

Professional Services Policy

Tailored Insurance for Professional Offices and Surgeries
Product Disclosure Statement and Policy Wording



Professional Services Policy

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Welcome to Vero Enterprise

Vero Insurance Limited ABN 48 005 297 807 is one of Australia's largest intermediated general insurance companies and is a member of the Suncorp Group of companies.

Vero offers tailored solutions and superior claims management to its large range of customers, with insurance products in property, small business, commercial motor, professional indemnity, construction and engineering, liability, travel, marine and personal insurance.

With a strong network of brokers, agents and corporate partners, Vero is Suncorp's primary intermediated Commercial Insurance brand nationally. Our specialist knowledge, combined with the scope of the Suncorp Group, ensures Vero is a powerful brand in today's competitive insurance market.

Vero Enterprise is a division of Vero Insurance Limited. Vero Enterprise provides small business owners with insurance packages that offer a range of covers including property, liability and commercial motor.

Vero Enterprise policies are written in plain English. We aim to keep all your dealings with Vero Enterprise simple and straightforward.

Who is the insurer?

Vero Insurance Limited ABN 48 005 297 807, AFS Licence No. 230859 is the insurer and issuer of this insurance policy and is the issuer of this Product Disclosure Statement (PDS).

How to contact us

You may contact us by:

- ▼ Telephone: 1300 888 071
- ▼ Email: via the "contact us" page on our website www.vero.com.au
- ▼ Mail: Vero Insurance Limited
GPO Box 2068
Adelaide SA 5001

About this Product Disclosure Statement and Policy Wording

We are required to give you a Product Disclosure Statement (PDS) if you are insuring **vehicles** (not exceeding 2 tonnes) under Section 9 or a **home building** under Sections 1A, 1B or 1C and you are:

- ▼ an individual; or
- ▼ a small business, having:
 - ▼ in the case of a non-manufacturing business, less than 20 employees; or
 - ▼ in the case of a manufacturing business, less than 100 employees.

This PDS and Policy Wording consists of 4 parts:

- ▼ Part A contains your Policy Summary. You can use this summary, together with your insurance adviser, to decide which sections you need for your business.
- ▼ Part B contains information about your rights and responsibilities, the General Insurance Code of Practice and how to contact us if you have a question or complaint. Part B applies to all sections and should be read by all persons who take out this policy.
- ▼ Part C contains Information for certain persons insuring **vehicles** or a **home building**. This part only applies to you if you are insuring **vehicles** (not exceeding 2 tonnes) under Section 9 or a **home building** under Sections 1A, 1B or 1C and you are an individual or a small business.
- ▼ Part D contains your the policy terms and conditions. It applies to all persons who take out this policy.

To understand the full terms and conditions of your policy, you must read the Your rights and responsibilities (Part B) and your Vero Enterprise Professional Services Policy terms and conditions (Part D).

If you are insuring vehicles under Section 9 or a home building under policy Sections 1A, 1B or 1C and you are an individual or a small business, you should also read Part C.

Part A – Policy summary

Below is a summary of the covers included in the Vero Enterprise Professional Services Insurance Policy. Together with your insurance adviser you can choose sections to meet your requirements.

Cover type	Summary of covers (see relevant Section for details, relevant limits, and specific conditions and exclusions that apply)
Section 1A: Property damage	This section covers the damage to your property at your premises from certain sudden, unexpected or unforeseen occurrences, and provides a number of automatic additional benefits.
Section 1B: Theft	This section covers loss of your contents and stock due to theft and provides a number of additional benefits.
Section 1C: Glass	This section covers glass in your premises (including internal glass such as glass partitions, and external windows) and provides a number of automatic additional benefits.
Section 1D: Breakdown of machinery, computer equipment and electronic equipment	This section covers the breakdown of your business's mechanical machinery including boiler, pressure plant, computers and electronic equipment such as photocopiers and faxes.
Section 1E: Restoration of computer data	This section covers the cost of rewriting your business's computer records following a computer breakdown.
Section 1F: Computer breakdown – Increased costs of working	This section covers the increased costs of working (such as the hiring of alternative computers and the hiring of additional staff) following the breakdown of your business's computers
Section 1G: Deterioration of stock	This section covers the costs of replacing your business's stock which is kept in freezers or refrigerated units, if the fridge or freezer breaks down
Section 2: Money	This section covers your business's money whilst on your premises, in a safe or strongroom, in transit to or from your premises, or in your personal custody, or the custody of a trusted employee.
Section 3: Portable and valuable Items	This section covers the loss of or damage to portable property such as Tools, Laptop Computers and Personal Digital Assistants throughout Australia and the rest of the world.
Section 4: Management liability	This section covers the management liability of you, your directors, officers and employees.
Section 5: Business interruption	This section covers the loss of income and the additional increased costs of working which results from the interruption of your business caused by events covered under certain other sections of the policy.
Section 6: Goods in transit	This section covers the loss of or damage to goods and stock that your business buys, sells or uses whilst they are in transit.
Section 7: Legal liability	This section covers the legal liability of your business for personal injury to another person (other than employees) or damage to property owned or controlled by someone else.
Section 8: Tax Probe®	This section covers the professional fees incurred in connection with an audit or investigation of the business's tax affairs by any authority authorised to do so, for example the Australian Taxation Office.
Section 9: Commercial motor	This section covers the business's Motor Vehicles with a choice of Comprehensive, Legal Liability Fire and Theft, or Legal Liability Only covers.

Part B – Your rights and responsibilities

Duty of Disclosure

You must comply with your Duty of Disclosure when you apply for insurance with us and each time you renew or alter your cover.

You have a duty of disclosure to tell us everything you know or should know, that is relevant to our decision to insure anyone under the policy, including you, and on what terms.

It includes matters we specifically ask about when you apply for a policy, or renew or alter your policy, and any other matters which might affect whether we insure you and on what terms.

The information you tell us can affect:

- ▼ the amount of your premium and your excess
- ▼ if we will insure you
- ▼ if special conditions will apply to your policy.

You do not need to tell us of anything which:

- ▼ reduces the chances of you making a claim
- ▼ we should know about because of the business we are in or
- ▼ we tell you we do not want to know.

If you are unsure it is better to tell us. If you do not tell us something which you know or should know is relevant, we might reduce a claim, refuse to pay a claim, cancel your policy or, if fraud is involved we can treat the policy as if it had never existed.

The duty of disclosure applies to every person or organisation insured under the policy. If you fail to comply with your duty of disclosure we may be entitled to reduce our liability under the contract in respect of a claim or may cancel the contract. If your non-disclosure is fraudulent, we may also have the option of avoiding the contract from its beginning.

Not meeting your responsibilities

If you do not meet with your responsibilities outlined in your policy, or if you do not tell us everything relevant to our decision whether or not to insure you, or if you mislead us, we can refuse to pay a claim or reduce the amount we pay or cancel your policy.

If fraud is involved, we can treat your policy as if it never existed.

Cooling off period

You have the right to cancel and return the insurance policy or a section of the policy by notifying us in writing within 30 days of the date it was issued to you ("cooling off period"), unless you have a claim under the policy within the cooling off period.

If you cancel it in this time, we will return the amount you have paid.

In addition, if you vary your policy and add a section, you have the right to cancel that section within 30 days of the date it was added by notifying us in writing ("additional cooling off period") unless you make a claim under that section within the additional cooling off period. If it is cancelled in this time, we will return the amount you have paid for that section.

To cancel at other times, please see "Cancelling Your Policy" on pages xviii and xix.

The amount of your premium

The premium is the amount you pay us for this insurance. It includes stamp duty, GST, other government charges and fire services levy (FSL) that applies. Your premium is shown on your **schedule**.

In addition to the factors we use to calculate your premium, the discounts you qualify for also affect your premium. Your premium includes any discounts you qualify for and these are applied before adding applicable government charges.

The premium does not include any service or administration fee charged to you by your insurance intermediary.

We might advertise special offers and benefits from time to time. If we have a special offer available that is not in this PDS, we can give you a separate terms and conditions brochure about the offer if you ask us. These offers might be short-term and we can withdraw them at anytime.

Paying your premiums

We will tell you how much you have to pay and how much time you have for payment.

You must pay your premium by the due date. For the first period of insurance, if you do not pay the premium owing by the due date, we can cancel your policy as set out in "Cancelling your Policy" on pages xviii and xix.

For renewal policies, if you do not pay your premium by the due date, then the renewal policy will not commence and your cover will end at the expiry of the previous period of insurance.

Claims made and notified basis of cover

Policy Section 4 – Management Liability (excluding Optional cover Employee Dishonesty) is issued on a ‘claims made and notified’ basis. This means that Section 4 (excluding Optional cover Employee Dishonesty) responds to:

- (a) claims first made against you during the period of insurance and notified to us during the period of insurance, provided that you were not aware at any time prior to the policy inception of circumstances which would have put a reasonable person in your position on notice that a claim may be made against him/her; and:
- (b) written notification of facts pursuant to section 40(3) of the Insurance Contracts Act 1984. The facts that you may decide to notify are those which might give rise to a claim against you. Such notification must be given as soon as reasonably practicable after you become aware of the facts and prior to the time at which the policy expires. If you give written notification of facts the policy will respond even though a claim arising from those facts is made against you after the policy has expired. For your information, s40(3) of the Insurance Contracts Act 1984 is set out below;

“S40(3) Where the insured gave notice in writing to the insurer of facts that might give rise to claim against the insured as soon as was reasonably practicable after the insured became aware of those facts but before the insurance cover provided by the contract expired, the insurer is not relieved of liability under the contract in respect of the claim when made by reason only that it was made after the expiration of the period of insurance cover provided by the contract.”

When the period of insurance expires, no new notification of claims or facts can be made on Section 4 – Management Liability (excluding Optional cover Employee Dishonesty) of the expired policy even though the event giving rise to the claim against you may have occurred during the period of insurance. An exception to this is under the Automatic Discovery Period Additional Benefit in Section 4, if any, under which some cover for new notification of claims or facts is available.

Excess

This is the amount you have to pay if you suffer loss, damage or liability which leads to a claim under your policy.

The amount and type of excess that applies to your policy is shown either in Part D of this booklet or on your **schedule**.

If you claim under more than one section of your policy for one incident or event, then you only pay the highest excess that applies unless expressly stated otherwise in the policy. For example, Additional Benefits may have their own excess which are in addition to any excess that may apply to a claim.

Fraudulent claims

If you or anyone acting on your behalf or with your knowledge makes a claim that is false or causes loss or damage deliberately, we may do one or more of the following:

- ▼ refuse to pay a claim
- ▼ cancel your policy
- ▼ take legal action against you.

Privacy statement

Vero Insurance Limited is a member of the Suncorp Group (the ‘Group’).

The Privacy Act 1988 (Cth) requires us to inform you that:

Purpose of collection

Personal information is information about an identifiable individual and includes facts or an opinion about you which identifies you or by which your identity can be reasonably determined. The collection of your personal information is essential to enable us to conduct our business of offering and providing you with our range of financial products and services.

We collect personal information for the purposes of:

- ▼ identifying you when you do business with us;
- ▼ establishing your requirements and providing the appropriate product or service;
- ▼ setting up, administering and managing our products and services;
- ▼ assessing and investigating, and if accepted managing a claim made by you under one or more of our products;
- ▼ improving our financial products and services, including training and developing our staff and representatives.

We may be required by Anti-Money Laundering/Counter Terrorism Financing legislation to collect your personal information.

Consequences if personal information is not provided

If we request personal information about you and you do not provide it, we may not be able to provide you with the financial product or service that you request, provide insurance cover, manage or pay any claim under an insurance policy, manage your product or provide any benefits, or provide you with the full range of services we offer.

Disclosure

We use and disclose your personal information for the purposes we collected it.

We may also use and disclose your personal information for a secondary purpose related to the purpose for which we collected it, where you would reasonably expect us to use or disclose your personal information for that secondary purpose. In the case of sensitive information, any secondary purpose, use or disclosure will be directly related to the purpose of collection.

When necessary and in connection with purposes listed above, we may disclose your personal information to and/or collect your personal information from:

- ▼ other companies within the Group;
- ▼ where required or authorised under our relationship with our joint venture companies;
- ▼ information technology providers, including hardware and software vendors and consultants such as programmers;
- ▼ customer research organisations;
- ▼ intermediaries including a representative acting on your behalf, other Australian Financial Services Licensee or our authorised representatives and our agents;
- ▼ where you are an insured person and not the policy holder, we will disclose to the policy holder;
- ▼ government, law enforcement or statutory bodies;
- ▼ the Financial Ombudsman Service;
- ▼ other insurers, financial institutions, insurance and claims reference agencies, credit agencies, loss assessors, financial or investigative service providers;
- ▼ legal and other professional advisers;
- ▼ hospitals, medical and health professionals;
- ▼ research and development service providers;
- ▼ printers and mail service and delivery providers for the mailing of statements, insurance policy documents and marketing material;
- ▼ imaging and document management services; and
- ▼ other service providers.

Disclosure overseas

There are also instances where we may have to send your personal information overseas or collect personal information from overseas.

These instances include:

- ▼ sending your personal information to companies in the Group;
- ▼ when you have asked us to do so;
- ▼ when we are authorised or required by law to do so;
- ▼ when we have outsourced a business activity or function to an overseas service provider with whom we have a contractual arrangement; or
- ▼ certain electronic transactions
- ▼ when it is necessary in order to facilitate a transaction on your behalf.

We will only send your personal information overseas or collect personal information about you from overseas for the purposes in this statement and in compliance with the privacy regime.

Access

You can request access to the personal information we hold about you by contacting us.

In some circumstances, we are able to deny your request for access to personal information. If we deny your request for access, we will tell you why.

If accessing your personal information will take an extended period of time, we will inform you of the likely delay.

For more detailed requests for access to personal information, for example, access to information held in archives, a fee may be charged to cover the associated cost of retrieval and supplying this information.

Marketing

We would like to use and disclose your personal information to keep you up to date with the range of products and services available from us and other companies within the Group. Generally, our companies will use and disclose your personal information for the Group's marketing purposes.

If you do not want us to use and disclose your personal information for the purpose of marketing products and services to you, you should contact us and tell us.

Contact

Please contact us to:

- ▼ change your mind at any time about receiving marketing material;
- ▼ request access to the personal information we hold about you; or
- ▼ obtain more information about our privacy practices by asking for a copy of our Privacy Policy;

You can contact us by sending a letter to;

The Privacy Officer
GPO Box 3999
Sydney NSW 2001

Our Privacy Policy can also be found on our website at <http://www.vero.com.au/vero/privacy-policy>

Complaints resolution

We are committed to:

- ▼ listening to what you tell us;
- ▼ being accurate and honest in telling you about our products and services;
- ▼ communicating with you clearly; and
- ▼ resolving any complaints or concerns you have in a fair, transparent and timely manner.

If you have a complaint concerning this product or our services, please tell the people who provided your initial service or you can:

- ▼ Telephone: 1800 689 762
- ▼ Mail: Reply Paid 1453 Customer Relations Unit RE058,
GPO Box 1453 Brisbane QLD 4001 or
- ▼ Email: customer.relations@suncorp.com.au

What we will do to resolve your complaint

When you first let us know about your complaint or concern, we will review your complaint, consider the facts and attempt to resolve your complaint by the end of the next working day.

If we cannot resolve your complaint to your satisfaction within 5 working days we will contact you to agree reasonable alternative time frames. We will endeavour to send you our final decision within 15 working days from the date you first made your complaint, provided we have all necessary information and have completed any investigations required. If you are still unsatisfied with the final outcome at your request we can refer your complaint to our Internal Dispute Resolution (IDR) team. Our IDR team will review your dispute, and respond to the dispute within 15 working days of your complaint being referred to them provided they receive all necessary information and have completed any investigation required.

What if you are not satisfied with our final IDR decision?

We expect our procedures will provide you with a fair and prompt resolution to your complaint. If however you are not satisfied with our final decision or if we have not been able to resolve the complaint to your satisfaction within 45 days you may be able to take the complaint to the Financial Ombudsman Service ("the FOS").

The FOS is an independent external dispute resolution scheme and its service is free to our customers.

You can contact the FOS by:

- ▼ Telephone: 1300 780 808
- ▼ Mail: Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001.
- ▼ Email: info@fos.org.au; or
- ▼ Website: www.fos.org.au

The FOS will tell you if they can help you, as their services are not available to all customers.

