  - (i) at the Situation
  - (ii) at a media storage situation, or
  - (iii) temporarily at an alternative situation for processing purposes or in transit between any of these Situations.
- (e) The amount of each claim otherwise payable shall be reduced by the amount of the Excess shown in the Policy Schedule.

#### **What You are not covered for under this optional benefit**

We will not pay for:

- (a) Loss or distortion of Electronic Data contained on the Electronic Data Media while mounted in or on any machine for use or processing unless such loss or distortion occurs:
  - (i) at the Situation due to Insured Damage to an Insured Item which is specified in the Policy Schedule, or
  - (ii) at another situation temporarily for processing purposes due to Insured Damage to the Insured Item which would be indemnifiable if the Insured Item were insured under this section
- (b) Loss or distortion caused by Computer Virus
- (c) Wasting or wearing away or wearing out caused by or naturally resulting from ordinary use or working or gradual deterioration
- (d) Loss or damage caused by atmospheric conditions, moisture or changes in temperature unless directly resulting from damage to air-conditioning equipment which would be indemnifiable if the equipment were insured under this section
- (e) Consequential loss of any kind or description whatsoever

- (f) Work undertaken without Our approval other than for minor temporary or provisional repairs. There is no cover under this extension with respect to any Insured Item which has been operated without being satisfactorily repaired following Insured Damage.

#### **Specific condition applying to this optional benefit**

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

#### **Additional increase in cost of working**

##### **What You are covered for**

- (a) We will indemnify You as set out in basis of settlement below up to the Sum Insured for any additional costs of operating Your Business directly resulting from interruption or interference to Your Business as defined in the Policy Schedule but only if:
  - (i) the interruption or interference is as a result of Insured Damage to Electronic Plant covered under this section, and
  - (ii) the interruption or interference is caused solely as a result of Insured Damage.

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

To the extent that the Sum Insured for this optional benefit is not otherwise exhausted, We will also pay for reasonable professional fees of accountants or auditors and any necessary and reasonable expenses payable by You for preparation and proving a valid claim .

##### **Basis of settlement**

- (a) We will pay You for the additional expenditure incurred over and above the normal expenses which would have been incurred by You for the operation of Your Electronic Plant by the use of substitute equipment to maintain normal business operation during the interruption up to the Sum Insured specified in the Policy Schedule, less the applicable Excess including:
  - (i) the actual hire charges incurred for the rental of substitute equipment, and
  - (ii) the cost of additional personnel and transport expenses incurred with the use of the substitute equipment.

- (b) The Indemnity Period and the Time Excess shall commence upon the commencement of use of substitute Electronic Plant.
- (c) We shall be liable for additional expenditure incurred during the actual period of the interruption but not exceeding the Indemnity Period.
- (d) We will not be liable for loss, damage or costs incurred by You during the Time Excess.
- (e) The amount of each claim otherwise payable shall be reduced by the amount of the Excess shown in the Policy Schedule.

**What You are not covered for under this optional benefit**

We will not pay for:

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

**Specific condition applying to this optional benefit**

For the purpose of this optional benefit only, Exclusion 5 of this section does not apply.

**What You are not covered for under this section**

We will not pay for:

1. Insured Damage to Electronic Data and Electronic Data Media, but subject to any optional benefit selected by You.
2. Insured Damage caused by atmospheric conditions,

moisture or change in temperature unless directly resulting from damage to or malfunction of air conditioning equipment.

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

unless necessary as part of the rectification of Insured Damage not otherwise excluded under this section.
4. The cost of:
  - (a) maintenance work
  - (b) alterations, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or as a separate operation
  - (c) replacement or repair following gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation)
  - (d) repairs of scratches to painted or polished surfaces unless resulting from Insured Damage, or
5. Anything to the extent You are entitled to recover the costs of labour or parts under a maintenance agreement or warranty, guarantee or indemnity in Your favour by the manufacturer of the relevant Insured Item or any other person.
6. Loss or damage caused by Computer Viruses or other disruptive programming techniques.
7. Consequential loss of any kind or description whatsoever.
8. Loss or damage caused by or arising from:
  - (a) spontaneous combustion, fermentation, heating or any process involving the direct application of heat to the Insured Item;

provided that when Your Schedule shows You have chosen to insure Part A – Accidental Damage, then these excluded events shall be limited to the item or items immediately affected and shall not extend to other items damaged as a result of spontaneous combustion, fermentation, heating or any process involving the direct application of heat;

  - (b) Flood
  - (c) the action of the sea, tidal wave or high water
  - (d) deterioration and putrefaction of refrigerated goods;

- (e) action of the sea or tidal wave;
- (f) theft other than theft resulting from forcible and violent entry evidenced by visible Damage to the securely locked portion of any building or the securely locked Vehicle containing the Insured Item;  
  
Where You have chosen to insure Part B – Breakdown only, under this section, We will not pay for Damage caused by theft
- (g) the carrying out of tests involving abnormal stresses, including the intentional overloading of any Insured Item.
- (h) birds, insects, mice, rats or other vermin
- (i) mildew, mould, rotting, disease, contamination, pollutants, or industrial fallout
- (j) inherent vice
- (k) wear, tear, fading or gradual deterioration
- (l) faulty packing or storage
- (m) intentional or malicious damage, or
- (n) the carrying out of tests involving abnormal stresses, including the intentional overloading of any Insured Item.

9. Damage caused to:

- (a) Insured items during the course of and as the result of processing;
- (b) Insured Items in the course of construction, erection, renovation or demolition;
- (c) Insured Items in the open air caused by wind, rainwater or hail;
- (d) Insured Items should they be lost or Damaged during use underground, underwater or in a location from which it cannot be recovered economically.

10. loss or Damage due to faults or defects known to You.

11. Breakdown occurring to Insured Items during any period when they are out of Your possession on hire, rental or lease.

12. Breakdown due to access by persons not authorized by You to Your computer systems and records.

the Period of Cover from the time of completion of the successful commissioning of the items. Provided that Our liability for all additional items will not exceed fifty percent (50%) of the total Sum Insured as stated in the Policy Schedule.

2. Inspection

You shall permit Us or Our representative at all reasonable times the right to inspect and examine any items insured by this insurance.

3. Claims and repair procedure

(See also the General Policy condition headed 'Claims')

In the event of any Insured Damage which might give rise to a claim under this insurance You must preserve the parts affected and make them available for inspection by Us or Our representative.

4. Upon notification of any loss or damage being given to Us, You may carry out repairs or make good any minor damage, but in all other cases You must give Us or Our representative an opportunity to inspect the loss or damage before any repairs or alterations are effected. If no inspection is carried out by Us or on Our behalf within a period of time which is reasonable having regard to the location of the risk, weather conditions and/or other relevant factors, You may proceed with such repairs or replacement.

5. Nothing contained in this section or in any other condition of this insurance will relieve You of any obligation to take such steps as are necessary to ensure that the operation of the Insured Items is at all times carried out so as to minimise the risk of any claim being made under this insurance.

6. Insurance cover will cease for any Insured Item which has sustained damage and is operated unless it has been repaired properly and without delay.

7. You shall notify Us in writing of any intended alterations of or departure from normal working conditions which You know (or a reasonable person in the circumstances could be expected to know) would materially increase the risk.

8. This insurance only applies after completion of successful initial commissioning.

## Specific conditions applicable to this section

1. Newly installed items

At the end of each Period of Cover You shall furnish Us with details of any items newly installed or which have been deleted during the Period of Cover. Additional or return premiums shall be calculated corresponding to the type and value of the items and

# Section Eight – Public and Products Liability cover section

## Words with special meaning applicable to this section

Some words have special meaning wherever they appear in this section. These words and their meanings are listed below:

“**Advertising Injury**” means injury arising out of:

- (a) libel, slander or defamation, or
- (b) any infringement of copyright or passing off of title or slogan; or
- (c) unfair competition, piracy, idea misappropriation contrary to an implied contract; or
- (d) invasion of privacy;

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

“**Compensation**” means monies paid or agreed to be paid by judgment, award or settlement for Personal Injury and/or Property Damage and/or Advertising Injury. Provided that such Compensation is only payable in respect of an Occurrence to which this insurance applies.

“**Employee**” means any person who is employed by You and/or in respect of whom You are required to have cover for workers compensation or similar cover by any workers compensation legislation.

“**Employment Practices**” means any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, harassment or discrimination in respect of Your Employees.

“**Excess**” means the first amount of each claim or series of claims, arising out of any one Occurrence, for which You are responsible. The Excess applicable to this insurance appears in the Policy Schedule. The Excess applies to all amounts for which We will be liable, including the indemnity provided by Defence costs and supplementary payments.

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

“**Geographic Limit**” means:

- (a) anywhere within the Commonwealth of Australia and its external territories;

(b) elsewhere in the world but only with respect to:

- (i) overseas business visits by any of Your directors, partners, officers, executives or Employees, who are normally resident in Australia **but not** where they perform manual work or supervise manual work in North America;
- (ii) Products supplied from the Commonwealth of Australia, but the indemnity granted in relation to such Products shall not apply to claims in respect of Personal Injury and/or Property Damage happening in North America where such Products have been exported to North America with Your knowledge.

“**Incidental Contracts**” means:

- (a) any written rental agreement or lease of real or personal property not requiring an obligation to insure such property or be strictly liable regardless of fault.
- (b) any written contract with any authority or entity responsible for the supply of electricity, fuel, gas, natural gas, air, steam, water, sewerage reticulation control systems, waste disposal facilities, telephone and communication services or other essential services, except those contracts in connection with work done for such authorities or entities.
- (c) any written contract with any railway authority for the loading, unloading and/or transport of Products, including contracts relating to the operation of railway sidings.
- (d) those contracts designated in the Policy Schedule.

“**Internet Operations**” means:

- (a) transfer of computer data or programmes by use of electronic mail systems by You or Your Employees, including for the purpose of this definition only, part-time and temporary staff, contractors and others within Your organisation whether or not such data or programmes contain any malicious or damaging code, including but not limited to Computer Virus, worm, logic bomb, or trojan horse;
- (b) access through Your network to the world wide web or a public internet site by You or Your Employees, including for the purposes of this definition only, part-time and temporary staff, contractors and others within Your organisation;
- (c) access to Your intranet (meaning internal company information and computing resources) which is made available through the world wide web for Your customers or others outside Your organisation; and
- (d) the operation and maintenance of Your web site.

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

“**Named Insured**” means:

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

“**North America**” means:

- (a) the United States of America and the Dominion of Canada,
- (b) any state, territory or protectorate incorporated in, or administered by, the United States of America or the Dominion of Canada; and
- (c) any country or territory subject to the laws of the United States of America or the Dominion of Canada.

“**Occurrence**” means an event, including continuous or repeated exposure to substantially the same general conditions, which results in Personal Injury and/or Property Damage and/or Advertising Injury that is neither expected nor intended (except for the matters set out in item (e) of the definition of ‘Personal Injury’) from Your standpoint.

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

All Advertising Injury arising out of the same injurious material or act (regardless of the frequency or repetition thereof, the number and kind of media used, or the number of claimants) shall be deemed to be one Occurrence.

“**Personal Injury**” means :

- (a) bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and mental injury, including loss of consortium or services resulting therefrom;
- (b) false arrest, false imprisonment, wrongful detention, malicious prosecution or humiliation;
- (c) wrongful entry or wrongful eviction or other invasion of privacy;
- (d) libel, slander or defamation of character, unless arising out of Advertising Injury;
- (e) assault and battery not committed by You or at Your direction, unless committed for the purpose of preventing or eliminating danger to persons or property.

“**Pollutants**” means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste material. ‘Waste material’ includes materials that are intended to be recycled, reconditioned or reclaimed.

“**Products**” means anything manufactured, constructed, erected, assembled, installed, grown, extracted, produced or processed, treated, altered, modified, repaired, serviced, bottled, labelled, handled, sold, supplied, re-supplied or distributed, imported or exported, by You or on Your behalf (including Your predecessors in Your Business), including any packaging or containers thereof, including the design, formula or specification, directions, markings, instructions, advice or warnings given or omitted to be given in connection with such Products and anything which, by law or otherwise, You are deemed to have manufactured in the course of Your Business including discontinued Products provided always that for the purpose of this insurance the term “Products” shall not be deemed to include:

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

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

“**Products Liability**” means Your legal liability for Personal Injury and/or Property Damage caused by or arising out of any Products or the reliance upon a representation or warranty made at any time with respect to such Products; but only where such Personal Injury and/or Property Damage occurs away from premises owned or leased by or rented to You and after physical possession of such Products has been relinquished to others.



**“Property Damage”** means:

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

**“Tool of Trade”** means a Vehicle that has tools, implements, machinery or plant attached to or towed by the Vehicle and is being used by You at Your premises or on any Work Site. Tool of Trade does not include any Vehicle whilst travelling to or from a Work Site or Vehicles that are used to carry goods to or from any premises.

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

**“You, Your, Insured (where used in this section)”** means the person(s), companies or firms named on the current Policy Schedule as the ‘Insured’. Each of the following is an Insured to the extent specified below:

- (a) the Named Insured,
- (b) every past, present or future director, stockholder or shareholder, partner, proprietor, officer, executive or Employee of the Named Insured (including the spouse of any such person while accompanying such person on any commercial trip or function in connection with Your Business) or volunteers while such persons are acting for or on behalf of the Named Insured and/or within the scope of their duties in such capacities.
- (c) any Employee superannuation fund or pension scheme managed by or on behalf of the Named Insured, and the trustees and the directors of the trustee of any such Employee superannuation fund or pension scheme which is not administered by corporate fund managers.
- (d) every principal in respect of the principal’s liability arising out of:
  - (i) the performance by or on behalf of the Named Insured of any contract or agreement for the performance of work for such principal, but only to the extent required by such contract or agreement and in any event only for such coverage and limits of liability as are provided by this Policy.
  - (ii) any Products sold or supplied by the Named Insured, but only in respect of the Named Insured’s own acts or omissions in connection

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

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

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

- (a) the ownership of premises and/or the tenancy thereof by You.
- (b) the provision of any sponsorships, charities, galas, first aid, medical, ambulance or fire fighting service by You or on Your behalf.
- (c) private work undertaken by Your Employees for any of Your directors, partners, proprietors, officers or executives.

- (d) the provision of any canteen, social and/or sporting clubs or welfare and/or child care facilities by You or on Your behalf, which are primarily for the benefit of Your Employees.