We agree to accept a FOS decision however you have the right to take legal action if you do not accept their decision.

If you want more information on the FOS, please ask us for a brochure.

Financial Claims Scheme

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

The FCS only applies in the extremely unlikely event of an insurer becoming insolvent and the Federal Treasurer making a declaration that the FCS will apply to that insurer.

The FCS entitles certain persons, who have valid claims connected with certain protected policies issued by that insurer to be paid certain amounts by APRA.

Information about the FCS can be obtained from APRA by:

- ▼ Telephone: 1300 55 88 49
- ▼ Website: www.apra.gov.au

General Insurance Code of Practice

We support and adhere to the General Insurance Code of Practice. A copy of the Code can be obtained from the Insurance Council of Australia by:

▼ Telephone: (02) 9253 5100 or

▼ Website: <http://www.insurancecouncil.com.au>

Terrorism Insurance Act 2003

Some sections of this policy exclude cover for losses as a result of terrorism.

In the event that damage to property occurs and the cause of the damage is declared a terrorist incident by the responsible Minister, then you may be afforded protection within the limits of indemnity of this policy by virtue of the Terrorism Insurance Act 2003. The operation of this Act may also serve to reduce the settlement of your loss to a percentage of the otherwise recoverable loss. In the event that the settlement is reduced then this will be at the direction of the Minister.

A more detailed explanation of the operation of the Terrorism Insurance Act 2003 can be obtained at www.arpc.gov.au.

Updating information

The information in this PDS and policy wording was current at the date of preparation. Vero may update some of the information in the PDS and policy wording that is not materially adverse from time to time without needing to notify you. You can obtain a copy of updated information by contacting us. We will give you a free paper copy of any updates if you request them. If it becomes necessary, we will issue a supplementary or replacement PDS.

Part C – Information for some policyholders only

This part applies to you if you chose cover for:

- ▼ **vehicles** (not exceeding 2 tonnes) under section 9; or
- ▼ a **home building** under Sections 1A (Fire and Defined Events Property Damage), 1B (Theft) or 1C (Glass), and you are an individual or a small business.

You need to read this part if it applies to you.

Home building means a building which is used or intended to be used principally and primarily as a place of residence.

An example of what is considered a home building is where the building is a commercial premise but you may also live in the building, or you rent part of the building for residential use.

If the building is only used by you for residential purposes, it cannot be insured under this policy.

The amount you pay for sections 1A, 1B or 1C (for a home building) or section 9 (for vehicles)

The premium is the amount you pay us for this insurance. The premium payable by you will be shown on your **schedule**. Premiums include applicable Commonwealth and state taxes and charges. These include the Goods and Services Tax and stamp duty. The amount of these taxes and charges will be shown on your **schedule**.

If you change your policy you may be entitled to a partial refund of premium or be required to pay an additional premium.

How various factors may affect your premium

The following table is a guide to the significant factors which impact generally on your premium in relation to sections 1A, 1B or 1C (for home building).

Factor	Lower premium	Increases premium
Insured amount	Lower insured amount	Higher insured amount
Postcode	Low risk postcode	High risk postcode
Optional covers	None taken	All taken
Claims experience	Low claims experience	High claims experience
Voluntary excess	Higher	Lower
Our expenses of doing business including payments we make to intermediaries	Low expenses	High expenses
Endorsements	Reduces our risk or your cover	Increases our risk or your cover

The following table is a guide to the significant factors which impact generally on your premium in relation to section 9 Commercial Motor.

Type	Lowers premium	Increases premium
Type of cover	Legal liability only	Comprehensive
Type of vehicle	Low risk vehicle	High risk vehicle
Market or agreed value	Market value	Agreed value
Vehicle accessories/Modifications	None specified	Accessories and modifications that increase the risk of insurance
No claim bonus	Higher rating	Lower rating
Vehicle use	Low risk use	High risk use
Radius	Smaller radius of operation	Australia wide
Insured amount	Lower insured amount	Higher insured amount
Postcode	Low risk postcode	High risk postcode
Claims experience	Low claims experience	High claims experience
Optional covers	None taken	One or more taken
Voluntary excess	Higher	Lower
Occupation	Low risk occupation	High risk occupation
Our expenses of doing business including payments we make to intermediaries	Low expenses	High expenses
Endorsements	Reduces our risk or your cover	Increases our risk or your cover

Why the cost of insurance can change

Your insurance premium can change during your policy period if the circumstances or risks covered by your policy change. For example, your premium will change if you change the use of your **premises** or add new covers to your policy. Also, each time you renew your insurance your premium is likely to change, even if your circumstances or the risks covered by your policy have not changed.

This is because premiums are affected by:

- ▼ The total cost of current and future claims
- ▼ The cost of claims we expect to pay in the future
- ▼ Any changes in government taxes or charges
- ▼ Our expenses of doing business
- ▼ Whether indexation is shown on your **schedule**.

We may “cap” the amount of any increase on renewal, so that we pass only part of the increase on to you.

Premium discounts

At times, we may offer premium discounts to particular customers – for example, those who take out insurance within a specified period, or people who have multiple policies with us.

The amount and type of discounts can change over time. We can vary or withdraw a discount at any time. Changes will not affect the premium for an existing policy during its current period of insurance.

For details of any discounts that may be available and the dollar difference these would make to your premium, please ask us when you obtain a quote or before renewing your policy.

Excesses

If you make a claim you may be required to pay one or more excesses. The description of those excesses and the circumstances in which they are applied are shown in the relevant policy wording in Part D of this booklet under 'Excess' or in the **schedule**.

Sections 1A, 1B and 1C: Excesses

The amount of **excess** applying to each of these sections is shown on your **schedule**. We take into consideration a number of factors when setting the amount of your **excess**, such as:

- ▼ your occupation;
- ▼ any voluntary excess that we may allow you to choose;
- ▼ your claims history; and
- ▼ any additional risk factors that are unusual or unique to your business circumstances.

Section 9: Excesses

There are a number of **excesses** which apply to this section. The amount of each **excess** (other than the basic excess) is shown in the policy wording that applies to section 9 in Part D of this booklet. The amount of the basic excess will be shown on your **schedule**.

We take into consideration a number of factors when setting the amount of your basic **excess**, such as:

- ▼ the make, model and type of vehicle being insured, including modifications made to the vehicle;
- ▼ any voluntary excess that we may allow you to choose;
- ▼ the age and driving experience of people who will be driving the vehicle;
- ▼ the **insured amount** of the vehicle;
- ▼ where and how the vehicle is used;
- ▼ the type of cover chosen;
- ▼ the place where your vehicle is garaged;
- ▼ your previous insurance and claims history; and
- ▼ Optional cover, extra covers, additional benefits and endorsements.

Part D – Your policy terms and conditions

Important information about your insurance policy

Your insurance policy is made up of this policy wording, any **endorsements** and the **schedule** which shows the **insured amounts**, the premium and any relevant government charges.

You should read the **schedule** and the policy wording together, to tell you what we cover, what we exclude, what we pay to settle claims and other important information. Each section of this policy contains some exclusions, and there are also some general exclusions which are listed on pages xvii and xviii, and which apply to the whole policy.

In this insurance policy:

Unless otherwise expressly defined in a section of the policy, you/your means the policyholder named in the **schedule**.

We/our/us means Vero Insurance Limited ABN 48 005 297 807, trading as Vero Enterprise.

Some other words used in this policy have special defined meanings. These words are in **bold**. The words we have defined are listed in either the “General Definitions” section on pages xix to xxii or in the Definitions section in the applicable policy section.

The headings and grey shaded areas in each section are not part of the policy itself. Their purpose is to provide you with a general guide about the content of the text.

Our contract with you

Your insurance policy is a legal contract between you and us. The contract is based on the information you gave us when you applied for the insurance, and any subsequent information which you have supplied.

We will provide cover for the sections of the policy shown under “What’s Covered” on your **schedule** for the **period of insurance**.

You must pay the premium, including relevant government charges for the **period of insurance** and comply with all of the policy conditions.

Paying by monthly instalments

If we agree that you can pay us the total amount in a number of payments instead of all at once, this is called paying by instalments.

If you are a month (or more) late in paying an instalment, we may cancel your policy (see “Cancelling your policy” on pages xviii and xix).

We will not pay a claim if at the date of the event you are claiming for, you are 14 days (or more) late in paying an instalment.

How the Goods and Services Tax (GST) affects this insurance

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

You must inform us of the extent to which you are entitled to an input tax credit (ITC) for that GST amount each time that you make a claim under this policy.

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

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

In respect of loss of or damage to your vehicle, if your vehicle is a total loss and you have chosen the agreed value option, we will not deduct any input tax credit entitlement from the amount of the agreed value shown in the **schedule**.

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

General policy conditions

These conditions apply to all sections of this policy.

1. Change to risk

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

- (a) the nature of or type of **business** carried on by you or your tenants;
- (b) other circumstances that affect the **premises** or the **property insured** in such a way as to increase the risk of **damage** or **losses**;
- (c) your interest in the policy ceases, including by operation of law;
- (d) the **business** is wound up or carried on by an insolvency practitioner or permanently discontinued;
- (e) details of any conversion or modification to your **vehicle** made by someone other than the manufacturer. For example, if you give your **vehicle** wide tyres or wheels, or lower its suspension;
- (f) if there is anyone under the age of 25 years who is likely to be a regular driver of the **vehicle**;
- (g) change of your address, your **vehicle**, your **vehicle's** garage postcode or the way you use your **vehicle**.

You must immediately notify us of any changes to (a), (b), (c), (d), (e), (f) or (g) or any other changes that may increase the risk insured under your policy.

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

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

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

2. The amount of cover

If you are not entitled to an **input tax credit** on your policy premium, all **insured amounts** and limits of liability stated in your policy are GST inclusive (unless your policy states otherwise).

If you are entitled to an **input tax credit** on any part of the policy premium, the **insured amount** and limits of liability stated in your policy are exclusive of any **input tax credit** which you are or would be entitled to claim.

3. Reasonable care and reducing risk

You must take reasonable steps to ensure that you and your tenants:

- (a) maintain **buildings**, structures, fixtures, fittings, furnishings, appliances, **vehicles**, **machinery**, implements and plant in sound condition to minimise or avoid theft, loss or damage;
- (b) ensure that only competent employees are employed;
- (c) avoid or minimise **loss** of or **damage** to property or injury to other people;
- (d) comply with all statutory obligations, by-laws, regulations, public authority requirements and safety requirements;
- (e) obtain certificates of inspection for all equipment required by any statute or regulations to be certified; and
- (f) comply, at your expense, with all our recommendations to prevent or minimise theft, **loss** or **damage**.

You must:

- (a) take all reasonable steps to prevent **loss** of or **damage** to your **vehicle**;
- (b) take all reasonable care to prevent injury to another person or **damage** or another person's property;
- (c) comply with all laws and safety requirements imposed by any authority or by state or national legislation; and
- (d) keep all **vehicles** in a roadworthy condition.

4. Hazardous or dangerous goods

When hazardous or dangerous goods are used by the **business** or stored at **premises** shown on the **schedule**, then such goods must be stored and used strictly in accordance with all statutory obligations, by-laws, regulations, public authority requirements and safety requirements.

5. Interested parties

You must tell us in writing of the interest of all interested parties (for example, banks or lessors) when you want their interest in any item insured under this policy covered. If a person is not named or noted on the policy, they are not insured and cannot make a claim. This means we will need to record the interest of the interested party for those interests to be covered.

The interested parties must comply with all the terms and conditions of your policy, including without limitation, the obligation to notify us and give us details of any other insurance that insures any risk insured by this policy.

6. Transfer of interest

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

7. Unoccupancy

You must ensure that any **building** at the **premises** does not stay unoccupied, or if you are the building owner, untenanted, for a continuous period of 60 days or more. To have been occupied, the business premises must have been used for business purposes for at least two consecutive days. You are not insured while the **building** is unoccupied for a period of 60 days or more, unless we agree to insure you. If any **building** will or is likely to be unoccupied or untenanted for such a period, you must notify us immediately. If you notify us that the **premises** will be unoccupied or untenanted for a continuous period of 60 days or more and we agree to continue to insure you under this policy during the period where the **building** is unoccupied or untenanted, we will tell you in writing. You may be required to pay an additional premium and we may apply different conditions and impose a higher **excess** if we agree to this.

8. Changes in or waivers of the policy

No changes in the policy will be valid unless agreed in writing by us.

No waiver of any requirements of any section shall be valid unless it is given to you in writing.

9. Multiple insured parties

Except as expressly provided in Section 4 – Management Liability and Section 7 – Legal Liability, where there is more than one person or organisation insured under this policy,

- (a) any notice given by us under this policy to any one of you shown on the **schedule** will be deemed to be notice given to all of you;
- (b) any misrepresentation or fraudulent actions or statements made by any person or organisation will be deemed to be made by all of you; and
- (c) any claim made by any person or organisation will be deemed to be a claim made by all of you.

10. Keeping us up to date

You must tell us at the commencement of your policy and at each renewal if any authorised driver of your **vehicle**, including you, has:

- (a) had a licence endorsed, suspended or cancelled in the past 5 years;
- (b) has been charged or convicted of any criminal offence relating to arson, drugs, firearms, burglary, housebreaking, theft, robbery, receiving stolen goods, fraud, criminal or wilful damage or injury, assault to anyone;
- (c) has been charged with or convicted of any motor offence or motor infringement (but not parking fines).

General claims conditions

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

1. Cooperation

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

This may include attending court to give evidence.

2. Minimise loss

You must:

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

3. Notify claim

You must:

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

4. Retain all damaged property

You must:

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

5. Our rights of possession

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

6. Provide proof of ownership

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

We will decide what is acceptable proof of ownership and value based on the **property insured** for which you are claiming, the age of the item and its value at the time of **loss** or **damage**.

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

- ▼ Tax invoices and/or receipts for **property insured**.
- ▼ Photographs of the **property insured**.
- ▼ Copies of any relevant contracts or agreements.
- ▼ Statutory declaration verifying the details of your claim and any other matters connected with it.
- ▼ Quotes for replacement items.
- ▼ Vehicle log books.
- ▼ Valuations or warranties.

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

7. Proof of fraud or dishonesty

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

8. Notification of other insurance

If there is any other insurance that insures any risk insured by this policy, you are required to notify us and give us details of the other insurance

9. Admitting liability

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

10. Not authorise repair or replacement

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

Motor vehicle claims

- ▼ Contact our Vero First Response Unit as soon as possible soon on 1300 888 073. We're available 24 hours a day. Our staff will advise you whether to bring your **vehicle** to one of our assessing centres or take it to a repairer. We can help with any other arrangements necessary to get you back on the road as quickly as possible.
- ▼ If your **vehicle** is involved in an **event**, you should obtain the full names, addresses and phone numbers of all drivers and passengers involved and any witnesses to the **event**. You will also need to obtain the **vehicle** registration numbers and insurance details of all **vehicles** involved. If **damage** is caused to building and other property please provide details of the address and owners names.
- ▼ If you get demands, a notice of prosecution, details of any inquest or similar communications from other parties involved in an **event**, you must tell us immediately. If you delay in telling us, we may not cover any legal or other costs that result from that delay.
- ▼ You must let us inspect and, if necessary, move your **vehicle** before repairs begin.
- ▼ You must not accept any payment (including excess payments) from anyone unless we agree first.

11. Conduct of claims

We:

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

12. Excess

What is an excess?

The first amount of each and every claim that you are required to pay before the application of any limits by the policy. The amount of the excesses and the circumstances that each excess applies to are shown on the **schedule** or set out in the applicable section. We will tell you how to pay your excess and who to pay it to. In some cases, we will direct you to pay the excess directly to a supplier or repairer.

Full payment prior to settlement

Any excess that is applied to a claim must be paid in full prior to settlement of that claim.

What if you do not pay the excess upon request?

We have no liability to you under this policy until you have paid the excess.

If the excess has been requested but remains unpaid we may:

- (a) decline to settle the claim pending full payment of the excess; or
- (b) deduct the excess from the settlement.

Some Optional Insurances or Additional Benefits have their own excess which are in addition to any other excess that may apply to a claim.

When multiple excesses apply, you might have to pay more than one type of excess when you make a claim.

Except as otherwise expressly provided, if more than one excess can be applied to one occurrence then you will only need to pay the highest excess.

13. Claims settlement

(a) ITC entitlement

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

(b) Cash payments

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

(c) Discharge of our liabilities

If, at any time, we pay you the **insured amount** for any claim under this policy, the future conduct of the claim then becomes your responsibility. We may also pay any extra covers, additional benefits or optional insurance that are expressed to be in addition to the **insured amount**.

(d) Salvage

After we have settled a claim by replacing a **damaged** item, if we so elect, the **damaged** or **lost** property (other than a **building**) becomes ours.

(e) Claims preparation expenses

We will pay for accountant, claims consultants, surveyors, architects, engineers and other professional fees necessarily and reasonably incurred for the preparation of a valid claim made under this policy other than under Section 5 – Business Interruption, Section 4 – Management Liability or Section 8 – Tax Probe®.

The most we will pay is the lesser of \$20,000 or 25% of the total amount payable under the applicable section other than Section 5 – Business Interruption, Section 4 – Management Liability or Section 8 – Tax Probe® as a result of an event.

14. Rights of recovery

We have the right to take action or institute legal proceedings, in your name, for the recovery of payments made and expenses incurred in relation to any claim insured by this policy, against any person, company or entity legally liable to you in respect of that claim.

You must provide us with full information and all reasonable assistance in the recovery of those payments or expenses.

You must not enter into any agreement or make any admissions that have the effect of limiting or excluding your rights and our rights to recover payments and expenses without first obtaining our approval in writing to do so.

15. Subrogation agreements

If another person is, or could have been, liable to compensate you for any **loss, damage** or legal liability otherwise covered by the policy, but you have agreed with that person either before or after the **loss, damage** or legal liability occurred that you would not seek to recover any moneys from that person, we will not cover you under the policy for any such **loss, damage** or legal liability.

General exclusions

These exclusions apply to all sections unless expressly stated otherwise.

1. Conflict

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

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

However, this exclusion does not apply to Policy Section 6 Goods in Transit to the extent of any inconsistency.

2. Consequential loss

This policy does not insure loss of use, loss of earning capacity, loss by delay, lack of performance, loss of contract or depreciation in the value of land and stock and any other consequential loss of any kind.

This exclusion does not apply to Section 5 Business Interruption.

3. Nuclear

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

- (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exclusion only, combustion shall include any self-sustaining process of nuclear fission and/or fusion; or
- (b) nuclear weapons material.

4. Non-compliance

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

5. Intentional acts

This policy does not insure:

- (a) any intentional or wilful act or omission by you, your **family** or your employees with your connivance; or
- (b) fraudulent or dishonest acts committed by you, your **family** or your employees acting alone or in collusion with others.

6. Terrorism

This policy does not insure:

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

However, this exclusion does not apply to sections:

- (a) 1B. Theft;
- (b) 1C. Glass;
- (c) 2. Money;
- (d) 3. Portable and Valuable Items.

7. Electronic data exclusion

(a) This policy does not cover:

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

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

However, this exclusion (b) does not apply to bodily injury, death, sickness, disease, disability, shock, fright, mental injury, mental anguish or loss of consortium resulting from any of them.

(c) Where an event listed below (being an event covered in Section 1A. Fire and Defined Events but for this exclusion, or **accidental loss** or **damage** under Section 3. Portable and Valuable Items of this policy but for this exclusion) is caused by any of the matters described in paragraph (a) above, this policy, subject to all its provisions, will insure:

- (i) **loss** of or **damage** to insured property directly caused by the **event**, or
- (ii) consequential loss insured by this policy.

This exclusion does not apply where an event listed below (being an event covered under Section 1A Fire and Defined Events but for this exclusion or **accidental loss** or **damage** under Section 3 Portable and Valuable Items) or Theft of **data** under section 1B – Theft (solely where such theft is accompanied by theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing such **data**) caused any of the matters described in paragraph (a) above.

Fire

Lightning or thunderbolt

Explosion or implosion

Storm and wind

Water damage

Impact

Earthquake, including tsunami, subterranean fire, volcanic eruption or fire resulting from any of these

(d) For the purposes of the “What we cover” provision in this policy, computer systems records include electronic data.

(e) Where **damage** to property or **property insured** are used in this policy, they do not include **data**.

When we may refuse a claim

We may refuse to pay a claim, or we may reduce the amount we pay you, if:

(a) you do not do what your duty of disclosure requires you to (see page iv);

(b) you:

- ▼ are not truthful,
- ▼ have not given us full and complete details, or
- ▼ have not told us something when you should have,

when applying for the insurance, or when making a claim;

(c) you are paying by instalments and at the date of the **event** you are claiming for, you are 14 days (or more) late in paying an instalment;

(d) you do not at all times take all reasonable care as we require you to do under “Reasonable care and reducing risk” on page xiii;

(e) you do any of the following without us agreeing to it first:

- ▼ make or accept any offer or payment or in any other way admit you are liable,
- ▼ settle or attempt to settle any claim, or
- ▼ defend any claim;

(f) cover is excluded by the policy;

(g) you have not complied with any of the “General claims conditions” on pages xiv to xvi; or

(h) you are in breach of any other conditions of your policy.

Remember, if you prevent our right to recover from someone else or if you have agreed not to seek compensation from another person who is liable to compensate you for any **loss, damage** or legal liability which is covered by this policy, we will not cover you under this policy for that **loss, damage** or legal liability.

Inflation protection

To protect you from the effects of inflation, if you have cover under the Section 1A – Fire and Defined Events and “Index linked” is shown in the **schedule** we may automatically change the **insured amount** at renewal in line with movements in the Consumer Price Index or another similar index.

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

Cancelling your policy

How you may cancel

You may cancel the policy or a section at any time by telling us that you want to cancel it. The cancellation takes effect on the date we receive your request.

We subtract from any premium you have paid us, an amount to cover the period that we have already insured you for. We will then return the rest of the premium to you (along with GST less any non-refundable government charges).

How we may cancel

We may only cancel a policy when the law says we can.

We will cancel your policy by telling you so in writing, either in person or by post to your last known address.

We will return the premium that you have paid for the rest of the **period of insurance** less any non-refundable government charges.

Paying by instalments

If we agree that you can pay your total amount in a number of payments instead of all at once, this is paying by instalments.

If you are one month (or more) late in paying an instalment, we may cancel your policy following the procedure under 'How you may cancel' above.

If we pay out a claim for the full **insured amount** on your **building**, that cover ends. Any section, Extra cover, Additional benefit or Optional cover for that **building** also ends. If your policy ends for this reason, we do not refund any premium for an unexpired **period of insurance**. If you have been paying premiums by monthly direct debit instalments, we will deduct the remaining instalment premiums due for the unexpired period of insurance from the amount we pay for the claim.

General definitions

Unless defined differently in individual sections, these definitions apply to all sections.

Accidental

Unexpected and unintended from your standpoint.

Aircraft

Anything made or intended to fly or move in or through the air or space other than model aircraft. Aircraft includes hovercraft.

Animal(s)

Any living creatures including but not limited to livestock, birds, fish, vermin, insects.

Business

The business(es) shown and described on the **schedule**.

Building(s)

The building(s) at the **premises**.

Building(s) includes:

- (a) sheds with a concrete floor and fixed to foundations at the **premises**;
- (b) customised and modified shipping containers or transportable buildings permanently located at the **premises** used as workshops, lunchrooms or storage which are permanently fixed to the ground with electrical or plumbing services as necessary at the **premises**;
- (c) shipping containers in which the stock your **business** distributes is delivered to your **premises** and from which merchandise is either being loaded into, unloaded from or stored in before dispatch, provided the container doors are secured when unattended with padlocks with a security rating under AS 4145.4 (or any subsequent amendment) of 6 or above and the padlocked container is fully enclosed by a locked cyclone fenced area at the **premises** after hours;
- (d) walls, foundations, storage tanks, awnings, exterior lights, masts, antennae and aerials, fixed external signs, walls, gates, fencing, pavements, roads and other structural improvements pertaining to the building(s); or
- (e) property owner's fixtures and fittings, floor coverings plant, plumbing or wiring services that are within the building.

Building(s) do not include land, including topsoil and fill and dams, landscaping, reservoirs or canals.

Canada

The Dominion of Canada and its respective territories, protectorates or dependencies.

Cigarettes and liquor

Cigarettes, cigars, tobacco, liquor and spirits sold by you in the **business**.

Computer virus

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

Customers' goods

Goods that do not belong to you, but:

- (a) belong to your customers and are in your physical or legal control because the **business** repairs, services, maintains, or stores those goods before or after it repairs, services or maintains the goods;
- (b) have been purchased by your customers and are in your physical or legal control awaiting delivery; or,
- (c) are items at the **premises** that you have accepted responsibility to insure under a formal agreement.

Data

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

Damage or damaged

Sudden and unforeseen physical damage or destruction.

Electronic equipment

Any electronic equipment including, but not limited to mobile phones, laptops, palm pilots, computers, scanners, printers, word processors, electronic processing systems, photocopiers, facsimile machines, electronic cash registers, electronic scales and electronic testing or analysing equipment used by you in the **business**.

Electronic equipment does not include electronic equipment that is **stock**.

Endorsement

Documentary evidence of an alteration to the policy which forms part of the policy.

Event or events

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

Excess

The amount which is payable by you for each claim made under this policy.

Family

- ▼ your spouse, your partner or your de facto who lives with you,
- ▼ your parents and parents-in-law,
- ▼ your children and children of your spouse, partner or defacto (not being your children) who live with you,
- ▼ your brothers and sisters.

For the purposes of this definition “you” and “your” refers to the directors, owners and officers of the **insured**.

Flood

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

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

Fungus/fungi

Fungi is a group of simple plants that have no chlorophyll. They include but are not limited to mold, mildew, and yeast. Fungi also includes spores.

Glass

- (a) fixed glass forming part of or fixed to the exterior of the building including glass in fixed signs; or
- (b) fixed internal glass including fixed glass in furniture, counters, shelving and showcases, fixed and hanging mirrors, vitreous china and ceramic including but not limited to fixed washbasins, sinks, toilet pans and cisterns, contained within the building.

Home building

A building which is used or intended to be used, principally and primarily as a place of residence.

Hovercraft

Any vessel craft or thing made or intended to float on or in or travel on or through the atmosphere or water on a cushion of air provided by a downward blast.

Input tax credit

The amount you are entitled to claim as a credit against GST that you have paid.

Insured/you/your

Any person, company or legal entity shown on the **schedule** as the policyholder.

Insured amount

The maximum amount that will be paid under a section or part of a section of the policy as specified in the **schedule**.

The insured amount will vary depending upon your requirements in relation to each section.

Loss/losses

Sudden or unforeseen physical loss.

Machinery

Except in relation to Sections 1D and 1G, any mechanical or electrical equipment, that generates, transmits or utilises mechanical or electrical power, any electronic machine, device or instrument, but not including:

- (a) any vehicle or mobile equipment;
- (b) any **watercraft** or **aircraft**;
- (c) any elevator or escalator but not excluding any electrical or electronic equipment used with such apparatus; or
- (d) any buried piping, any drainage piping, any sprinkler piping and its accessory equipment.

Media

Material on which data is recorded or stored, such as magnetic tapes, hard drives, cartridges, dongles, CD's, DVD's, USB's, flash drives, memory cards or floppy disks, or other storage types, but Media does not include paper records.

Money

Except as provided in Section 4 – Management Liability, cash, bank notes, currency notes, negotiable cheques, negotiable securities, travellers' cheques, debit and credit card vouchers, discount house vouchers, money orders, postal orders, unused postage stamps, revenue stamps, lottery tickets, stored value cards, public transport boarding tickets, authorised gift vouchers, valuable documents (but limited to certificates of stock, bonds, coupons and all other types of securities) and the contents of franking machines.

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

Please note that this definition applies to all sections, with the exception of section 4 – Management Liability.

Obsolete stock

Stock (as defined in the applicable section of the policy) which can no longer be sold for its full value, for example stock which is out-of-season fashion, superseded computers or perishable goods beyond their used by date.

Period of insurance

The period of time shown on the **schedule** during which insurance is provided under this policy.

Policy

Your insurance contract which consists of this PDS, any SPDS we may give you, any **endorsements** and your **schedule**.

Pollutants

Any solids, liquids, gaseous or thermal irritants or contaminants, including but not limited to, smoke, vapour, soot, fumes, odour or any other air emission, acids, alkalis, chemicals, waste materials, waste water, oil or oil products, infectious biological or medical waste, asbestos, electric or magnetic or electro-magnetic fuels, noise and any ionising radiations or contamination by radioactivity.

Premises

The places listed in the **schedule** at which and from which you operate your **business**.

The premises includes buildings and land within the legal boundaries.

Product Disclosure Statement (PDS)

PDS is the name of this document and it contains the terms of your insurance cover. It tells you what cover we provide, details of costs and excesses and other important information. It should be read together with your **schedule**, any **endorsements** and any SPDS that we may give you.

Property insured

means the property as described in the **schedule** in respect of each policy section.

Road

Any surveyed or unsurveyed land dedicated to public use, according to law, as a road (including a footpath or median strip. It also includes a toll road or a bridge which is open to the public and used as a road.

Safe or strongroom

A container or structure which has been specifically designed for the safe storage of **money** or valuables and is designed to resist unauthorised opening by hand-held or power operated tools.

A safe is not:

- (a) an ATM;
- (b) a cash tin;
- (c) a locked drawer in a filing cabinet or desk; or
- (d) a burglary resistant container weighing less than 20 kilograms that is not fixed by dynabolts to the wall or floor of the premises.

Schedule

The record of the particulars of your insurance which forms part of this policy. The **schedule** is issued when we have accepted your insurance. At each renewal of your policy, the renewal **schedule** becomes your current **schedule**. Updated **schedules** or **endorsements** may also be sent to you showing alterations to your policy.

Supplementary Product Disclosure Statement (SPDS)

An SPDS updates or adds to the information in the PDS.

Terrorism

An act, including but not limited to the use of force or violence (or threat of force or violence) by any person or group of people acting alone, or on behalf of or in connection with any organisation or government, that from its nature or context are done for, or in connection with, political, religious, ideological ethnic or similar reasons with the intention to influence any government or put the public or any section of the public in fear.

United States

The United States of America and its respective territories, protectorates and dependencies.

Vehicle

Except in relation to Section 9 – Commercial Motor, any type of machine on wheels or on caterpillar tracks (including any trailer, caravan or other apparatus attached to the machine) made or intended to be propelled other than by manual or animal power.

Watercraft

Anything made or intended to float or travel on or through water other than model boats.

We/us/our

Vero Insurance Limited ABN 48 005 297 807, AFS Licence No. 230859.

You/your/insured

Any person, company or legal entity shown on the **schedule** as the policyholder.

Section 1A – Property damage

About this section

This section of the policy covers physical **loss** of or **damage** to your **property** from a variety of causes including but not limited to **events** such as fire, lightning and explosion. We do not cover the theft or breakdown of your **property** under this section.

Your insurance under this section

✓ What we cover

Provided 'Property Damage' is shown under 'What's Covered' in the **schedule**, we will insure you for **loss** of or **damage** occurring during the **period of insurance** to **buildings, contents, stock** or **specified items**, at your **premises**.

✗ What we exclude

We will not pay for **loss** or **damage**:

- ▼ which is insurable under any other section of the policy whether effected or not, or
- ▼ which is excluded under any other section of the policy.

We will not pay for **loss** or **damage** caused by:

- ▼ fraud or theft by you, your directors, partners, employees, officers or anyone else who has an interest in the **property**;
- ▼ any unexplained inventory shortage or disappearance of **property**;
- ▼ or induced by trickery;
- ▼ the incorrect siting of buildings as a result of an error in architectural design or specification, faulty workmanship, or noncompliance with the requirements of any government, or statutory authority;
- ▼ the cessation of work whether total or partial, interruption, or retarding of any process or operation as part of an industrial dispute;
- ▼ demolitions or modifications ordered by any government or statutory authority as a result of your failure, or the failure of your agents to comply with any lawful requirement;
- ▼ erosion, landslide, mudslide, rockslide,
- ▼ subsidence, seepage, settling, shrinkage, or expansion of earth, vibration or other earth movement, unless **damage** is caused by or arises directly from an earthquake, subterranean fire or volcanic eruption;
- ▼ **flood**,
- ▼ the sea including tidal wave, storm surge or high water, unless **damage** is caused by or arises directly from a tsunami;
- ▼ faulty or inadequate packing or storage;
- ▼ any faults or defects known to you or to any **employee** whose knowledge in law would be deemed to be your knowledge, and not disclosed to us at the time the insurance was arranged, extended, varied, renewed or reinstated;
- ▼ pollution or contamination unless it is sudden and unforeseen;
- ▼ kidnapping, bomb threat, threat of contamination, hoax, extortion or any attempt at any of these; or
- ▼ the gaining of access by any person other than you or your **employees** to your computer systems via data communication media;
- ▼ a named cyclone (being a cyclone named by the Bureau of Meteorology) where the damage occurs within 72 hours from the commencement of this policy.