## What You are covered for

We agree (subject to the terms, Claims conditions, General Policy conditions, Exclusions, definitions and Limits of liability incorporated herein) to pay to You or on Your behalf all amounts which You shall become legally liable to pay as Compensation in respect of:

1. Personal Injury, and/or
2. Property Damage; and/or
3. Advertising Injury;

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

## Defence costs and supplementary payments

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

1. defend, in Your name and on Your behalf, any claim or suit against You alleging such Personal Injury, Property Damage or Advertising Injury and seeking damages on account thereof even if any of the allegations of such claim or suit is groundless, false or fraudulent.
2. pay all charges, expenses and legal costs incurred by Us and/or by You with Our written consent:
  - (a) in the investigation, defence or settlement of such claim or suit, including loss of salaries or wages because of Your attendance at hearings or trials at Our request, or
  - (b) in bringing or defending appeals in connection with such claim or suit.
3. pay all charges, expenses and legal costs recoverable from or awarded against You in any such claim or suit and all interest accruing on Our portion of any judgment until We have paid, tendered or deposited in court that part of such judgment which does not exceed the limit of Our liability thereon.
4. pay expenses incurred by You for:
  - (a) rendering first aid and/or surgical or medical relief to others at the time of any Personal Injury (other than any medical expenses, which We are prevented from paying by any law).
  - (b) temporary protection of damaged or undamaged property of any person or party, including

temporary repairs, shoring up and/or unpinning thereof.

- (c) purchasing and/or hiring and/or erection and dismantling of hoarding, barriers, fences and any other form of temporary protection, including such protection which You must provide in compliance with the requirements of any Government, Local Government or other Statutory Authority.

5. pay all legal costs incurred by You with Our consent for representation of You at:

- (a) any Coronial inquest or Inquiry
- (b) any proceedings in any court or tribunal in connection with liability insured against by this Policy.

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

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

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

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

## Limits of liability and Excess

Subject to:

- (i) the 'Claims preparation expenses' provision under "Claims",
- (ii) the 'Defence costs and supplementary payments' clause above,
- (iii) item 4 of Additional Benefit 'Property in Your physical and legal control' below,

for General Liability the limit of liability specified in the Policy Schedule represents the maximum amount which We shall be liable to pay in respect of any one claim or series of claims arising out of any one Occurrence.

For Products Liability the limit of liability specified in the Policy Schedule represents the maximum amount which We shall be liable to pay in respect of any one claim or series of claims, and in the aggregate during any one Period of Cover.

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

## What You are not covered for under this section

We do not cover any liability:

### 1. Property owned by You

for Property Damage to property owned by You.

### 2. Vehicles

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

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

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

- (c) Personal Injury where:
  - (i) that compulsory liability insurance or statutory indemnity does not provide indemnity, and
  - (ii) the reason or reasons why that compulsory liability or statutory indemnity does not provide indemnity do not involve a breach by You of legislation relating to Vehicles.
- (d) any Vehicle (including any tool or plant forming part of or attached to or used in connection with such Vehicle) whilst being operated or used by You or on Your behalf as a Tool of Trade at Your premises or on any Work Site
- (e) the delivery or collection of goods to or from any Vehicle
- (f) the loading or unloading of any Vehicle
- (g) any Vehicle temporarily in Your custody or control for the purpose of parking.

### 3. Aircraft, Hovercraft

for Personal Injury and/or Property Damage arising from:

- (a) the ownership, maintenance, operation, or use by You of any Aircraft or Hovercraft,
- (b) any property used for the purpose of an airport or any Aircraft landing strip.

### 4. Aircraft Products

arising out of any Products which You knew or had reasonable cause to believe would be or is intended for incorporation into any critical part, the structure, machinery or controls of any Aircraft.

### 5. Damage to Products

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

### 6. Faulty workmanship

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

### 7. Loss of use

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

- (a) a delay in or lack of performance by You or on Your behalf of any contract or agreement; or
- (b) failure of any Products or work performed by You or on Your behalf to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by You; but this Exclusion 7(b) shall not apply to Your liability for loss of use of other tangible property resulting from sudden and accidental physical loss, destruction of or damage to any Products or work performed by You or on Your behalf after such Products or work have been put to use by any person or organisation other than You.

### 8. Product guarantee

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

### 9. Product recall

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

### 10. Pollutants

- (a) for Personal Injury and/or Property Damage directly or indirectly arising out of the discharge, dispersal, release or escape of Pollutants into or upon land, the atmosphere or any watercourse or body of water.
- (b) for the cost of testing and monitoring for, removing, nullifying, or cleaning up of Pollutants.

Provided that, with respect to any such liability which

may be incurred anywhere other than North America, Exclusions 10(a) and 10(b) shall not apply where such discharge, dispersal, release or escape is caused by a sudden, identifiable, unintended and unexpected event from Your standpoint which takes place in its entirety at a specific time and place.

### 11. Advertising Injury

for Advertising Injury:

- (a) resulting from statements made at Your direction with knowledge that such statements are false.
- (b) resulting from failure of performance of contract but this exclusion shall not apply to claims for unauthorised appropriation of advertising ideas contrary to an implied contract.
- (c) resulting from any incorrect description of Products or services.
- (d) resulting from any mistake in advertised price of Products or services.
- (e) resulting from failure of Your Products or services to conform with advertised performance, quality, fitness or durability.
- (f) incurred by You or Your principal occupation or business is advertising, broadcasting, publishing or telecasting.

### 12. Breach of professional duty

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

- (a) arising out of the rendering of or failure to render professional medical advice by Medical Persons employed by You to provide first aid and other medical services on Your premises;
- (b) arising out of advice which is given by You for no fee;
- (c) arising out of advice given in respect of the use or storage of Your Products.

### 13. Property in Your physical or legal control

- (a) for damage to property owned by, leased or rented to You;
- (b) for damage to property not belonging to You but in Your physical and legal control other than the property described in 'Additional benefit – Property in physical and legal control'.

### 14. Contractual liability

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

- (a) effect insurance over property, either real or personal.
- (b) assume liability for Personal Injury and/or Property Damage and/or Advertising Injury regardless of fault; provided that this exclusion shall not apply with regard to:
  - (i) liabilities which would have been implied by law in the absence of such contract or agreement; or
  - (ii) liabilities assumed under Incidental Contracts; or
  - (iii) terms regarding merchantability, quality, fitness or care of Your Product which are implied by law or statute; or
  - (iv) liabilities assumed under the contracts specifically designated in the Policy Schedule or in any endorsement(s) to this Policy.

### 15. Watercraft

for Personal Injury and/or Property Damage arising from the ownership, maintenance, operation or use by You of any Watercraft exceeding eight (8) metres in length.

Provided that exclusion 15 shall not apply with regard to claims arising out of:

- (a) Watercraft used in operations carried out by any independent contractors for whose conduct You may be held liable.
- (b) Watercraft owned by others and used by You for Your Business entertainment.

### 16. Employers liability

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

Provided that this Policy will respond to the extent that Your liability would not be covered under any such policy, fund, scheme or self insurance arrangement had You complied with its obligations pursuant to such law.

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

For the purpose of exclusions 16(a) and 16(b):

- the term 'worker' means any person deemed to be employed by You pursuant to any Workers Compensation Law. Voluntary workers, secondees and work experience students (if any) shall not be deemed to be Your Employees.
- the term 'bodily injury' means bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and/or mental injury, including loss of consortium or services resulting therefrom.