We will not pay for **loss** or **damage** caused to **buildings, contents, stock** or **specified items** damaged by a named cyclone and added to your policy (which includes increasing **insured amounts**) within 72 hours of the **loss** or **damage** occurring.

We will also not pay for **loss** or **damage** caused by:

- ▼ spontaneous combustion, fermentation,
- ▼ heating or any process involving the application of heat;
- ▼ faulty materials or workmanship or error in design or latent defect;
- ▼ gradually operating causes including but not limited to wear and tear, gradual deterioration, disease, fading, tree roots, evaporation, change in flavour, colour, or texture;
- ▼ scratching, denting, chipping, marring, developing flaws, restoration, normal upkeep or making good;
- ▼ **animals**;
- ▼ atmospheric moisture, rot, mould, mildew, **fungus**, rust, corrosion, oxidation, variations in temperature, action of light,
- ▼ stain or smoke from industrial operations;
- ▼ mechanical, hydraulic, electrical breakdown or electronic failure or malfunction;
- ▼ testing, intentional overloading or experiments of any kind; or fusion of any nature except as provided by Additional Cover 5 Fusion of small electrical motors;

the exclusions in the paragraph above only apply to the item, appliance, machine, unit or structure immediately affected and shall not extend to **loss** of or **damage** to any other **property** that would otherwise be covered under this section.

We will not pay for **loss** of or **damage** to:

- ▼ **glass** or **signs**, other than **loss** or **damage** caused by fire, lightning, explosion, implosion, earthquake, impact by vehicles or animals, aircraft and other aerial devices and/or articles dropped from them, riots or civil commotion, wind or water;
- ▼ **money** or **negotiable instruments**;
- ▼ **property** where the **loss** or **damage** was caused during the course of its processing or manufacture;
- ▼ **property** in the open air unless such **property** is a permanent structure designed to function without the protection of walls or roof;
- ▼ **boilers** and **pressure plant** (except boilers and pressure plant for domestic purposes) resulting from it's own explosion.

The following conditions apply in respect of the event of Earthquake, tsunami, subterranean fire or volcanic eruption, or fire resulting from any of these, during any period of 72 consecutive hours:

- (a) We will not cover the first \$20,000 or 1% of the total of the **insured amounts** specified in the **schedule** that relate to the **damaged property** at the **premises** for each claim for this event, whichever is the lower.

For example, if the **insured amount** in the **schedule** for 'Buildings' is \$1,000,000 and the **insured amount** for 'Contents' is \$500,000 and the earthquake causes damage to the **buildings** and **contents**, you will be required to contribute the first \$15,000 (1% of \$1,500,000) of a claim as this amount is less than \$20,000.

- (b) You will only be required to pay one excess for **damage** that results from these **events** during any period of 72 consecutive hours.
- (c) **Damage** arising from an insured **event** that occurs more than 72 hours after the **event** will be considered to be a separate **event** in which case an additional **excess** will be required.

Extra covers

If we agree to pay a claim under this section, we will also provide the following extra covers.

Unless stated otherwise below, any amounts payable under these extra covers apply in addition to the **insured amount**.

1. Reinstatement of insured amount

✓ What we cover	If we pay an amount for a claim under this policy section we will automatically reinstate the insured amounts for property insured . You will not have to pay any additional premium.
✗ What we exclude	This Extra Cover does not apply if we pay the full 'Building' insured amount under this section in respect of a single claim.

2. Rewriting of records

✓ What we cover	Where documents or data are lost or damaged in the event that gave rise to your claim, we will pay the reasonable costs of restoring the data stored on media or the cost of clerical labour actually, necessarily and reasonably incurred in rewriting, restoring or recreating the records or documents.
✗ What we exclude	We will not pay more than \$50,000 or the unexhausted portion of the contents insured amount for Section 1A – Property Damage, whichever is the higher, for loss or damage .

3. Cost of tracing the source of water damage

✓ What we cover	We will cover the reasonable cost of searching for the unknown cause of: (a) the discharge or leaking of water from any damaged pipe, water system (including a fire protection system such as a sprinkler system), tanks or drains installed in and servicing the building ; or (b) water from a damaged water main in the immediate vicinity of the building at the premises . We will also pay for: (a) the reasonable costs of removing water and any incidental cleaning operations; and (b) if water is discharged from a fire protection system, any expenses incurred by you for the attendance of the fire brigade for the purpose of shutting off the water supply following an accidental discharge of water from a fire protection system.
✗ What we exclude	We will not pay more than \$25,000 for all exploratory costs incurred during any one period of insurance . We will not cover the cost of repair or replacement of the defective part or parts of the pipe or water system that caused the damage.

4. Professional fees

✓ What we cover	We will pay the reasonable cost of surveyors', architects' and other professional fees for estimates, plans, specifications, quantities, tenders and supervision, incurred in the repair or replacement of lost or damaged buildings that are covered by your claim.
✗ What we exclude	We will not pay more than \$25,000 or the unexhausted portion of the insured amount relating to the damaged buildings whichever is higher, for any one insured event , subject to the Under-insurance provision in this section. We will not pay any claim under this extra cover if your schedule shows the building as being insured for 'Indemnity'.

5. Removal of debris

✓ What we cover

We will pay the reasonable costs of removal, storage and disposal of debris or the demolition, dismantling, shoring up, propping, underpinning or other temporary repairs incurred by you.

✗ What we exclude

We will not pay more than \$50,000 for any one insured **event**. Additionally if the combined **insured amount** for this section has not been otherwise exhausted, we will pay up to the remainder of the unexhausted amount, subject to the Under-insurance provision in this section.

We will not pay for the costs of removing debris if:

- (a) the liability to remove, store or dispose of debris has arisen as a result of any agreement made by you, unless liability would have attached in the absence of such agreement; or
- (b) the debris is itself a contaminant or **pollutant** that does not form part of the construction material of the **building**.

6. Loss of land value

✓ What we cover

If we pay for a claim for **loss** or **damage** to a **building** at the **premises**, we will pay for any reduction in land value that results from the decision by any legal authority not to allow rebuilding or only to allow partial rebuilding of that **building** at the **premises**.

✗ What we exclude

We will not pay more than:

- (a) 10% of the **building insured amount** shown on the **schedule**; or
- (b) \$100,000;

whichever is the lesser.

For example, if the **insured amount** for the **building** is \$900,000, we will not pay more than \$90,000 (10% of \$900,000), as this amount is less than \$100,000.

7. Mortgage discharge costs

✓ What we cover

The reasonable legal costs associated with the discharge of a mortgage or mortgages on **building(s)** following settlement of a claim under this section for the **building(s)** on a total loss basis.

✗ What we exclude

We will not pay more than \$30,000 in total during any one **period of insurance**.

8. Environmental upgrade

✓ What we cover

The additional costs incurred if you elect to repair or replace **property insured** that is **lost** or **damaged** in the **period of insurance** and which is covered by your claim, using, or with, environmental technology, products, or materials, that improve the energy or water efficiency of the **property**.

✗ What we exclude

We will not pay more than 10% of the amount we would otherwise have paid to repair or replace the property that is being upgraded.

(For example, your building, insured for \$1,000,000, is destroyed and when it is reinstated, you are required to comply with local building regulations. You also decide to add solar energy capture technology, not required by the regulations, to power the building. We will pay up to \$100,000 for the costs of the solar energy capture technology).

9. Floating stock

✓ What we cover

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

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

X What we exclude

We only pay for **loss** or **damage** to **stock** from the **event** that gave rise to the claim.

We will not pay a claim under this extra cover where **stock** levels in excess of the **insured amount** at a **premises** have been temporarily located at that **premises** for a period exceeding 90 days and where we have not agreed in writing to this.

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

10. Catastrophe inflation protection

✓ What we cover

If we agree to pay a claim for **damage** to your **building** that is a direct result of a **catastrophe**, we will pay up to an additional 20% of the **insured amount** for **buildings** for any additional costs incurred in rebuilding that can be directly attributed to increases in the price of services and materials as a direct result of the **catastrophe**.

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

X What we exclude

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

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

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

11. Directors' and employees' tools of trade and personal effects

✓ What we cover

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

X What we exclude

We will not pay more than \$5,000 for any one person's tools of trade and personal effects for any one insured **event**. Any amount we pay for this extra cover will not be in addition to the **contents insured amount**.

If such tools of trade or personal effects are covered under another insurance policy, we will only pay for **loss** or **damage** not otherwise covered by that other policy.

12. Capital additions

✓ What we cover

If we pay for a claim for **loss** or **damage** to a **building** or **contents** at the **premises** and:

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

we will pay for **loss** or **damage** to the new additions or installations caused by the same **event**.

X What we exclude

We will not cover you for any **loss** or **damage** caused by or arising out of storm, wind and rain (including snow, sleet or hail):

- (a) for a **building** we will not pay more than:
 - (i) \$ 500,000; or
 - (ii) 20% of the **building insured amount**, whichever is the lesser amount; or
- (b) for a **contents** we will not pay more than:
 - (i) \$ 100,000; or
 - (ii) 20% of the **contents insured amount**, whichever is the lesser amount.

For example, in the case of **buildings** at the **premises** that are insured for \$1,100,000 and the **building** is being altered, we will not pay more than \$220,000 (20% of \$1,100,000) as this amount is less than \$500,000.

If your **business** is retail, and the **contents** of your rented shop are insured for \$150,000 and you are refitting the shop shelving and service counters, we will not pay more than \$30,000 (20% of \$150,000), as this amount is less than \$100,000.

13. Undamaged foundations

✓ What we cover

If the **building** foundations at the premises are not **damaged** by an insured event that causes other damage to the **building** but a government or statutory authority requires reinstatement of the **building** to be carried out on another site, the foundations will be considered as destroyed.

14. Seasonal increase period/s

✓ What we cover

We will automatically increase the **insured amount** in respect of **stock** by 35% or such other amount as specified in the **schedule** during a **seasonal increase period**.

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

✗ What we exclude

We will not pay more than the loss or damage to your **stock** from the **event** that gave rise to the claim.

Additional benefits

We will also provide the following additional benefits in this section, subject to the General exclusions and all of the exclusions in this policy section, unless provided otherwise.

Unless stated otherwise below, any amounts payable under these additional benefits apply in addition to the **insured amount**.

1. Prevention of loss or damage

✓ What we cover

We will cover you for the necessary costs that you incur:

- (a) to extinguish a fire occurring during the **period of insurance** on or in the vicinity of your **premises** which causes or threatens **loss** of or **damage** to your **property insured**;
- (b) to prevent or diminish imminent damage to your **property insured** by any other insured event covered by your policy; or
- (c) for the temporary protection and safety of your **property** at the **premises** necessitated by **damage** from an insured event occurring during the **period of insurance**, including the employment of security services.

✗ What we exclude

We will not pay more than \$25,000 for all claims under this additional benefit during any one **period of insurance**.

If you are insured under **Section 1B – Theft** or **Section 2 – Money**, the benefits payable under this additional benefit shall not be cumulative with the temporary protection cover contained in those sections and shall be \$25,000 for all claims under this additional benefit during any one **period of insurance**.

We will not pay for:

- (a) any fines penalties, or liability incurred by you; or
- (b) any loss or damage to your **property** under this Additional Benefit.

2. Temporary removal of property

✓ What we cover

We will pay for **loss** or **damage** in the **period of insurance** to **property insured** while:

- (a) temporarily removed from the **premises**,
- (b) in transit to or from the **premises** by road, railway, inland waterway or air, or
- (a) stored at a temporary storage facility, self storage unit or bulk storage facility.

X What we exclude

We will not pay more than 20% of the **stock and contents insured amount** for **stock and contents** for any one claim under this additional benefit.

We will not pay more than \$20,000 for any one claim under this additional benefit in respect of **buildings**, landlord's plant and machinery normally attached to the **buildings** but not used for any purpose of trade, and landlord's fixtures and fittings attached to the building.

We will not pay for **loss** of or **damage** to:

- (a) property located outside Australia at the time of **loss** or **damage**; or
- (b) property that had been removed for a period greater than 90 days at the time of **loss** or **damage**;
- (c) **stock** of a brittle nature including but not limited to glass, pottery and china, unless caused by fire or as direct result of collision or overturning of the conveying vehicle;
- (d) **stock** or **contents** in open vehicles caused by wind, water hail or storm unless the stock is appropriately protected by vehicle sheets such as tarpaulins;
- (e) **stock** in transit as a result of packing which was inadequate to withstand normal handling during transit;
- (f) directors' and **employees'** tools of trade and personal effects;
- (g) motor **vehicles**, except for fork lift trucks and similar appliances that are used for hauling or conveying goods at the **premises**; or
- (h) **stock** that you have consigned to another person for sale.

3. Damage to business records away from the premises

✓ What we cover

We will pay the reasonable costs incurred due to **loss** or **damage** to computer system records, documents, manuscripts, plans, drawings, designs and business books of every description used for the purposes of your **business** if they are **lost** or **damaged** in a **vehicle** accident or stolen from a locked **vehicle** in the **period of insurance**.

4. Landscaping

✓ What we cover

We will pay for **loss** of or **damage** to landscaping at the **premises** during the **period of insurance**.

Landscaping includes trees, shrubs, plants and lawns.

X What we exclude

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

We will not pay for any **loss** of or **damage** to landscaping which occurs as a result of:

- (a) storm, wind and rain (including snow, sleet or hail);
- (b) malicious acts (including by vandals and thieves); or
- (c) **animals**.

5. Damage to glass in vacant buildings

✓ What we cover

If you own but do not occupy any **buildings** shown as insured under this section at a **premises**, we will cover you for the following costs directly related to the breakage of **glass** in the **period of insurance** in a rentable area of the **building** that is vacant at the time of the breakage:

- (a) the cost of temporary shuttering, pending replacement of the broken **glass**;
- (b) the costs incurred in replacing reflective materials and burglar alarm tapes and connections attached to the **glass**;
- (c) the cost incurred in repairing or replacing damage to window, door or showcase frames and their fittings, but not to bars, grilles or shutters; or
- (d) the cost incurred in repairing or replacing tiles on shop and office fronts and around the **glass**.

x What we exclude

We will not pay more than \$5,000 during any one **period of insurance** for all claims under this additional benefit.

We will not cover you for any breakage:

- (a) of **glass** caused by or arising out of fire or the application of heat;
- (b) of **glass**:
 - (i) when in transit or whilst being fitted into position or removed from its fitting;
 - (ii) in light fittings;
 - (iii) that is cracked or imperfect prior to breakage;
 - (iv) that is not fit for the purpose intended; or
 - (v) that is in a glasshouse.

We will not pay for the breakage of:

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

We will not cover any claims under this additional benefit if:

- (a) you have selected Section 1C – Glass of the policy;
- (b) your insured **building** is leased to a tenant; or
- (c) the **premises** has remained unoccupied or untenanted for a continuous period longer than 60 days and we have not agreed to in writing to this during the **period of insurance**.

The excess that applies to this additional benefit is:

- (a) the excess shown on the **schedule**; or
 - (b) \$500
- whichever is the higher.

6. Fusion of small electric motors

✓ What we cover

The burn out of electric motors which form part of **buildings** or **contents** insured under this section during the **period of insurance**, if the burn out is caused by or directly due to the electric current.

x What we exclude

We will not pay for burn out of electric motors greater than 1.8 kilowatts (2.5 horse power).

If an electric motor cannot be replaced, we will pay the replacement cost of an equivalent motor or motor in a sealed unit of the same specification and standard available today. We will not pay for replacement of the whole appliance or **content**.

7. Refrigerated stock/foods

✓ What we cover

Loss of or **damage** to foods or **stock** at the **premises** during the **period of insurance** caused by one or more of the following events:

- (a) a change in temperature as a result of:
 - (i) the breakdown of the refrigeration or freezer unit in which the refrigerated food or stock is kept;
 - (ii) malfunctioning or failed thermostats, pressure controls, or limiting/controlling protection devices;
 - (iii) accidental failure of public supply services;or
 - (iv) sudden leak of refrigerant from the refrigeration or freezer unit in which the refrigerated food or stock is kept;
- (b) contamination of the refrigerated food or stock by leakage of refrigerant.

x What we exclude

Loss of or **damage** resulting from a public supply authority intentionally interfering with the public supply service, unless this is done to safeguard life or any part of the public supply.

Loss or **damage** resulting from any scheme of rationing which is not necessitated solely by **damage** to the generating or supply equipment of a supply authority.

Loss or **damage** caused by disease, improper storage, damaged packaging material or inadequate storage.

Loss of or **damage** to refrigerated food or stock which is stored in mobile machinery.

Loss of or **damage** to refrigerated food or stock which has exceeded its use by date.

We will not pay more than:

(a) \$5,000 per event; or

(b) the amount shown in the **schedule** as "refrigerated foods/stocks";

whichever is the greater.

8. Theft of external property

✓ What we cover

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

x What we exclude

We will not cover you for more than \$5,000 in the aggregate during the **period of insurance** for all claims under this additional benefit.

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

We will not pay any claims under this additional benefit if you have selected Section 1B – Theft

9. Temporary cover for new premises

✓ What we cover

We will cover you for **loss** or **damage** occurring during the **period of insurance** to any new premises that you occupy, as if that premises was shown on the schedule as an insured **premises**, provided that:

(a) you first occupy the new premises during the **period of insurance**;

(b) the **business** carried on at or from the new premises is the same as shown on the **schedule**;

(c) the **property** at the new premises is of the same nature as the **buildings, contents** and **stock** located at a **premises** and would have been covered if they were located at a **premise**; and

(d) the **buildings** at the new premises are constructed of the same materials as the **buildings** at any **premises**, and have the same or superior protection systems as those at a **premise**.

x What we exclude

We will not cover you for more than 20% of the highest **total insured amount** for any **premises** shown on the **schedule**.

For example, if you insure two existing **premises**, one which has **insured amounts** for all **property insured** totalling \$1,000,000 and the other which has **insured amounts** for all **property insured** totalling \$2,000,000, then any new premises will be covered for up to \$400,000 (20% of \$2,000,000, the higher of the two **insured amounts** for all **property insured** at a **premises**).

We will not cover you under this additional benefit for any **loss** or **damage** at the new premises that occurs more than 30 days after you first occupy the new premises.

Section conditions

These conditions apply to all covers and claims under section 1A – Fire and Defined Event of this policy.

1. Under-insurance

In the event of **loss** or **damage** covered under this section:

- (a) for claims settled on a reinstatement or replacement basis, we will be liable for no greater proportion of the **loss** or **damage** than the total **insured amount** as specified in the **schedule** for all **property insured**, at the **premises** where the **loss** or **damage** occurs, bears to 80% of the cost (net of any **input tax credit** that you could claim) which would have been incurred in reinstatement at the time when the policy was entered into, if the whole of the **property insured** had been destroyed at that time; or
- (b) for claims settled on an indemnity basis, we will be liable for no greater proportion of the **loss** or **damage** than the total **insured amount** specified in the **schedule** for all **property**, at the **premises** where the **loss** or **damage** occurs, bears to 80% of the indemnity value (less any Goods and Services Tax component of that value) of all of the **property** at the time when the policy was entered into.

This condition does not apply if the amount of any **loss** or **damage** (net of any **input tax credit** that you could claim) is less than 5% of the total **insured amount** specified on the **schedule** for all **property** at the **premises** where the **loss** or **damage** occurs.

See the worked dollar example below for an example of how underinsurance will apply to reduce the amount we will pay for claims under your policy.

2. Sprinklers and fire alarm systems

All fire protection systems (either manual or automatic sprinkler or alarm systems) in the **building(s)** and which you own or have responsibility for maintaining must be maintained in accordance with the Australian Standards Maintenance Series (A.S. 1851 or any subsequent amendments).

3. Indexation

If shown on the **schedule** that indexation applies, we will automatically adjust all **insured amounts** shown on the **schedule** each year according to the most appropriate price index (as determined by us) and any other relevant indices published by the Australian Bureau of Statistics.

The premium you pay will be based on the adjusted **insured amounts** shown on the **schedule**.

Worked dollar examples

The following worked dollar examples are designed to assist you in understanding some of the important benefits in this section and how claims are calculated. The examples do not cover all scenarios or all benefits and do not form part of your policy terms and conditions. The following examples should be used for general guidance only.

You have cover for a **building** that is used as both a hairdressing salon and your residence. For this reason it is a **home building**. Indemnity is not shown on your **schedule**, so you have cover on a replacement value basis. The total **insured amount** on the **schedule** is shown as \$400,000 (the total of the **insured amounts** shown on your **schedule** for the **building** of \$380,000, **contents** of \$10,000 and **stock** of \$10,000 and there are no **specified items**) and the **excess** shown on the **schedule** is \$250.

When setting the **building insured amount**, you must consider the costs to remove debris and payment of any architect fees. The **building** is **damaged** in a storm and we assess the cost of repairs to be \$50,000.

How much we pay		Further information
Cost of repairing the storm damage to your building	\$50,000	We normally decide the building is repairable if the cost of repairing the building is less than the insured amount (in this example the insured amount for buildings is \$380,000).
Removal of debris	+\$30,000	Removal of debris +\$30,000 In addition to the damage to the building , the storm has created building debris that requires cleaning up and removal. The most we will pay under the removal of debris benefit is the higher of \$25,000 or any unexhausted amount of the insured amount in respect of the damaged property . However, as the total insured amount has not been exhausted and is greater than \$25,000, we will pay the debris cost of \$30,000.
Less excess	-\$250	We deduct this from the amount we pay. We may require you to pay this amount directly to the repairer.
Total claim	\$79,750	We normally pay this amount directly to the repairer.

Underinsurance on a partial loss

In the above example, if the actual replacement value of the **building**, **contents** and **stock** at the time the policy was entered into was \$580,000 but you had only insured the **building**, **contents** and **stock** for \$400,000 the amount we pay will be reduced in accordance with the underinsurance condition in this section.

The amount we would pay will be calculated as follows:

$$\text{Total claim of } \$80,000 \times \frac{\$400,000}{(\$80,000 + \$580,000)} = \$68,965 \text{ less } \$250 \text{ excess} = \$68,715$$

You have cover for a **building** that is used as both a cafe and your residence. For this reason it is a **home building**. Indemnity is not shown on your **schedule** so you have cover on a replacement value basis. The **insured amount** on the **schedule** for **buildings** is shown as \$2,500,000 and the **excess** shown on your **schedule** is \$250. The **building** is **damaged** in an earthquake and we assess the cost of repairs to be \$1,000,000.

Cost of repairing the damage to your building that arose from the earthquake	\$1,000,000	We normally decide the building is repairable if the cost of repairing the building is less than the insured amount (in this example the insured amount is \$2,500,000).
Removal of debris	\$40,000	In addition to the damage to the building , the storm has created building debris that requires cleaning up and removal. The most we will pay under the removal of debris benefit is \$25,000 in addition to any unexhausted amount of the total insured amount . However, as the total insured amount has not been exhausted, we will pay up to any unexhausted amount remaining from the total insured amount .
Less excess	-\$10,400	Since the damage is caused by an earthquake, an excess of 1% of the insured amount of the loss or damage (up to a maximum of \$20,000) applies. In this example 1% of the insured amount of the loss to the buildings is \$10,400. We may ask you to pay this amount directly to the repairers.
Total Claim	\$1,029,600	We normally pay this amount directly to the repairers.

What we pay

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

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

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

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

1. Building(s), specified items or contents

Reinstatement or replacement

Unless the **schedule** shows you are insured for 'Indemnity' then, when **buildings, specified items or contents** are lost or destroyed we will, at our option:

- (a) rebuild the **buildings** at the **premises** shown on your **schedule** or at another site;
- (b) replace **contents** or **specified items** with similar property;
- (c) pay you the amount shown on the proof of purchase for **specified items**;
- (d) pay you the amount of a valuation by the Auctioneers and Valuers Association of Australia for **specified items** of works of art, antiques and curios; or
- (e) pay the cost of rebuilding or replacing the **buildings, specified items or contents**.

If the **buildings, specified items or contents** are **damaged**, then we will, at our option:

- (a) repair or replace the **buildings, specified items or contents**; or
- (b) pay the cost of repairing or replacing the **buildings, specified items or contents**.

Reinstatement or replacement is subject to the following conditions:

- (a) the work of rebuilding, replacing or repairing must be commenced and completed by you within a reasonable time otherwise the amount we pay will be the indemnity value of the **property**. This means we will reduce the amount we pay you to take into account age, wear, tear and depreciation.
- (b) when rebuilding at another site, we will not pay more than we would pay to rebuild at the **premises**.
- (c) when any **property** is **damaged**, but not destroyed, we will not pay more than the amount that we could have been called upon to pay for if that **property** had been destroyed.
- (d) we will only pay to return the **property** to a condition substantially the same as, but not better or more extensive than, its condition when new, using building materials readily available and in common use in The Commonwealth of Australia.

2. Indemnity

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

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

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

3. Extra costs of reinstatement: Building is not a heritage building

If you are insured under this section on a reinstatement or replacement basis, we will also pay the extra cost of reinstatement or replacement of **buildings** which are necessarily incurred to comply with the requirements of any Act of Parliament or regulation or any by-law or regulation of any municipal or other statutory authority, other than those relating to heritage status of the **building**.

The following conditions apply:

- (a) the work of reinstatement must be commenced and completed within a reasonable time; and
- (b) the amount payable will not include any additional costs in complying with any requirement that you had been required to comply with before the **loss** or **damage** occurred.

If the cost of reinstatement of the **building** insured is less than 50% of what would have been the cost of reinstatement if that **building** had been totally destroyed, then the amount we will pay will:

- (a) be limited to the extra cost necessarily incurred in reinstating the damaged portion of the **building** only;
- (b) not include any extra cost in relation to any portion of the **building** which is not damaged; and
- (c) will not exceed, in any event, the amount that we would have paid if that **building** had been totally destroyed.

4. Extra costs of reinstatement: Heritage building

If you are insured under this section on a reinstatement or replacement basis for **loss** of or **damage** to any **building** that is subject to any heritage listing or protection and you choose to rebuild, replace or repair the **building** at the same location, we will pay the extra cost of repairing, replacing, or reinstating the **building**, that are related to obtaining special materials or employing specialised labour to match up or reproduce unique or distinctive ornamental or architectural features of the **building** to comply with standards imposed by lawful heritage protection authority.

We will not pay more than the cost necessary to rebuild, replace or repair any such heritage listed **building** to a reasonably equivalent appearance and capacity using original design and suitable modern equivalent materials, if the original materials are not available.

The following conditions apply:

- (a) the work of reinstatement must be commenced and completed within a reasonable time; and
- (b) the amount payable will not include any additional costs in complying with any requirement that you had been required to comply with before the **loss** or **damage** occurred.

5. Loss of floor space

If a **building** insured under this section on a reinstatement or replacement basis can only be rebuilt with a reduced floor space as a result of:

- (a) an Act of Parliament or regulations; or
- (b) a by-law or regulation of any Municipal or other statutory authority;

We will, in addition to reinstating or replacing the **building** on the basis set out above for the **building** with a reduced floor space, pay you the difference between:

- (a) the actual cost of rebuilding the **building** with the reduced floor space; and
- (b) the estimated cost of rebuilding the **building** with the floor space it had at the time of its destruction.

6. Stock and customers' goods

If **stock** or **customers' goods** are **lost** or **damaged**, we will, at our option:

- (a) pay the market value of the **stock** or **customers' goods** at the time of the **loss** or **damage** up to but not exceeding the insured amount for **stock** under the Fire and Defined Events section in the **schedule**;
- (b) pay you the market value of **obsolete stock** or its purchase price (net of GST), whichever is the lesser, but no more than the original cost to you;
- (c) replace or repair the **stock** or **customers' goods** with property or materials equal to or of a similar standard and specification as the **stock** or **customers' goods** at the time it was lost or damaged; or
- (d) pay the cost of repair or replacement of the lost or damaged **stock** or **customers' goods**.

7. Branded stock

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

If you do not agree to us selling the branded **stock** as salvage, we will pay the market value of the **stock** after brands, labels or names have been removed.

Excess

You must pay the **excess** shown on the **schedule** that applies to a claim under this section.

If you are making a claim for **loss** or **damage**:

- (a) caused by an act committed by your tenants, the **excess** for each claim is \$500 or the **excess** shown on the **schedule** (whichever is higher);
- (b) covered under Additional Benefit 5 – Damage to **glass** in vacant **buildings**, the **excess** for each claim is \$500 or the **excess** shown on the **schedule** (whichever is higher).

Refer to page 2 for the conditions and excess that apply to earthquake, tsunami, subterranean fire or volcanic eruption, or fire resulting from any of these.

Definitions

The following words have the following meanings for this section only. You should also refer to the General Definitions section starting on page [xix].

Catastrophe

A large scale destructive event, in the area the **property insured** is located, which either:

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

Contents

Business and office furniture, tools of trade and equipment used by you in the **business**.

Contents includes:

- (a) unused stationery and printed books;
- (b) where you are a tenant of a leased or rented **premises**:
 - (i) property owner's fixtures and fittings, window blinds and floor coverings for which you are liable under the terms of a lease or similar agreement;
 - (ii) fixtures and fittings installed by you for your use in the **business**; and
 - (iii) installed fixtures and fittings, window blinds, cool rooms, awnings, CCTV and other security systems, exterior lights, masts, antennae and aerials, fixed external signs and air conditioning units including external compressors and pipes at your **premises**;
- (c) **money** up to \$500;
- (d) plant and **machinery**, unregistered forklifts and hoists, communications systems, fixtures and fittings, signs and awnings;
- (e) computers, word processors, printers, scanners and other peripheral equipment and other electronic equipment or electronic data processing systems;
- (f) digital or analogue telecommunication transmission and receiving equipment, lighting facilities, televisions, audio visual amplification or surveillance equipment and office machines;
- (g) **data, media**, records, documents, manuscripts, plans, drawings, designs and business books, but only for the value of these materials in their unused or uninstalled state or as blank stationery;
- (h) current patterns, models, moulds, dies and lasts used in the **business** but limited, unless repaired or replaced, to the value stated in your financial records at the time of **damage**; or
- (i) works of art, antiques or curios.

Contents does not include:

- (a) **stock**;
- (b) **specified items**;
- (c) directors' and **employees'** tools of trade and personal effects;
- (d) jewellery, precious metals or stones, bullion or furs;
- (e) **vehicles** registered for road use, caravans, trailers, **watercraft, aircraft**, hovercraft, rolling stock and locomotives or their accessories;
- (f) live **animals**;
- (g) plants, shrubs, lawns, growing crops, pastures and standing timber; or
- (h) **customers' goods** other than customers' records and documents held or created by you as part of your **business**.

Employee

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

Employee does not include:

- (a) Any broker, factor, consignee or contractor;
- (b) Any member of your **family**; or
- (c) Any partner, director or trustee unless that person is also your employee.

Property

The property means **buildings, contents, stock** and **specified items** at the **premises**.

Seasonal increase period

Any period of time during the **period of insurance** that has **stock** levels at least 35% higher than **stock** levels at other times during the **period of insurance**.

The total number of days we will allow as seasonal increase periods is 120 days during any one **period of insurance** unless a different period is shown in the **schedule**. You do not have to tell us what the dates of the periods are, but, if you make a claim under this section then your financial records over at least the previous 2 years must substantiate the period as a seasonal increase period. If the **business** is less than 2 years old, you can use the financial records of your **business** from the date of commencement until the date of the **loss** or **damage** to substantiate your claim.

Specified items

Each item of property that is specifically described on the **schedule** for Section 1A.

Stock

Stock includes **stock in trade** and **cigarettes and liquor**.

Stock includes items of **property** at your **premises** under a 'sales or return' consignment agreement.

Stock does not include consigned items of property under an 'agency arrangement where you make a commission on a sale.

Stock in trade

Merchandise and **customers' goods** for which you are legally responsible including the value of the work done and containers or packaging materials used in connection with the **business**.