### 17. Fines, penalties, punitive, exemplary or aggravated damages

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

### 18. Information technology hazards, computer data, program and storage media exclusion

- (a) for Personal Injury and/or Property Damage and/or Advertising Injury arising directly or indirectly out of, or in any way involving Your Internet Operations, or
- (b) for Property Damage to computer data or programs and their storage media arising directly or indirectly out of or caused by, through or in connection with:
  - (i) the provision of computer hardware or software
  - (ii) the provision of computer or telecommunication services by You or on Your behalf
  - (iii) the use of computer hardware or software belonging to any third party, whether authorised or unauthorised including damage caused by any Computer Virus.

But this exclusion does not apply to:

- (c) Personal Injury and/or Property Damage and/or Advertising Injury arising out of any material which is already in print by the manufacturer in support of its Product, including but not limited to Product use and safety instructions or warnings, and which is also reproduced on its site, or
- (d) liability which arises irrespective of the involvement of Your Internet Operations.

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

### 19. Libel and slander

for libel and slander:

- (a) resulting from statements made prior to the commencement of the Period of Cover.
- (b) resulting from statements made at Your direction with knowledge that such statements are false.

- (c) related to advertising, broadcasting, publishing or telecasting activities conducted by You or on Your behalf.

### 20. Liquidated damages

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

### 21. Asbestos

for Personal Injury, Property Damage (including loss of use of property) or Advertising Injury directly or indirectly arising out of, resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity.

### 22. Design, specification and formula

caused by or arising out of Your making or formulating a design or specification within the domain of the architectural, engineering, scientific, chemical, actuarial, statistical, economic, financial or medical profession.

Provided that exclusion 22 shall not apply in respect of any formulation of a design or specification in regard to any Products, for which You have not charged a fee for that formulation of a design or specification.

## Additional benefit applicable to this section

### Property in Your physical and legal control

Exclusion 13 will not apply to the following property:

1. premises or part(s) of premises (including their contents) leased or rented to, or temporarily occupied by, You for the purpose of Your Business, but no cover is provided by this Policy if You have assumed the responsibility to insure such premises.
2. (a) premises (and/or their contents) temporarily occupied by You for the purpose of carrying out work in connection with Your Business, or  
(b) any other property temporarily in Your possession for the purpose of being worked upon;  
  
but no indemnity is granted for damage to that part of any property upon which You are or have been working if the damage arises solely out of such work.
3. any Vehicle (including its contents, spare parts and accessories while they are in or on such Vehicle) not belonging to or used by You, whilst any such Vehicle is in a car park owned or operated by You provided that You do not operate the car park for reward, as a principal part of Your Business.



4. any property (except property that You own) not mentioned in clauses 1, 2, 3 and 5 of this additional benefit whilst in Your physical or legal care, custody or control where You have accepted or assumed legal liability for such property. Provided that Our liability under this clause 4 shall not exceed \$100,000 in respect of any one claim or series of claims arising out of any one Occurrence.
5. the personal property, tools and effects of any of Your directors, partners, proprietors, officers, executives or Employees, or the clothing and personal effects of any of Your visitors.

## Specific conditions applicable to this section

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

You shall give:

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

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

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

### 3. Our rights regarding claims

- (a) We may take over and conduct the defence or settlement of any claim or issue legal proceedings for damages. If We do this We will do it in Your name. We have full discretion in the conduct of any legal

proceedings and in the settlement of any claim. You must co-operate by giving Us any statements, documents or assistance We require. This may include giving evidence in any legal proceedings.

- (b) We may at any time pay to You, in respect of all claims against You arising directly or indirectly from one source or original cause:
  - (i) the amount of the Limit of Liability or such other amount specified in respect thereof (after deduction of any sum(s) already paid by Us, which sum(s) would reduce the amount of Our unfulfilled liability in respect thereof); or
  - (ii) any lesser sum for which the claim(s) can be settled.
- (c) Upon making such payment, We shall relinquish conduct and control of, and be under no further liability under this Policy in connection with, such claim(s) except for defence costs and supplementary payments:
  - (i) recoverable from You in respect of the period prior to the date of such payment (whether or not pursuant to an order made subsequently); or
  - (ii) incurred by Us, or by You with Our written consent, prior to the date of such payment.

### 4. Adjustment of premium

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

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

### 5. Cross liabilities

This insurance extends to indemnify:

- (a) each of the parties comprising the Named Insured, and
  - (b) each of the Insureds hereunder,
- separately in the same manner and to a like extent as though policies had been issued in their separate names. In particular, but without limiting the foregoing, this insurance shall indemnify each of the parties described

in clauses (a) and (b) of 'Cross liabilities' in respect of claims made by any other of such parties.

Provided always that:

- (c) each of such parties shall be separately subject to the terms, claims conditions, General Policy conditions, exclusions and definitions of this Policy in the same manner and to a like extent as though separate policies had been issued, and
- (d) in no case shall the amount payable by Us in respect of any one claim or series of claims arising out of any one Occurrence or in the aggregate, as the case may be, exceed the applicable Limit of Liability as specified in the Policy Schedule.

## 6. Inspection and audit

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

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

## 7. Release

Where You are required by contractual agreement to release any Government or Public or Local Authority or other Statutory Authority from liability for loss, destruction or damage or legal liability insured against under this Policy, such release is allowed without prejudice to this insurance.

Notwithstanding general condition 'Subrogation rights' of this Policy, We agree to waive all Our rights of subrogation against any such Authority in the event of any Occurrence for which a claim for indemnity may be made under this Policy.

# Section Nine – Glass cover section

## Words with special meaning applicable to this section

Some words have special meaning wherever they appear in this section. These words and their meanings are listed below:

**"Breakage"** means:

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

**"External Glass"** means:

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

**"Glass"** means 'Internal Glass', 'External Glass' and 'Specified Glass'

**"Internal Glass"** means:

- (a) glass, or plastic material used as glass in internal partitions, windows and doors, glass in counters, glass forming shelves and/or stock restraints, interior showcases, fixed mirrors and other fixed internal glass including ceramic vitreous china urinals, toilet pans and hand basins; and
- (b) frames of showcases, display cabinets and counters containing the broken Glass.

**"Premises"** means the buildings at the Situation.

**"Sign"** means Glass or plastic that forms part of a Sign.

**"Specified Glass"** means Glass specifically designated in the Policy Schedule under Specified Glass.

## What You are covered for

We cover You under the Glass cover section for Breakage at the Situation of the Glass shown on the current Policy Schedule which occurs during the Period of Cover.

## How We will pay Your claim

We will at Our option either pay the cost to repair or replace broken Glass with Glass of similar or higher quality to comply with the requirements of The Standards Association of Australia, any statute or regulation.

## Additional benefits applicable to this section

If a claim is payable by Us under the Glass cover section We will also pay up to the greater of the limit defined below or the sum insured shown on the current Policy Schedule for the reasonable cost to replace or repair the following additional items:

### (a) External Glass

In the event of Breakage of External Glass, We will indemnify You for each of the following:

- (i) replacing sign writing or ornamentation affixed to the broken Glass.
- (ii) replacing burglar tape or wiring affixed to the broken Glass.
- (iii) replacing shatter resistant or reflective film affixed to the broken Glass.
- (iv) temporary shuttering, boarding up or other protection reasonably necessary for the safeguarding of the Premises or contents therein, pending replacement of the broken Glass.
- (v) replacing damaged window frames and tiled shop fronts, but with due allowance for wear and tear.

Our liability under this additional benefit during any one Period of Cover is limited to \$7,500.