Section 1B – Theft

About this section

This section covers the **loss** of your **contents, stock and cigarettes and liquor** at your **buildings** from theft, attempted theft, armed hold up or an actual or threatened assault.

Your insurance under this section

✓ What we cover

Provided 'Theft' is shown under 'What's Covered' in the **schedule** we will insure you for **loss or damage** occurring during the **period of insurance** of your **contents, stock, and cigarettes and liquor** at your **buildings** caused by one or more of the following:

1. Theft

✗ What we exclude

This section does not insure:

1. Theft by you, your employees or family

Loss of or damage to property insured caused by you, your **employees** or any member of your **family**.

2. Certain property

Loss of or damage to:

- (a) **money** where the **loss or damage** is greater than \$250;
- (b) jewellery, precious metals or stones, bullion or furs unless these items form part of your **stock**;
- (c) motor **vehicles**, except for fork lift trucks and similar appliances that are used for hauling or conveying goods at the **buildings**;
- (d) live **animals**; or
- (e) plants, shrubs, landscaping materials or growing crops, pastures or standing timber.

3. Glass

The **breakage** of **glass**, washbasins, sinks, toilet pans or cisterns, or the cost of replacing sign writing, ornamentation, reflective materials and burglar alarm tapes attached to broken **glass**.

4. Open space

Except as expressly provided by Additional Benefit 2 – Theft of External Property, **loss of or damage of property insured** from any open space, whether fenced or unfenced, outside the walls of the **building**.

5. Certain events

Loss or damage:

- (a) resulting from or as a consequence of fire; or
- (b) arising during or as a consequence of earthquake, subterranean fire, riot or civil commotion,

unless you are able to prove that the **loss or damage** occurred independently of these events.

6. Consequential loss

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

Extra covers

If we agree to pay a claim under this section for **loss** or **damage** caused by theft, we will also pay or provide the extra covers set out below.

Any amounts payable under these extra covers do not apply in addition to the **insured amount** specified in the **schedule**.

1. Reinstatement of insured amount

✓ What we cover	If we pay an amount for a claim under this policy section we will automatically reinstate the insured amounts for property insured . You will not have to pay any additional premium.
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2. Included damage to rented buildings

✓ What we cover	We will pay for damage to the buildings that you occupy as a tenant if you are legally liable for that damage under your tenancy agreement, provided that the damage is due to theft following actual forcible and violent entry to or exit from the buildings which occurs during the period of insurance .
✗ What we exclude	We will not pay more than \$5,000 for any one claim.

3. Temporary protection

✓ What we cover	We will pay the reasonable and necessary costs of temporary protection incurred, or the employment of guards or watchman by you, for the safety and protection of the building pending repair of damage to the building caused by a theft.
✗ What we exclude	We will not pay more than \$5,000 for any one claim. If you are insured under Section 1A – Property Damage or Section 2 – Money, the benefits payable under this extra cover shall not be cumulative with the temporary protection cover contained in those sections.

4. Replacement of locks and keys

✓ What we cover	We will pay the reasonable cost of replacing locks, keys and combinations used in the business if, as a result of the theft, keys or combinations are stolen, or if there are reasonable grounds to believe that keys have been duplicated. We will also pay the reasonable cost of opening safes and strongrooms because of the theft of keys or combinations during a theft.
✗ What we exclude	We will not pay more than \$5,000 for any one claim. Provided that any cover given under this Extra Cover 4 Replacement of locks and keys, shall not accumulate with any similar cover that may be given under Extra Cover 3 of Section 2 – Money.

5. Directors and employees tools of trade and personal effects

✓ What we cover	We will pay for loss of or damage to directors' and employees' tools of trade and personal effects caused by theft as if they were contents .
✗ What we exclude	We will not pay more than \$5,000 for any one person's tools of trade and personal effects and \$10,000 overall in respect of any one claim. This applies in addition to the insured amount . If such tools of trade or personal effects are covered under another insurance policy, we will only pay for loss or damage not otherwise covered by that other policy. Provided that any cover given under this extra cover shall not accumulate with any corresponding cover that may be given under Section 2 – Money.

6. Seasonal increase period/s

✓ What we cover	We will automatically increase the insured amount in respect of stock by 35% or such other amount as is specified in the schedule during a seasonal increase period . You can nominate different seasonal increase period(s) or higher percentage increases of stock . If you do they will be shown on your schedule and you must pay any additional premium that applies.
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7. Rewriting of documents

✓ What we cover	We will pay for any reasonable labour costs incurred in reproducing or making good documents that are stolen.
✗ What we exclude	We will not pay more than \$25,000 during any one period of insurance .

8. Environmental upgrade

✓ What we cover	The additional costs incurred if you elect to repair or replace property insured that is lost, destroyed or damaged in the period of insurance and which is covered by your claim, using, or with, environmental technology, products, or materials, that improve the energy or water efficiency of the property .
✗ What we exclude	We will not pay more than 10% of the amount we would otherwise have paid to repair or replace the property that is being upgraded. (For example your computer insured for \$5,000 is stolen and when it is replaced you wish to replace it with a more energy efficient model to building. We will pay up to \$5,500 for the costs of the new more efficient computers).

Additional benefits

We will also provide the following additional benefits in this section subject to the General exclusions and all of the exclusions in this policy section, unless provided otherwise.

Any amounts payable under these additional benefits do not apply in addition to the **insured amount** specified in the **schedule**.

1. Theft of external property

✓ What we cover	We will cover you for loss or damage occurring during the period of insurance to electronic equipment or contents that are securely and permanently affixed (by means other than the connection to a power point) to the outside of the building as a result of theft or any attempt at theft. We will treat such items as contents or electronic equipment as applicable, for the item.
✗ What we exclude	We will not cover you for more than: (a) \$5,000; or (b) the contents insured amount , whichever is the lesser during the period of insurance .

2. Employee dishonesty

✓ What we cover	We will cover you for loss to stock , contents or electronic equipment as a direct result of employee dishonesty during the period of insurance if discovered within 31 days of the employee dishonesty occurring.
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x What we exclude

This additional benefit does not cover:

- (a) any **loss** arising from the conduct of an **employee** after you have knowledge of or information about any prior act of fraud or dishonesty by the **employee**;
- (b) any **loss** arising from the conduct of an **employee** outside The Commonwealth of Australia;
- (c) any **loss** where you are unable to identify which **employee** is responsible;
- (d) any **loss** or part of a **loss** arising from the conduct of an **employee**, where the proof of the **loss**, either as to its occurrence or as to its amount, is dependent upon an inventory **stock** take or a profit and loss calculation;
- (e) fraud or dishonesty committed by your **family**; or
- (f) fraud or dishonesty committed by any of your **employees** committed with your connivance.

We will not cover you for more than:

- (a) \$5,000 for any one act of **employee** dishonesty; and
- (b) \$10,000 in total for all claims for **employee** dishonesty during the **period of insurance**.

We will not cover any claims under this additional benefit if you are insured under the optional cover – Employee Dishonesty in Section 4 – Management Liability and further provided that any cover given under this additional benefit shall not accumulate with any similar cover that may be given under Section 2 – Money.

3. Developing security images

✓ What we cover

We will cover you for the cost of developing images stored on **media** from security cameras following a theft or attempted theft at the **buildings** during the **period of insurance**.

x What we exclude

Provided that any cover given under this additional benefit shall not accumulate with any similar cover that may be given under Section 2 – Money.

4. Funeral expenses

✓ What we cover

We will cover you for burial or cremation costs if any director, **employee**, officer or business partner sustains a fatal injury provided:

- (a) their death directly results from an assault that occurs during a theft or attempted theft in the **period of insurance** of **property insured** owned by you or for which you are legally responsible; and
- (b) the death occurs within 6 months of the assault.

x What we exclude

We will not cover you for more than \$10,000, to be paid to the estate of the deceased person. Provided that any cover given under this additional benefit shall not accumulate with any similar cover that may be given under Section 2 – Money.

5. Temporary cover for new premises

✓ What we cover

Loss of stock or contents at any new premises which you first occupy during the **period of insurance**, as if that premises was shown on the schedule as the insured premises, provided that:

- (a) the **business** carried on at or from the premises is the same as shown on the current **schedule**;
- (b) only **stock or contents** that would have been covered if it were located at the **buildings**, will be covered at the new premises; and
- (c) the new premises has the same or better protection systems as are contained in the **buildings**.

You must provide us with full details of the new premises. If we agree to cover **stock or contents** at the new premises, you must pay any additional premium we ask for.

X What we exclude	<p>For any event covered by this additional benefit, we will not pay more than 20% of the insured amount for stock or contents (as the case may be) shown in the schedule.</p> <p>Loss of any contents or stock which does not belong to you, or for which you are not legally responsible.</p> <p>Stock which consists of tobacco, tobacco products, cigars, cigarettes or alcoholic beverages.</p> <p>We will not pay any benefit if:</p> <p>(a) you have owned or leased the new premises for more than 30 days; or</p> <p>(b) we have not agreed to cover the new premises under this policy.</p>
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6. Temporary removal of property

✓ What we cover	<p>Loss of or damage to stock or contents while temporarily removed from the premises or while in transit to or from the premises during the period of insurance by road, railway, inland waterway or air.</p>
X What we exclude	<p>For any event covered by this additional benefit, we will not pay more than 20% of the insured amount for stock or contents (as the case may be) shown in the schedule.</p> <p>We will not pay if the Event is excluded under the policy.</p> <p>We will not pay for:</p> <p>(a) Theft from an unattended vehicle, unless all of the doors and windows of the vehicle are closed and locked with any alarm or immobiliser activated; or</p> <p>(b) Theft from the open air or from an open vehicle;</p> <p>(c) Stock or contents which has been removed for more than ninety (90) consecutive days, unless we have agreed in writing during the period of insurance that the stock or contents in question could be removed for a longer period and that period has not been exceeded.</p> <p>Loss due to dishonesty or insolvency of persons to whom the goods are entrusted.</p>

7. Damage to a safe or strongroom

✓ What we cover	<p>We will cover you for loss or damage to the safe or strongroom in the premises as a result of attempted theft or theft of stock kept inside the safe or strongroom during the period of insurance.</p>
X What we exclude	<p>Any amount payable under this Additional benefit will not be in addition to the insured amount for this section.</p> <p>If you are insured under Section 2 – Money and you are entitled to claim for damage to the safe or strongroom under that section, we will not pay any claim under this Additional Benefit.</p>

Section conditions

These conditions apply to this **section**.

1. Monitored burglar alarms

If you own or have responsibility for operating and maintaining a burglar alarm for the purposes of the **business**, the alarm system must be tested and used in accordance with the manufacturers' specifications. The burglar alarm must be activated whilst the **building** is unoccupied.

Testing and use includes resistance checking the battery, alarm detection coverage and transmission to the monitoring station.

2. Valuables

You must ensure that all **stock** that is precious stones, gold and silver articles, jewellery, watches trinkets, stamps, coins and personal ornaments, which are individually of the value of \$500 or more are contained in a securely locked **safe or strongroom** during your non-business hours.

What we pay

The most we will pay for one **event** is the **insured amount** shown on the **schedule** or if a limit applies, the applicable limit shown in this policy section.

At our option, we will:

(a) with respect to **stock**:

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

(b) with respect to **contents**:

- (i) repair or replace the **contents**; or
- (ii) pay you the cost of repair or replacement of the **contents**.

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

Excess

You must pay the usual **excess** of \$250 or the **excess** shown on the **schedule** (whichever is the higher) that applies to a claim under this section.

The **excess** that applies to additional benefit 2 is the higher of the **excess** shown on the **schedule** or \$200.

Definitions

The following words have the following meanings for this section only. You should also refer to the General Definitions section starting on page [xix].

Contents

Business and office furniture and equipment used by you in the **business** and includes:

- (a) unused stationery and printed books;
- (b) plant and **machinery**, communications systems, fixtures and fittings and floor coverings owned by the tenant;
- (c) computer systems, **data**, **media**, records, documents, manuscripts, plans, drawings, designs and business books, but only for the value of these materials in their unused or uninstalled state or as blank stationery together with the cost of restoring the **data** stored on **media** or the cost of clerical labour actually, necessarily and reasonably incurred in rewriting, restoring or recreating the records;
- (d) current patterns, models, moulds and dies used in the **business** but limited, unless repaired or replaced, to the value stated in your financial records at the time of **damage**; and
- (e) works of art, antiques and curios.

Contents does not include:

- (a) **stock**;
- (b) **cigarettes and liquor**; or
- (c) directors' and **employees'** tools of trade and personal effects.

Employee

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

Employee does not include:

- (a) Any broker, factor, consignee or contractor;
- (b) Any member of your **family**; or
- (c) Any partner, director or trustee unless that person is also your employee.

Seasonal increase period/s

Any period of time during the **period of insurance** that has at least 35% increased **stock** levels compared to other times during the **period of insurance**.

The total number of days we will allow as seasonal increase periods is 120 days during any one **period of insurance**. You do not have to tell us what the dates of the periods are, but, if you make a claim under this section then your financial records over at least the previous 2 years must substantiate the period as a seasonal increase period. If the **business** is less than 2 years, we will use the financial records of your **business** from the date of commencement until the date of the **loss** or **damage** to substantiate your claim.

Stock

Merchandise, **stock in trade**, raw materials or work in progress and packing materials used by you in the **business**.

Stock also includes **customers' goods**.

Stock includes items of property at the **buildings** under a 'sales or return' consignment agreement.

Stock does not include consigned items of property under an 'agency' arrangement where you make a commission on a sale.

Stock in trade

Merchandise and **customers' goods** for which you are legally responsible including the value of the work done and containers or packaging materials used in connection with the **business**.

Section 1C – Glass

About this section

This section covers **loss** of or **damage** to **glass** at the **premises**.

Your insurance under this section

✓ What we cover

Provided “Glass” is shown under “What’s Covered” in the **schedule** we will insure you for **loss** of or **damage** to **glass** which you own or for which you are legally responsible, occurring during the **period of insurance** at the **premises**.

✗ What we exclude

This section does not insure:

1. Heat

Loss of or **damage** to **glass** caused by or arising out of fire or the application of heat.

2. Some types of glass

Glass:

- (a) when in transit or whilst being fitted into position or removed from its fitting;
- (b) forming part of **stock in trade** or merchandise;
- (c) in light fittings;
- (d) that is cracked or imperfect prior to **loss** or **damage**;
- (e) that is not fit for the purpose intended; or
- (f) that is in a glasshouse, conservatory or the like, radio, television, computer screen or any domestic item normally carried by hand such as a vase, crystal, china ware or glass in a photo frame.

3. Tiles

Breakage of tiles on shopfronts and office fronts, other than around the broken **glass**.

4. Consequential loss

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

Extra covers

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

Any amounts payable under these extra covers apply in addition to the replacement value.

1. Costs

✓ What we cover

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

- (a) the cost of temporary shuttering necessary to secure otherwise exposed **stock** or **contents** pending replacement of the broken **glass**;
- (b) the costs incurred in replacing sign-writing, ornamentation, reflective materials and burglar alarm tapes and connections attached to the **glass**;
- (c) the cost value (excluding profit of any kind) of your **stock** spoiled by the broken **glass**;
- (d) the cost incurred in repairing or replacing **damage** to window, door or showcase frames and their fittings;
- (e) the cost incurred in repairing or replacing tiles on shop and office fronts and immediately around the broken **glass**; or
- (f) the cost of after hours services, express delivery and labour at overtime rates in relation to the repair and replacement of broken **glass**.

✗ What we exclude

We will not cover you for the cost of repairing or replacing bars, grilles or shutters. We will not pay more than \$8,000 in total for any one event under this Extra Cover.

2. Window tinting

✓ What we cover

We will pay the cost of replacing any window tinting or window tinting film.

✗ What we exclude

We will not pay more than \$5,000 for any one event under this Extra Cover.

Additional benefit

We will also provide the following additional benefit in this section, subject to the General exclusions and all of the exclusions in this policy section, unless provided otherwise. Any amounts payable under this Additional benefit apply in addition to the **insured amount** specified in the **schedule**.

1. Broken signs costs

✓ What we cover

We will cover you for **loss** of or **damage** to plastic or perspex signs at the **premises** if they are lost or damaged during the **period of insurance**.

✗ What we exclude

We will not pay more than \$8,000 for one claim under this additional benefit.

What we pay

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

We will not pay to comply with any requirements that were issued prior to the **loss** of, or **damage** to, **glass**.