### (b) Destruction of Stock or contents

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

Our liability under this additional benefit during any one Period of Cover is limited to:

- (i) the value at cost, of the Stock or contents destroyed or damaged, less any amount realised from the sale or salvage or;
- (ii) the sum of \$7,500, whichever is the lesser.

### (c) Signs

Glass or plastic which forms part of an illuminated Sign and which is damaged during the Period of Cover. This additional benefit is subject to a sub-limit of liability of \$7,500 or any higher sub-limit stated in the current Policy Schedule for 'Signs'. The admissibility of claims for damage to Signs shall not be contingent upon other damage to Glass.

### (d) Overtime

We will pay the reasonable costs for after-hours service by repairers, express delivery and overtime charges to repair or replace broken Glass.

### (e) Malicious damage

Malicious damage to External Glass. This additional benefit is payable even where there is no Breakage of External Glass.

## What You are not covered for under this section

Under the Glass cover section We will not pay the cost to repair or replace broken Glass:

1. which is Stock
2. which is chipped or in poor condition when the Period of Cover commences
3. which is part of any glasshouse, conservatory, radio, television screen, computer screen, vase, picture, crystal, crockery, china, or Glass item normally carried by hand.

# Section Ten – General Property cover section

## Words with special meaning applicable to this section

Some words have special meaning wherever they appear in this section. These words and their meanings are listed below.

“General Property” means the property listed on the current Policy Schedule under the General Property cover section.

## What You are covered for

We cover You for physical loss of or damage to the General Property up to the sum insured, which occurs during the Period of Cover.

## Cover options

### Part A – Accidental damage

Any sudden or unexpected or unforeseen occurrence not otherwise excluded.

### Part B – Restricted cover

Collision and/or overturning of the conveying vehicle.

## How We will pay Your claim

We will at Our option either

1. pay You the replacement cost of the General Property at the time of loss or damage, or
2. repair the General Property to a condition equal to but not better or more extensive than its condition when new, or
3. replace the General Property with a new item that has the same features that are nearly the same as (but not less than) the item being replaced.

We will not pay more than \$2,000 for any item not specifically listed in the Policy Schedule.

## Optional benefit

When the Optional benefit detailed below is shown to be covered in the Policy Schedule, specific exclusion 2 (a) applicable to this Section is deleted and cover for this Section is extended to include:

### Fire

Fire excluding fire caused by or happening through its own spontaneous combustion or fermentation or heating or to the General Property undergoing any process involving the direct application of heat

provided these exclusions are limited to the items immediately affected.

## What You are not covered for under this section

1. We will not cover loss of or damage to General Property under the General Property cover section which is:
  - (a) covered under any other section of this Policy
  - (b) being constructed, erected, altered, manufactured, cleaned or repaired.
2. We will not cover loss or damage caused by:
  - (a) fire, unless the Optional benefit “Fire” is shown to be insured in the Policy Schedule
  - (b) wear and tear, fading, scratching or marring, rust, corrosion, mildew, mould, contamination or pollution, wet or dry rot, change of colour, flavour, texture or finish, dampness of atmosphere, variations in temperature, evaporation, disease, inherent vice, latent defect, loss of weight, depreciation, gradual deterioration or developing flaws, normal upkeep or making good, smut or smoke from industrial operations (other than sudden or unforeseen damage resulting therefrom)
  - (c) insects or vermin such as rats, mice, rabbits, possums and birds
  - (d) faulty materials
  - (e) faulty workmanship
  - (f) mechanical, electrical or electronic breakdown.

Exclusion 2 applies to the part first and immediately affected and do not extend to subsequent damage to other parts of the property occasioned by a peril which is not otherwise excluded.

3. We will not cover:
  - (a) mobile phones, Money, sporting equipment, curios, works of art, jewellery, furs, bullion, precious metals, precious stones, photographic equipment, computer equipment unless specified on the Policy Schedule
  - (b) General Property not being used by You in accordance with the manufacturer’s instructions
  - (c) any legal liability of whatsoever nature
  - (d) consequential loss of any kind

# Section Eleven – Transit cover section

## Words with special meaning applicable to this section

Some words have special meaning wherever they appear in this section. These words and their meanings are listed below:

“**Conveyance**” means the Vehicle, vessel, Aircraft or train by which the Business Property is being transported.

“**Transit**” means the period during which the Business Property is being transported by road, rail, sea, air, parcel post or courier:

- a. from the time the loading of the Business Property onto the Conveyance at the warehouse or place of storage, commences; and
- b. from the commencement of transportation and ending on delivery:
  - (i) to the consignee’s or other final warehouse or place of storage at the destination; or
  - (ii) to any other warehouse or place of storage whether prior to, or at the destination which You elect to use either:

(a) for storage other than in the ordinary course of transit; or

(b) for allocation or distribution;

whichever shall first occur;

unless, due to circumstances beyond Your control:

- (i) the contract of carriage is terminated at a place other than the destination, or
- (ii) the transit is otherwise terminated before delivery of the goods as provided for in b. (i) or (ii) above, in which case this cover will remain in force for a period of up to seven (7) days at the place of termination, subject to prompt notice being given to Us.

## What You are covered for

We will pay You in accordance with the basis of settlement if Business Property shown in the Policy Schedule under this section, is damaged whilst in Transit anywhere within the Commonwealth of Australia by a defined event occurring during the Period of Cover.

## Defined events

### Part A

Where “Part A – Fire, Collision and Overturning” is shown as insured on the Policy Schedule, the defined event will be:

Damage to Business Property following fire, Flood, lightning, earthquake, riots, strikes, civil commotion, collision and/or overturning of the Conveyance; or

### Part B

Where “Part B – Fire, Collision and Overturning and Theft” is shown as insured on the Policy Schedule, the defined event will be:

Damage to Business Property following fire, Flood, lightning, earthquake, riots, strikes, civil commotion, collision and/or overturning of the Conveyance or theft from a locked Vehicle following forcible and violent entry; or

### Part C

Where “Part C – All Risks not excluded” is shown as insured on the Policy Schedule, the defined event will be:

Loss or damage (not otherwise excluded in this section under “What You are not covered for” or under “General exclusions applicable to all sections of this Policy”), including general average and salvage charges adjusted or determined according to the contract of afreightment and/or governing law or practice.

## Basis of settlement

Subject to the proviso below, the basis of settlement will be:

1. In the case where Business Property has been damaged and cannot be economically repaired, We will pay:
  - a. for goods sold – Your invoice value;
  - b. for goods purchased – the purchase price as shown on the invoice;
  - c. for all other Business Property, the cost necessary to reinstate or replace the damaged property less depreciation taking into consideration its age, condition, and remaining useful life.
2. In the case where Business Property has been damaged and can be economically repaired, We will pay the cost necessary to reinstate or repair the damaged goods to a condition substantially the same as, but not better or more extensive than, their condition at the time of the damage.



For each category of Business Property insured in 1. or 2., We will also pay the cost of freight where that cost has not already been included in the calculated settlement values.

## Proviso

We will pay You up to the Per Conveyance Limit shown in the Policy Schedule for any one event.

## What You are not covered for under this section

We will not pay for any damage arising directly or indirectly out of or in any way connected with:

1. Your wilful misconduct.
2. ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the Business Property.
3. damage caused by insufficiency or unsuitability of packing or preparation of the Business Property (including stowage in a container or lift-van, but only when such stowage is carried out prior to the commencement of cover under this section by You or Your employees).
4. damage or expenses caused by inherent vice or nature of the Business Property.
5. damage or expense due to delay, (including delays caused by a defined event, other than expenses payable for general average and salvage charges), loss of market, depreciation or deterioration.
6. damage or expense arising from insolvency or financial default of the owners, managers, charterers, or operators of the Conveyance
7. loss, damage or expense arising from:
  - a. unseaworthiness of the vessel or craft; or
  - b. unfitness of any other Conveyance, container or liftvan for the safe carriage of Business Property.

We will pay if You are able to prove that You or Your employees did not know of the unseaworthiness or unfitness of the Conveyance, at the time the Transit commenced.

8. capture, seizure, arrest, restraint or detainment (piracy excepted), and the consequences thereof or any attempted threat;
9. the Conveyance being driven by any person whose faculties are impaired by any drug or intoxicating liquor or by any person who is convicted of driving, at the time the damage occurs, under the influence of intoxicating liquor or by any person with a percentage of alcohol in their breath or blood in excess of the percentage permitted by law. However,

We will pay if You are able to prove that You did not know that the driver of the Conveyance was so affected.

10. theft unless there has been visible proof of forcible and violent entry
11. any unexplained shortage or disappearance
12. any loss from an unattended motor Vehicle
  - a. left overnight unless within securely locked premises;
  - b. otherwise unless securely locked.
13. damage to Money, jewellery, watches, furs, antiques, paintings, works of art, precious metals, precious stones or articles composed of any of them, explosives, petroleum products in bulk or gas in bulk, livestock, cigarettes, tobacco, wines, spirits or other alcoholic beverages, unless specifically covered in the Policy Schedule.
14. goods carried by You for payment or reward.

## Specific conditions applicable to this section

In the event of damage to Business Property under this section You and Your agents must:

1. claim immediately on the carrier.
2. give immediate notice to Us or Our agents.
3. not give clean receipts where goods are in doubtful condition, except under written protest.
4.
  - a. take such measures as may be reasonable for the purpose of averting or minimising such loss; and
  - b. ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised.

Further it is a condition that:

5. in the event of damage to Business Property forming part of a pair or set (caused by a defined event), We will not pay any more than the value of the part which is lost or damaged.
6. cover will not be provided for the benefit of the carrier or other bailee.
7. measures taken by You or by Us with the object of saving, protecting or recovering the good insured will not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party;
8. You will act within a reasonable time with regard to all circumstances within Your control;

9. We will not pay Your claim for constructive total loss unless the Business Property is reasonably abandoned;
  - a. due to their actual total loss appearing to be unavoidable; or
  - b. the cost of completing the Transit of the Business Property (including recovery, reconditioning and forwarding) would exceed the value of the Business Property on arrival.

## Section Twelve – Personal Accident and Sickness cover section

### Words with special meaning applicable to this section

Some words have special meaning wherever they appear in this section. These words and their meanings are listed below:

**“Accident”** means any unexpected or unforeseen incident.

**“Average Weekly Income”** a. for a wage earning or salaried Insured Person means the average gross weekly income excluding overtime, bonuses, commission and any other allowances or payments; or b. for a self employed Insured Person means the average gross weekly income derived by personal exertion after the deduction of all expenses necessarily incurred in earning an income; earned during the 12 months immediately preceding any Injury or Sickness for which a claim is made. If the Insured Person has derived an income as defined above for less than 12 months, the Average Weekly Income will be calculated over such shorter period.

**“Benefit Period”** means the number of weeks stated in the Policy Schedule.

**“Business Expenses”** means the expenses You reasonably incur in running Your business including:

- a. employees wages and on-costs (for example, superannuation, premiums for accidents or workers’ compensation, pay roll tax, amounts payable under awards and regulations);
- b. rent, property rates;
- c. electricity, water, gas or telephone charges;
- d. laundry and cleaning expenses;
- e. leasing payment on equipment or Vehicles;
- f. other expenses that are usual for Your type of Business and that would be considered Business expenses for tax purposes.

Business Expenses does not mean:

- a. payment of Your personal accounts;
- b. any withdrawals You make for personal use;
- c. wages or salary fees for:
  - (i) You and Your replacement,

(ii) a replacement for any person who is not Your employee;

d. the cost of stock or merchandise.

**“Capital Sum Insured”** means the sum shown in the Policy Schedule.

**“Compensation”** means the percentage of the Capital Sum Insured shown against the Defined Events or the Weekly Benefit shown in the Policy Schedule.

**“Death”** means cessation of all vital functions.

**“Defined Event”** means those events occasioned by Injury or Sickness and listed under the heading “Defined Events”.

**“Excess Period”** means the period shown in the Policy Schedule commencing from the first date of disablement of the Insured Person and is the period of either Temporary Total Disablement or Temporary Partial Disablement during which We will not pay Compensation.

**“Existing Medical Condition”** means:

- a. any physical defect, condition, Sickness or disease suffered by the Insured Person for which treatment, medication or advice (including investigations) has been received or prescribed by a medical or dental adviser in the 90 days prior to the Policy including the relevant Insured Person on the Policy Schedule; or
- b. any chronic or ongoing (whether chronic or otherwise) medical or dental condition, Sickness or disease medically documented prior to the Policy including the relevant Insured Person on the Policy Schedule.

**“Injury”** means bodily injury caused solely and directly by accidental, violent, external and visible means, including exposure to the elements caused by them which first occurs during the Period of Cover and does not include a Sickness.

**“Insured Person”** means the person or persons shown in the Policy Schedule as the Insured Person.

**“Insured Person’s Occupation”** means the Insured Person’s usual occupation or profession that they perform on Your behalf in relation to Your Business immediately prior to an Injury or Sickness.

**“Limb”** means an arm, a leg, the whole of a hand commencing at the wrist or the whole of a foot commencing at the ankle.

**“Loss”** means loss by physical severance or total and irrecoverable Permanent loss of use.

**“Partial Disablement”** means disablement that prevents the Insured Person from substantially attending to the

Insured Person’s Usual Occupation as certified by a legally qualified medical practitioner.

**“Permanent”** means lasting in excess of 12 calendar months from the commencement of Total Disablement and at the end of that period being considered unlikely to improve and will continue for an indefinite period.

**“Sickness”** means illness and/or disease first manifesting itself during the Period of Cover that results, solely and directly and independently of any other cause, in Total Disablement, but does not mean illness and/or disease contracted and commencing during the first 28 days after the first effective date of this Policy section or an Injury.

**“Sum Insured”** means the maximum amount of Compensation that We will pay being either the Capital Sum Insured and/or the Weekly Benefit as the case may be, arising out of any one Injury by Accident or Sickness in respect of a Defined Event.

**“Temporary”** means not Permanent.

**“Total Disablement”** means disablement that entirely prevents the Insured Person from carrying out all the normal duties of the Insured Person’s Usual Occupation, as certified by a legally qualified medical practitioner.

**“Weekly Benefit”** means the weekly amount shown in the Policy Schedule.

## What You are covered for

We will pay You Compensation in accordance with the basis of settlement on the happening of a Defined Event to an Insured Person.