Excess

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

Worked dollar examples

The following worked dollar example is designed to assist you in understanding some of the important benefits in this policy section and how claims are calculated. The examples do not cover all scenarios or all benefits and do not form part of your policy terms and conditions. The following examples should be used for general guidance only.

*You have cover for a building that is used as both a cafe and residence. For this reason it is a home building. The excess is \$100. The window **glass** in the cafe and the perspex sign out on the front are broken after rocks are thrown at them. We assess the cost of replacing the **glass** to be \$1,500, the cost of replacing the damaged sign writing to be \$500 and the cost of replacing the **damaged** perspex sign to be \$1,000.*

How much we pay		Further information
Cost of replacing the glass	\$1,500	We pay the cost of replacing the glass .
Cost of re-applying the sign writing	\$500	The damaged window had signage painted on it. We assess the cost of re-painting the signage to be \$500.
Cost of replacing the damaged perspex sign	\$1,000	The cost to replace the damaged sign is covered under the additional benefit Broken Signs Costs and we will pay \$1,000.
Less excess	- \$100	We deduct this from the amount we pay. We may require you to pay this amount directly to the glass repairer.
Total claim	\$2,900	We normally pay this amount directly to the repairers.

Definitions

The following words have the following meanings for this policy section only. You should also refer to the General Definitions section starting on page [xix].

Contents

Business and office furniture, tools of trade and equipment used by you in the **business**.

Contents includes:

- (a) unused stationery and printed books;
- (b) where you are a tenant of a leased or rented premises;
- (c) property owner's fixtures and fittings, window blinds and floor coverings for which you are liable under the terms of a lease or similar agreement;
- (d) fixtures and fittings installed by you for your use in the **business**; and
- (e) installed fixtures and fittings, window blinds, cool rooms, awnings, CCTV and other security systems, exterior lights, masts, antennae and aerials, fixed external signs and air conditioning units including external compressors and pipes at your **premises**;
- (f) **money** up to \$500;
- (g) plant and **machinery**, unregistered forklifts and hoists, communications systems, fixtures and fittings, signs and awnings;
- (h) computers, word processors, printers, scanners and other peripheral equipment and other **electronic equipment** or electronic **data** processing systems;
- (i) digital or analogue telecommunication transmission and receiving equipment, lighting facilities, televisions, audio visual amplification or surveillance equipment and office machines;
- (j) **data, media**, records, documents, manuscripts, plans, drawings, designs and business books, but only for the value of these materials in their unused or uninstalled state or as blank stationery;
- (k) current patterns, models, moulds, dies and lasts used in the **business** but limited, unless repaired or replaced, to the value stated in your financial records at the time of **damage**; or
- (l) works of art, antiques or curios.

Contents does not include:

- (a) **stock**;
- (b) specified items;
- (c) directors' and **employees'** tools of trade and personal effects;
- (d) jewellery, precious metals or stones, bullion or furs;
- (e) **vehicles** registered for road use, caravans, trailers, watercraft, aircraft, hovercraft, rolling stock and locomotives or their accessories;
- (f) live **animals**;
- (g) plants, shrubs, lawns, growing crops, pastures and standing timber; or
- (h) **customers' goods** other than customers' records and documents held or created by you as part of your **business**.

Glass

- (a) fixed glass forming part of or fixed to the exterior of the **building** including glass in fixed signs; or
- (b) fixed internal glass including fixed glass in furniture, counters, shelving and showcases, fixed and hanging mirrors, vitreous china and ceramic including but not limited to fixed washbasins, sinks, toilet pans and cisterns, contained within the **building**.

Stock

- ▼ Stock includes **stock in trade** and **cigarettes and liquor**.
- ▼ Stock includes items of property at your **premises** under a 'sales or return' consignment agreement.
- ▼ Stock does not include consigned items of property under an 'agency arrangement where you make a commission on a sale.

Stock in trade

- ▼ Merchandise and **customers' goods** for which you are legally responsible including the value of the work done and containers or packaging materials used in connection with the **business**.

Section 1D – Breakdown of machinery, computer equipment and electronic equipment

About this section

This section covers the **breakdown** of **machinery** (including **boilers and pressure plant**), **computer equipment** and **electronic equipment** at your **premises**.

Your insurance under this section

✓ What we cover

Provided Machinery Breakdown, Computer Breakdown and Electronic Equipment Breakdown' is shown under 'What's covered' in the **schedule**, we will insure you for **loss** or **damage** as a result of a **breakdown** at your **premises** to an item of:

- (a) **machinery**, if "machinery breakdown" is shown in the **schedule**;
 - (b) **computer equipment**, if "computer breakdown" is shown in the **schedule**; or
 - (c) **electronic equipment**, if "electronic equipment breakdown" is shown in the **schedule**;
- which requires repair or replacement before it can continue operating normally and provided the **loss** or **damage** occurs during the **period of insurance**.

X What we exclude

We will not cover you for:

1. The cost of repair or replacement of **expendable items**.
2. **Breakdown** or any **loss** or **damage** caused by any crack, fracture, blister, lamination, flaw or grooving which has not penetrated completely through the entire thickness of the material of the machinery.
3. The costs incurred in repairing wear and tear or gradual deterioration including:
 - (a) wear and tear due to normal operation;
 - (b) wearing or wasting away of material caused by normal operation or resulting from atmospheric conditions, rust, erosion, or oxidation;
 - (c) **damage** to a safety or protective device caused by its own operation;
 - (d) the chipping or scratching of painted or polished surfaces; or
 - (e) slowly developing deformation or distortion.
4. The cost of carrying out of normal maintenance, such as the tightening of loose parts, recalibration or adjustments.
5. **Breakdown** of **machinery**, **computer equipment** or **electronic equipment** which you knew or reasonably should have known to be defective before the **breakdown** occurred.
6. Any **consequential loss**.
7. **Loss** or **damage** caused directly or indirectly from fire, smoke or soot, extinguishing of a fire or subsequent demolition, lightning, hail, wind, rain, storm, **flood**, impact by aircraft or other aerial devices, theft or attempted theft, malicious damage, earthquake, subsidence, landslip earth movement, subterranean fire, volcanic eruption, impact by land vehicles or watercraft.
8. **Breakdown**, **loss** or **damage** caused by explosion or implosion, other than:
 - (a) the sudden and violent rending of any **boilers and pressure plant** or **pressure pipe systems** by force of internal fluid pressure of ignited flue gases, but excluding other chemical action; or
 - (b) the bursting or disruption of turbines, compressors, engine cylinders, hydraulic cylinders, flywheels or other parts subject to centrifugal force, transformers, switches or oil immersed switch gear.
9. **Breakdown**, **loss** or **damage** caused during the course of maintenance, inspection, repair, alteration, modification or overhaul.
10. **Breakdown**, **loss** or **damage** caused during installation, erection or relocation.
11. Damage to foundations, brickwork, and refractory materials other than as a result of **breakdown**.

12. **Breakdown, loss or damage** arising out of plant being subjected to tests involving abnormal stresses or arising out of plant being deliberately overloaded.
13. **Breakdown, loss or damage** caused by a deliberate act, neglect or omission on your part.
14. **Breakdown, loss or damage** for which the manufacturer or supplier or other parties are responsible under a maintenance or warranty agreement.
15. The cost of alterations, improvements or overhauls unless it is required for the repair or replacement.
16. The costs associated with modifying the **machinery** so that it operates with a more ozone friendly refrigerant gas as required by the United Nations Environmental Programme Montreal Protocol with respect to substances which deplete the ozone layer (“**UNEP**”).
17. **Breakdown, loss or damage** as a result of dual lifting.
18. **Air conditioners** unless your **schedule** shows they are covered.
19. **Breakdown of machinery, computer equipment or electronic equipment** which is useless or obsolete to your **business**.
20. **Loss or damage** caused by or arising out of pollution, contamination or a **hazardous substance**, however caused, except as provided for in extra cover 4.

Extra covers

If we agree to pay a claim for **loss or damage** covered by a **breakdown** covered by this section 1D, under this section we will also provide the following extra covers.

Extra Covers 1, 2 and 4 are included in, and shall not be in addition to, the **insured amount** for the **breakdown of machinery, computer equipment or electronic equipment**.

1. Loss of or damage to property caused by flying fragments

Loss of or damage to other **property** that results from flying fragments from the broken **machinery, computer equipment or electronic equipment**.

2. Costs of joints, gaskets, drivebelts

The reasonable costs of replacing joints, gaskets, seams, drivebelts, filters, chains, brickwork, foundation or refractories, seals, shaft seals, flexible drives or flexible pipes, soft rollers, refrigerant, brine or other transfer media which are necessary for the repair.

3. Additional costs

The reasonable costs of:

- (a) hiring temporary replacement **machinery, computer equipment or electronic equipment** but no other associated costs such as, but not limited to, installation and storage costs;
- (b) effecting temporary repairs;
- (c) overtime work required for carrying out the repairs;
- (d) express freight services; and
- (e) consultants fees.

We will not pay more than \$25,000 in total for these additional costs for each **event**. This Extra Cover 3 is in addition to the **insured amount** for **breakdown of machinery, computer equipment or electronic equipment**.

4. Hazardous substances

If a **hazardous substance** is involved in or released by a **breakdown of machinery, computer equipment or electronic equipment** which is covered by this policy section, we shall pay the increase in cost to repair, replace, clean up or dispose of, the damaged **machinery, computer equipment or electronic equipment**.

The maximum we will pay under this extra cover is \$25,000 for each claim.

Additional benefits

The cover provided by Section 1D – Breakdown of Machinery, Computer Equipment and Electronic Equipment is extended to cover the following **loss or damage** occurring during the **period of insurance** subject to the General exclusions and all of the exclusions in this policy section:

1. Laptop computers, notebooks, or mobile electronic equipment away from premises

Breakdown of your laptop **computer equipment** or mobile **electronic equipment** anywhere in Australia if either ‘Computer Breakdown’ or ‘Electronic Equipment’, as applicable, is shown in the **schedule** and the laptop **computer equipment** or mobile **electronic equipment** is specified in the **schedule** under Section 3 Portable and Valuable Items.

Policy section conditions

1. Adherence to statutory requirements

If **machinery, computer equipment** or **electronic equipment** must be licensed under statutory obligations, by-laws, regulations, public authority requirements or safety requirements, you must obtain any licenses as required and use such **machinery, computer equipment** and **electronic equipment** as specified in the license.

2. Inspection

We or our authorised representatives have the right to make inspections of **machinery, computer equipment** or **electronic equipment** at any reasonable time. Neither this right to make inspections nor making them is an undertaking to you or others that the **machinery, computer equipment** or **electronic equipment** is safe and not hazardous or injurious to health.

3. Obligation to prevent loss

If we or our authorised representative discovers **machinery, computer equipment** or **electronic equipment** in or exposed to a dangerous condition, you must comply with any direction provided by us or our representatives to prevent loss. If you do not comply within 30 days of receiving the direction, we may refuse to pay a claim and cancel your policy.

4. One breakdown

If either:

(a) a **breakdown** of **machinery, computer equipment** or **electronic equipment** causes the **breakdown** of other **machinery, computer equipment** or **electronic equipment**; or

(b) a series of **breakdowns** occur at the same time as a result of the same cause,

they will all be considered as one **breakdown** for the purpose of applying the **excess**, the **insured amounts** and any other limit or sub-limit in this policy section.

What we pay

If we agree to pay a claim for **breakdown** of **machinery, computer equipment** or **electronic equipment** we will at our option repair, rebuild or replace any **damaged** item or pay for the cost of repairing, rebuilding or replacing. If we decide to replace the **damaged** item, we will replace the **damaged** property with similar property of a like kind, capacity, size, quality and function.

If we agree that you can carry out the repairs at the **premises** or at a workshop owned by you, we will pay the actual costs of materials and wages incurred plus a reasonable overhead mark-up, provided that a qualified person carries out the repairs.

If it is necessary to replace parts that are unavailable, we will not pay more than the estimated cost of similar parts currently available. If similar parts are unavailable, we will not pay more than the manufacturers, or suppliers, latest list price. We will not pay any cost of repairing or replacing any part or parts of a piece of **machinery, computer equipment** or **electronic equipment** which is greater than the cost of repairing or replacing the entire piece of such **machinery, computer equipment** or **electronic equipment**.

If the work of repairing, rebuilding or replacing the item is not commenced and carried out within a reasonable time period after the **breakdown**, we will not be liable to pay more than the cost necessary to repair, rebuild or replace the item at the time the **breakdown** occurred.

Where the **breakdown** is confined to a part of a machine or structure, we will not pay more than the cost of repairing or replacing that part plus the cost of dismantling and erecting the structure.

Depreciation applied for replacement of computers

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

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

Limit to what we pay

The most we will pay for **breakdown** of:

(a) **machinery** is the 'Machinery Breakdown' **insured amount**;

(b) **computer equipment** is the 'Computer Breakdown' **insured amount**; and

(c) **electronic equipment** is the 'Electronic Equipment Breakdown' **insured amount**.

Excess

Without limiting Policy Section Condition 4 – One Breakdown above, you must pay the amount of any **excess** shown in the **schedule** for each claim you make.

Definitions

These Definitions apply to this policy section 1D and to policy sections 1E, 1F and 1G.

Air conditioner

An appliance, system, or mechanism designed to extract heat from an area via a refrigeration cycle. Its purpose in a building is to provide comfort during either hot or cold weather.

Boilers and pressure plant

Those parts of the permanent structure of the **machinery** owned by you or for which you are legally responsible which are subject to internal steam gas or fluid pressure (other than atmospheric pressure) including:

- (a) fittings and direct attachments which are connected to the permanent structure without intervening valve or cock;
- (b) Supporting structures of the **machinery** described above (other than foundations, masonry or brickwork) such as furnace doors, access doors, external combustion chambers smoke boxes and casings; and
- (c) Metal parts of pressure and water gauges and their connections to the permanent structure.

Breakdown

A sudden, **accidental** and unforeseen failure of **machinery**, **computer equipment** or **electronic equipment** resulting in physical **damage** to such of **machinery**, **computer equipment** or **electronic equipment** which requires the repair or replacement of all or part of the of **machinery**, **computer equipment** or **electronic equipment** before normal operation of it can be resumed and may include, but is not limited to the actual breaking, seizing, deformation or burning out sufficient to prevent the item undertaking its normal operation and necessitating repair or replacement.

Breakdown does not mean:

- (a) depletion, deterioration, corrosion or erosion of material;
- (b) wear and tear;
- (c) vibration or misalignment;
- (d) the functioning of any safety device or protective device; or
- (e) the failure of a structure or foundation supporting the equipment or a part of the equipment.

Computer equipment

Electronic **data** processing equipment comprising a central processing unit with flexible programming ability, video display units, printers, hard disks, floppy disk drives, micro diskettes including read or write heads, electro or mechanical motors and passive components, but does not include software.

Consequential loss

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

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

Domestic type hot water systems

Any heating or hot water system of any kind used for domestic purposes not exceeding 500 litres and normally operating at a temperature not exceeding ninety nine degrees Celsius (99°C).

Electronic equipment

Telecommunication transmission and receiving equipment, electronic research, diagnostic or electro-medical equipment, lighting facilities, audio visual, amplification and surveillance equipment, and office machines owned by you or for which you are legally responsible.

Expendable items

- (a) Electrical and electronic glass bulbs, tubes, x-ray tubes, contacts, fuses and heating elements; or
- (b) Tracks, rails, wear plates, cutting edges, tools, dies, engraved cylinders, moulds, patterns, shear pins, filters, chains, belts, tyres, tracks or conveyor belts and any other part or parts which require periodic replacement.

Hazardous substance

Any:

- (a) **pollutant**, contaminant or other substance declared by a government authority to be hazardous to health or the environment; or
- (b) form of **fungus** including any spores or toxins created or produced by or emanating from such **fungus**, whether or not allergic, pathogenic or toxicogenic.

Machinery

Any item or component of an item that is owned by you or for which you are legally responsible including electronic and other integral parts which generates, contains, controls, transmits, receives, transforms, or utilises any form or source of energy or power.

Machinery includes **boilers and pressure plant**. Machinery includes **air conditioners** only when your **schedule** shows that they are covered.

Machinery does not include **computer equipment**, or **electronic equipment**, coin/card operated machines, lifts and escalators, storage tanks and vats, stationary and mobile pressure vessels containing explosive gases, **domestic type hot water systems**, mobile plant, ducting, reticulating electrical wiring, water and gas piping and any other **machinery** not installed or used.