## Defined Events

### [A] Injury by Accident causing:

The Events	The Compensation %
1. Death	100.0%
2. Permanent Total Disablement	100.0%
3. Permanent and incurable paralysis of all Limbs	100.0%
4. Permanent total loss of sight of both eyes	100.0%
5. Permanent total loss of sight of one eye	100.0%
6. Permanent total loss of use of two Limbs	100.0%
7. Permanent total loss of use of one Limb	100.0%
8. Permanent and incurable major brain damage	100.0%
9. Permanent total loss of hearing in	
a. both ears	100.0%
b. one ear	25.0%
10. Permanent total loss of the lens of one or both eyes	60.0%
11. Permanent total loss of use of four fingers and thumb of either hand	75.0%
12. Permanent total loss of use of four fingers of either hand	50.0%
13. Permanent total loss of use of one thumb of either hand	
a. both joints	35.0%
b. one joint	20.0%
14. Permanent total loss of use of any finger of either hand	
a. three joints	12.5%
b. two joints	10.0%
c. one joint	7.5%
15. Permanent total loss of use of toes of either foot	
a. all – one foot	15.0%
b. great – both joints	7.5%
c. great – one joint	5.0%
d. other than great, each toe	2.5%
16. Permanent total loss of speech	75.0%
17. Fractured leg or patella with established non-union	10.0%
18. Shortening of leg by at least 5 cm	7.5%
19. Permanent disfigurement from burns	
a. to more than 50% of the surface area of the head and neck	30.0%
b. to more than 50% of the surface area of the remainder of the body	20.0%
20. Permanent and total loss of the use of some part of the Insured Person's body not described in Events 2-19	An amount We think is appropriate for the Injury, taking account of the benefits We pay in Events 2-19 but no more than 100%
21. Temporary Total Disablement	The Weekly Benefit shown in the Schedule or Average Weekly Income, whichever is the lesser.
22. Temporary Partial Disablement	25% of the compensation shown under Event 21

### [B] Where cover for Sickness is stated in the Policy Schedule:

The Event	The Compensation
23. Temporary Total Disablement by Sickness	The Weekly Benefit shown in the Schedule or Average Weekly Income, whichever is the lesser.

## Basis of settlement

We will pay Compensation under this cover section for the happening of a Defined Event to an Insured Person as follows:

1. For Defined Events 1. to 20., the Compensation percentage of the Capital Sum Insured shown against the Defined Events, provided that:
  - a. the aggregate total of all payments under Defined Events 1. to 20. inclusive will not exceed 100% of the Capital Sum Insured stated in the Policy Schedule in any one Period of Cover;
  - b. any Compensation paid or payable for Defined Events 1. to 20. will be reduced by any sum already paid for Defined Event 21. and/or 22. in respect of the same Injury;
  - c. if there is no Capital Sum Insured under this section, no amount will be payable for these Defined Events.
2. For Defined Events 21. and 23., We will pay the Weekly Benefit shown in the Policy Schedule and for Defined Event 22., We will pay the percentage of the Weekly Benefit shown in the Policy Schedule, provided that:
  - a. We will not pay for more than one of these Defined Events at the same time;
  - b. We will not make payment for longer in aggregate than the number of weeks of the Benefit Period shown in the Policy Schedule for any one Injury by Accident or Sickness giving rise to a claim;
  - c. the Compensation payable to You under Defined Events 21. or 23. will be limited to the Weekly Benefit or the Insured Person's Average Weekly Income, whichever is the lesser. If the Insured Person is entitled to receive benefits under any Workers' Compensation or similar Legislation or other policy of insurance, then the Compensation payable for Defined Events 21., 22. or 23. will be reduced by the amount necessary to limit the total of all such payments and/or Compensation to the amount of the Insured Person's Average Weekly Income or Weekly Benefit shown in the Policy Schedule, whichever is the lesser;
  - d. We will not pay for any Sickness that does not continue for a minimum of 7 days.
3. After the occurrence of any one of Defined Events 2. to 8. and 9.a. there will be no further liability under this cover section in respect of the Insured Person for Injury by Accident sustained after that time.
4. If, as a result of Injury by Accident or Sickness, Compensation is payable under this cover section and the Insured Person suffers a recurrence of Total Disablement or Partial Disablement while this cover section is in force and as a result of the same or a related cause or causes, any subsequent period of Total Disablement or Partial Disablement will be deemed to be a continuation of the prior period unless between such periods the Insured Person has performed his or her normal duties of the Insured Person's Usual Occupation on a full-time basis for at least 6 consecutive months, in which event, any such subsequent period of Total Disablement or Partial Disablement will be deemed to be the result of a new Injury and subject to a new Excess Period.
5. No Compensation is payable under this cover section unless the Defined Event referred to occurs within 12 calendar months of the date of the Injury.

## Excess Period

We will not pay Compensation for the Excess Period shown in the Policy Schedule for this cover section.

## Additional benefits applicable to this section

### 1. Exposure

If because of an Injury covered under this cover section the Insured Person is exposed to the elements and as a result of such exposure suffers from a Defined Event for which Compensation is payable, Compensation will be payable for that Defined Event under the terms of this cover section.

### 2. Disappearance

If an Insured Person is travelling in a conveyance that disappears, sinks or is wrecked and the body of the Insured Person has not been found within one year of that date, it will be presumed that the Insured Person suffered Injury by Accident causing Death at the time of such disappearance, sinking or wrecking, provided that the circumstances do not fall within any exclusion contained in this cover section.

However, if the Insured Person is later found alive, You must repay any Compensation We paid to You.

### 3. Funeral expenses

If We agree to pay Compensation for Defined Event [A] 1.– Death, We will also pay to the estate of the Insured Person the costs reasonably and necessarily incurred for funeral or cremation expenses, including the costs of returning the remains of the Insured Person to their normal place of residence, to an amount not exceeding \$5,000 in total.



#### 4. Hijack

We will pay Compensation in respect of the happening of a Defined Event to the Insured Person that occurs as a direct result of the unlawful seizure or wrongful exercise of control of a conveyance.

#### 5. Rehabilitation

If the Insured Person suffers Total Disablement for a period in excess of 26 consecutive weeks as a result of Injury by Accident We will pay from the 27th week of such Total Disablement a rehabilitation benefit equal to 50% of the Compensation specified in respect of Defined Event 21. but only:

- a. if the Insured Person actively and fully participates in a rehabilitation program that is recognised and sponsored by any Federal or State Government or, if the program is not so recognised and sponsored, one that is first approved by Us in writing;
- b. if there is continuing entitlement to receive Compensation under Defined Event 21.;
- c. for the remainder of the period of Total Disablement or 52 Weeks, which ever is the lesser; and
- d. if the Insured Person is not entitled to recover the costs of such rehabilitation by virtue of any government allowance, benefit or assistance, or any other form of insurance or workers' compensation.

Any such payment will be made to the approved rehabilitation centre.

#### 6. Indexation of compensation

Where a Weekly Benefit is specified in the Policy Schedule in respect of Defined Events 21., 22. and 23., this Weekly Benefit will be increased during each period of such Temporary Partial Disablement or Temporary Total Disablement as the case may be at 3 monthly intervals from the date of the first payment, provided that the period of disablement is uninterrupted and has continued for a period in excess of 3 calendar months.

The increase will be the lesser of:

- a. 2%; or
- b. the percentage increase, if any, by which the index figure of the Australian Consumer Price Index last published by the Australian Bureau of Statistics exceeds the index figure published in the previous quarter.

If the Consumer Price Index movement is negative, there will be no increase to the Weekly Benefit.

#### Optional benefits

The following optional benefits do not apply unless stated in the current Policy Schedule:

#### 1. Guaranteed Renewable

For the Guaranteed Period stated in the Policy Schedule We guarantee:

- a. We will offer You the option to renew this cover section in accordance with the cover provided in the cover section and up to Sums Insured You selected at the commencement of the Guarantee Period.
- b. We will not increase Your premiums based on the number of claims We pay You, We will only increase Your premiums during the Guarantee Period if:
  - (i) there is an increase in Our premium rate for all people working in the same occupation as the Insured Person, or
  - (ii) the Insured Person's Usual Occupation changes to one for which higher premiums apply, or
  - (iii) there is an increase in Government Stamp Duty on disability policies.
- c. We will not apply any new restrictions because of:
  - (i) the number of claims We pay You, or
  - (ii) any change in the Insured Person's Usual Occupation, unless the new occupation be unacceptable, or
  - (iii) there is a change in the Insured Person's health.

Any restrictions which applied at the start of the Guarantee Period will continue to apply during the whole Guarantee Period.

This optional benefit is not available after the expiry date of the Period of Cover in which the Insured Person reaches the age of 58 years.

#### 2. Business Expenses

If following a Defined Event We have agreed to pay an Insured Person a Weekly Benefit under "21. Temporary Total Disablement" We will also pay You the lesser of the weekly Business Expenses:

- a. that You actually incur each week,
- b. that You incur periodically for that week (for example, if You have to pay a Business Expense every four weeks, then We will pay 1/4 of that amount for each week You are totally disabled. If You have to pay yearly, We will pay 1/52 of that amount each week), or
- c. the amount for Business Expenses shown in the Policy Schedule.

We will pay Your weekly Business Expenses for each week You are totally disabled by the Sickness or Injury – up to a maximum of 52 weeks for all claims You make using this option in each Period of Cover.

We will not pay Business Expenses for any period that is within the Excess Period shown in the Schedule.

### 3. Leisure Time Only

If You have selected cover under this option, We will only provide cover under this cover section if the Defined Event is not related to or arising out of any work the Insured Person undertakes which provides You with income, regardless of the form that income takes.

### 4. Transport Only

If You have selected cover under this option, We will only provide cover under this cover section if the Defined Event is an Injury caused by an Accident which occurred while the Insured Person was:

- a. driving or a passenger in a registered motor vehicle, or
- b. a fare paying passenger in any type of public transport other than air transport, or
- c. a pedestrian and was hit by a motor vehicle.

### 5. Voluntary Workers

This cover section is extended to include cover for Voluntary Workers. They are regarded as Insured Persons for the purposes of this section subject also to the specific conditions and exclusions applicable to this optional benefit.

#### Words with special meaning applicable to this optional benefit

“Voluntary Worker(s)” means a person:

- a. aged between 16 years of age and 65 years of age,
- b. who is actually engaged in (including necessary travel to, from or during) voluntary work organized by You and under Your direct control.

#### Specific conditions applicable to this optional benefit

1. The amount payable under this optional benefit will be reduced by any amount of benefit, reimbursement or common law settlement that the Voluntary Worker is entitled to claim for the Injury under any State or Federal Government legislation or any other policy of insurance.
2. The Weekly Benefit under Defined Event 21. will be limited to 75% of the Voluntary Worker's Average Weekly Income.

#### What You are not covered for under this optional benefit

1. We will not pay claims for Sickness.

## What You are not covered for under this section

### 1. Age

We will not pay for Sickness sustained or suffered after the expiry date of the Period of Cover in which the Insured Person reaches the age of 60 years.

We will not pay for Death or Injury sustained or suffered after the expiry date of the Period of Cover in which the Insured Person reaches the age of 60 years unless We agree in writing, but in no case after age 65.

We will not pay for Death, Injury or Sickness:

### 2. AIDS or HIV

if the Insured Person's disability is directly or indirectly caused by acquired immune deficiency syndrome (AIDS) or human immunodeficiency virus (HIV) or by any Sickness arising from or related to acquired immune deficiency syndrome (AIDS) or human immunodeficiency virus (HIV) and/or any of their mutant derivatives or variations that was diagnosed before the beginning of the Period of Cover.

### 3. Air travel

arising out of participation in any aerial flight or activity except where:

- a. the Insured Person is a passenger in an Aircraft other than a balloon, helicopter or ultra light and/or any Aircraft while crop dusting; and
- b. the Aircraft is authorised to fly under legislation that relates to the safety of Aircraft.

### 4. Diseases

arising directly or indirectly out of sexually transmitted disease, drug related disease or disease acquired directly or indirectly from the administration of any drug, where the drug is not administered or supervised by a registered medical practitioner.

### 5. Existing medical condition

arising directly or indirectly out of or in any way connected with any Existing Medical Condition the Insured Person has. This restriction of cover will not apply to any Existing Medical Condition where We have agreed in writing to accept the additional risk and You have paid the required extra premium. If an Injury by Accident or Sickness is aggravated or affected by any Existing Medical Condition that the Insured Person suffered from before the Injury by Accident or Sickness occurred, the amount of any Compensation payable will be the amount that would have been payable if the extent of the Injury or Sickness had not been aggravated or affected by the Existing Medical Condition.

## 6. Alcohol and drugs

arising directly or indirectly out of or in any way connected with the Insured Person being rendered less capable than usual of taking care of himself or herself due to intoxicating liquor or narcotics or drugs (other than a drug taken or administered by or following the advice of a duly qualified medical practitioner).

## 7. Mental condition

arising directly or indirectly out of or in any way connected with the Insured Person being rendered less capable than usual of taking care of themselves due to mental unsoundness, including any psychological, psychiatric or stress disorder, other than from a condition which was not diagnosed before the beginning of the Period of Cover.

## 8. Occupations/sports

arising directly or indirectly out of or in any way connected with the Insured Person:

- a. engaging in or taking part in naval, military or air force service or operations;
- b. engaging in motor cycling, professional sports of any kind, driving or riding in any kind of race, any form of competitive organised football, diving when using breathing apparatus, parachute jumping or hang gliding.

## 9. Pregnancy

arising directly or indirectly out of or in any way connected with pregnancy, childbirth or any related complications.

## 10. Suicide/self injury

arising directly or indirectly out of or in any way connected with the Insured Person's suicide or attempted suicide or intentional self injury.

## Specific conditions applicable to this section

### 1. Change of occupation/change in health/other insurance

You must give Us immediate written notice:

- a. if there is a change in the Insured Person's Usual Occupation involving a greater risk of a claim being made. Cover will not continue unless We have agreed in writing and You have agreed to pay any additional premium We may require;
- b. of any accident, disability and/or sickness or like insurance held with any other insurer covering the Insured Person;

- c. if You become aware that the Insured Person has become affected by any disease or physical defect or infirmity or Sickness or Injury, You must advise Us about it, in writing, before the next renewal and each subsequent renewal of this section following the Insured Person becoming so affected.

### 2. Physical examination

In the event of a claim being made under this section, the Insured Person must undertake at Our expense such medical examination or examinations as We may reasonably require. We may arrange an autopsy or post mortem examination if thought necessary by Us provided that We are not precluded from doing so by law.

### 3. Medical treatment

On the occurrence of any Injury by Accident or Sickness the Insured Person must undertake and follow treatment from a legally qualified medical practitioner as soon as possible.

### 4. Cancellation

In the event that You have made a claim under a Defined Event and We have agreed to pay the Sum Insured for that Defined Event no return of premium will be due or payable.

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For all enquiries please call your Steadfast Insurance Broker

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