Pressure pipe systems

In respect of **boilers and pressure plant** any pressure pipe systems with valves, fittings, traps and separators which contain steam condensate, gas or fluids under pressure (other than atmospheric pressure) and which is generated in whole or in part within the **machinery** specified in the **schedule**, including any feed water piping between such boiler and its feed pump or injector, but not including any such pipe systems which form part of any other vessel or apparatus. In respect of refrigeration and air-conditioning machinery specified in the **schedule** the interconnecting coils and pipework containing transfer media.

Section 1E – Restoration of computer data

About this section

This section covers the rewriting of your computer records following a breakdown of the computer which we have agreed to pay a claim for under section 1D – Breakdown.

Your insurance under this section

✓ What we cover

We will insure you for the costs of restoring **data** stored on **media** if:

- (a) we have agreed to pay a claim under Section 1D for repair or replacement of the **computer equipment**;
- (b) the **data** is lost or distorted during the **period of insurance** as a direct result of the **breakdown** covered under Section 1D;
- (c) the **media** which contains the **data** is at the **premises**, is at a location away from the **premises** where copies of **media** are stored, is temporarily at an alternative location for processing purposes or is in transit between any of these locations; and
- (d) "Restoration of Data" is shown under "Computer Breakdown" in the **schedule**.

✗ What we exclude

This policy section does not insure:

- (a) **Loss** or distortion of **data** due to defects in the **media**.
- (b) Any **consequential loss**.
- (c) Restoration of **data** other than that:
 - (i) lost or distorted after the most recent functional back-up; or
 - (ii) created more than 5 working days before the **loss** or **damage** took place, whichever is the shorter period.
- (d) Expenses or costs incurred in connection with the **loss** or distortion of **data** if they are not incurred within 12 months of the **breakdown**.
- (e) **Loss** or **damage** of, or distortion to, **data** caused by a **computer virus**.
- (f) **Loss** or **damage** of, or distortion to, **data** caused by or resulting from the partial or total failure, malfunction or loss of use of any electronic equipment, computer system, information repository, microchip, integrated circuit or other similar device due to:
 - (i) the erasure, destruction, corruption, misappropriation or misinterpretation of **data**;
 - (ii) any error in creating, amending, entering, deleting or using **data**;
 - (iii) the inability to receive, transmit or use **data**; or
 - (iv) the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks or similar facility, or of any internet address, website or similar facility,

Except to the extent that such **loss**, **damage** or distortion results solely from the **breakdown** of **computer equipment** covered under Section 1D.

What we pay

If we agree to pay a claim, we will pay the costs incurred in restoring the lost or distorted **electronic data** to a condition equivalent to that existing prior to the **breakdown**. **Data** may be reproduced in an updated form if the cost of doing so is no greater than that of reinstatement in its original form.

Limits to what we pay

We will not pay more than the **insured amount** for 'Restoration of Data' shown in the **schedule**.

Definitions

The Definitions set out in Section 1D also apply to this policy section.

Section 1F – Computers – Increased costs of working

About this section

This section covers the increased costs which you incur, such as the hiring of alternative computers, following the breakdown of computers which we have agreed to pay a claim for under section 1D – Breakdown

Your insurance under this section

✓ What we cover

We will insure you for the increased costs of operating your **business**, including hiring computers, transport costs, additional personnel and working at an off-site back up facility if:

- (a) we have agreed to pay a claim under Section 1D for repair or replacement of **computer equipment**;
- (b) the increased costs of working occur during the **period of insurance** and are a direct result of the **breakdown** covered under Section 1D;
- (c) we agree in advance to pay the increased costs of working; and,
- (d) "Increase costs of working" is shown under "Computer Breakdown" in the **schedule**.

✗ What we exclude

This policy section does not insure:

- (a) Costs incurred in respect of the first 2 working days following the **breakdown** of your **computer equipment**.
- (b) Fines or liability incurred for breach of contract or for late or incomplete orders or for any loss of bonus or any kind of penalties.
- (c) Any increased costs that are not necessary and reasonable to minimise any interruption to the **business**.
- (d) Any **consequential loss**.
- (e) Costs incurred after 90 days from the date of **loss** or **damage**.
- (f) Expenses that are incurred in the replacement of the **media**.
- (g) The cost of reinstating the **data** contained on the **media**.

What we pay

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

Limits to what we pay

We will not pay more than the **insured amount** for 'Increase Cost of Working' shown in the **schedule**.

Excess

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

Definitions

The Definitions set out in Section 1D also apply to this policy section.

Section 1G – Deterioration of stock

About this section

This section covers the deterioration of chilled, refrigerated or frozen stock, following the breakdown of the freezer or refrigerated unit that they are kept in.

Your insurance this section

✓ What we cover

Provided “Deterioration of Stock” is shown in the **schedule**, we will insure you for **loss** of or **damage** to **stock** occurring during the **period of insurance** at your **premises** caused by one or more of the following **events**:

1. A change in temperature of the refrigeration or freezer unit as a result of:
 - (a) **breakdown** of the refrigeration or freezer unit in which the refrigerated **stock** is kept where we have agreed to pay a claim under Section 1D for the **breakdown** of such **machinery**;
 - (b) malfunctioning or failed thermostats, pressure controls, or limiting, controlling or protection devices of the refrigeration or freezer unit;
 - (c) accidental failure of supply services which directly affects the refrigeration or freezer unit;
 - (d) a supply authority intentionally interfering with a public service but only to the extent that this is necessary to safeguard life or any part of the public supply and the supply authority’s interference is not caused directly or indirectly by fire, flood, storm or any other natural cause; or
 - (e) sudden leakage of refrigerant from the **machinery** or **pressure pipe systems**; or
2. Contamination of the refrigerated **stock** by leakage of refrigerant.

If deterioration occurs or is likely to occur to stock by any of the above insured events, we will also pay the reasonable costs incurred by you to prevent or minimise the loss of or damage to stock.

x What we exclude

This policy section does not insure:

1. Any **consequential loss**.
2. **Damage** resulting from a supply authority intentionally interfering with the public supply service, unless this is done to safeguard life or any part of the public supply and the supply authority’s interference is not caused directly or indirectly by fire, flood, storm or any other natural cause.
3. **Damage** resulting from any scheme of rationing which is not necessitated solely by damage to the generating or supply equipment of a supply authority.
4. **Damage** caused by disease, improper or inappropriate storage, damaged packaging material or inadequate ventilation or air circulation.
5. **Damage** to refrigerated **stock** that is alive or of a bacterial nature.
6. **Loss** of or **damage** to refrigerated **stock** stored in mobile **machinery** or **pressure pipe systems**.
7. **Loss** of or **damage** to refrigerated **stock** which has exceeded its use by date, nor will we pay for the disposal costs of such **stock**.
8. **Loss** or **damage** due to the manual operation or setting of switches.

Policy section conditions

In respect of **stock** that is kept in cold storage under **controlled atmospheric conditions**, you must keep adequate records, for each chamber, of the temperature, humidity and gas concentrations, as well as the time(s) and date(s) when each chamber is opened. You must provide us with those records upon request.

What we pay

If we agree to pay for a claim for deterioration of refrigerated **stock**, we will at our option, pay the cost of replacing the refrigerated **stock** or replace that **stock**.

We are not liable to pay more than the purchase price you paid for the **stock**, together with any handling costs you incurred.

If deterioration occurs or is likely to occur to **stock** by any of the **events** covered in this section 1G above, we will also pay the reasonable costs incurred by you to prevent or minimise the **loss** of or **damage** to **stock**.

Limit to what we pay

The most we will pay is the **insured amount** for 'Deterioration of Stock' shown in the **schedule**.

Excess

If we agree to pay for a claim for **loss** of or **damage** to **stock** under this section 1G caused by:

- (a) a **breakdown** of the refrigeration or freezer unit in which the refrigerated stock is kept where we have agreed to pay a claim under Section 1D for the **breakdown** of such **machinery**; or
- (b) a supply authority intentionally interfering with a public service in order to safeguard life or any part of the public supply,

then you must pay the 'Machinery Breakdown' **excess** shown in the **schedule** for each claim you make and not the 'Deterioration of Stock' **excess**.

In all other instances, you must pay the amount of the 'Deterioration of Stock' **excess** shown in the **schedule** for each claim you make.

Definitions

The Definitions set out in Section 1D also apply to this policy section.

Controlled atmospheric conditions

An atmosphere in which oxygen, carbon dioxide and nitrogen concentrations are regulated.

Stock

Stock includes **stock in trade** and **cigarettes and liquor**.

Stock includes items of property at your **premises** under a 'sales or return' consignment agreement.

Stock does not include consigned items of property under an 'agency arrangement where you make a commission on a sale.

Stock in trade

Merchandise and **customers' goods** for which you are legally responsible including the value of the work done and containers or packaging materials used in connection **with the business**.

Section 2 – Money

About this section

This section covers the **loss** of or **damage** to **money** at your **premises** or **in transit** to or from the **premises**.

Your insurance under this section

✓ What we cover

Provided 'Money' is shown under 'What's Covered' in the **schedule**, we will insure you for **loss** of or **damage** to **money** occurring during the **period of insurance** while:

- (a) **in transit**;
- (b) in the **building** during **business hours**;
- (c) in the **building** outside of **business hours**;
- (d) in the **building** in a securely locked **ATM, safe or strongroom**; or
- (e) **in custody**.

Also we will insure you for **loss** of or **damage** to **safes or strongrooms** in the **building** as a result of theft or attempted theft of **money**, occurring during the **period of insurance**.

✗ What we exclude

This section does not insure:

1. Missing money

Loss of or **damage** to **money**:

- (a) due to shortages resulting from clerical or accounting errors, breakdown or malfunction of any machine or electrical or electronic device or **loss** due to errors in receiving or paying out;
- (b) by any intentional or wilful act or omission by you or your **employees** with your connivance; or
- (c) except as expressly provided by additional benefit 1 – Employee Dishonesty, by any fraudulent or dishonest acts committed by you, your **family** members or any of your **employees** acting alone or in collusion with others.

2. Key or combination in building

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

3. Unattended vehicle

Loss of or **damage** to **money** in or from an unattended **vehicle**.

4. Professional carrier

Loss of or **damage** to **money** while professional money carriers, professional carriers or common carriers carry it.

5. Loss outside The Commonwealth of Australia

Loss of or **damage** to **money** occurring outside The Commonwealth of Australia.

6. Consequential loss

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

7. ATMs

Loss of or **damage** to **money** that does not belong to you, also for which you are not legally responsible, in or from an **ATM**.

8. Discovery of loss

Loss not discovered within 7 (seven) workings days of the **loss** occurring.

9. Unoccupied premises

Loss of **money** when the **premises** are left unoccupied unless any burglar alarm system which protects the **premises** is:

- (a) operative during the period the **premises** are left unoccupied; and
- (b) maintained in good working condition.

Extra covers

If we agree to pay a claim under this section for **loss** of or **damage** to **money**, or for **damage** to a **safe** or **strongroom** caused by theft or attempted theft, we will also pay or provide the extra covers set out below.

Unless stated otherwise below, any amounts payable under these extra covers apply in addition to the **insured amount**.

1. Reinstatement of insured amount

✓ What we cover	If we pay an amount for a claim under this policy section, we will reinstate the insured amounts for property insured . You will not have to pay any additional premium.
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2. Temporary protection

✓ What we cover	We will pay the reasonable and necessary costs incurred by you in effecting temporary protection, or the employment of guards or watchman, by you, to safeguard the money at the premises as a result of theft or attempted theft that is covered under this section.
✗ What we exclude	We will not pay more than \$5,000 for any one claim. If you are insured under Section 1A – Property Damage or Section 1B – Theft the benefits payable under this extra cover shall not accumulate with the temporary protection cover contained in those sections.

3. Replacement of locks and keys

✓ What we cover	We will pay the reasonable cost of replacing locks, keys and combinations used in the business if, as a result of theft of money covered under this section , keys or combinations are stolen, or if there are reasonable grounds to believe that keys have been duplicated. We will also pay the reasonable cost of opening safes and strongrooms because of the theft of keys or combinations during a theft of money covered under this section.
✗ What we exclude	We will not pay more than \$5,000 for any one claim. Provided that any cover given under this Extra Cover 3 Replacement of locks and keys, shall not accumulate with any similar cover that may be given under Extra Cover 4 of Section 1B – Theft and shall be \$5,000 in the aggregate per event .

4. Seasonal increase

✓ What we cover	We will automatically increase the applicable insured amounts in respect of money by either: (a) 35% or such other amount as is specified in the schedule during a seasonal increase period . You can nominate different seasonal increase period(s) or higher percentage increases of money . If you do they will be shown on your schedule and you must pay any additional premium that applies; or (b) 100%, or \$50,000 whichever is the lesser, during any long weekend which occurs as a result of the government gazetting Monday or Friday as a public or bank holiday. This increase shall apply up until bank closing time on the next business day after such holiday.
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5. Clothing and personal effects

✓ What we cover	We will cover you for loss of or damage to the personal effects of your directors, officers and employees during a theft or attempted theft of money covered under this section.
✗ What we exclude	If such tools of trade or personal effects are covered under another insurance policy, we will only pay for loss or damage not otherwise covered by that other policy. We will not cover you for more than \$5,000 for any one person's clothes or personal effects, and \$10,000 for any one occurrence . Provided that any cover given under this additional benefit shall not accumulate with any similar cover that may be given under Section 2 – Money.

Additional benefits

We will also provide the following additional benefits in this section, subject to the General exclusions and all of the exclusions in this policy section, unless provided otherwise.

Unless stated otherwise below, any amounts payable under these additional benefits apply in addition to the **insured amount**.

1. Employee dishonesty

✓ What we cover

We will cover you for **loss of money** as a direct result of **employee** dishonesty during the **period of insurance** if discovered within 31 days of the **employee** dishonesty occurring.

✗ What we exclude

This additional benefit does not cover:

- (a) any **loss** arising from the conduct of an **employee** after you have knowledge of or information about any prior act of fraud or dishonesty by the **employee**;
- (b) any **loss** arising from the conduct of an **employee** outside The Commonwealth of Australia;
- (c) any **loss** where you are unable to identify which **employee** is responsible;
- (d) any **loss** or part of a **loss** arising from the conduct of an **employee**, where the proof of the **loss**, either as to its **occurrence** or as to its amount, is dependent upon an inventory stock take or a profit and loss calculation;
- (e) fraud or dishonesty committed by your **family**; or
- (f) fraud or dishonesty committed by any of your **employees** committed with your connivance.

We will not pay more than:

- (a) \$5,000 for any one **occurrence**; and
- (b) \$10,000 in total for all claims for **employee** dishonesty during the **period of insurance**.

We will not pay any claims under this additional benefit if you are insured under Section 4 – Management Liability and further provided that any cover given under this additional benefit shall not accumulate with any similar cover that may be given under Section 1B – Theft.

2. Funeral expenses

✓ What we cover

We will cover you for any burial or cremation costs if any director, **employee**, officer or **business** partner sustains a fatal injury provided:

- (a) their death directly results from an assault that occurs during a theft or attempted theft of **money** owned by you or for which you are legally responsible in the **period of insurance**; and
- (b) the death occurs within 6 months of the assault.

✗ What we exclude

We will not cover you for more than \$10,000 to be paid the estate of the deceased person. Provided that any cover given under this additional benefit shall not accumulate with any similar cover that may be given under Section 1B – Theft.

3. Travellers' money

✓ What we cover

We will cover you for **loss of money** during the **period of insurance** in your custody, or in the custody of an **employee**, whilst travelling on **business** anywhere in the world.

✗ What we exclude

We will not pay more than:

- (a) \$5,000 in total for any one **event**; and,
- (b) \$10,000 in the aggregate during the **period of insurance**.

4. Counterfeit Money

✓ What we cover

We will cover the **loss** sustained by you due to the acceptance in good faith of counterfeit Australian currency notes during the **period of insurance**.

✗ What we exclude

We will not pay more than \$500 in any one **period of insurance**.

5. Developing security images

✓ What we cover

We will cover you for the cost of developing images stored on **media** from security cameras following a theft or attempted theft of money covered under this section.

✗ What we exclude

Provided that any cover given under this extra cover shall not accumulate with any similar cover that may be given under Section 1B – Theft.

What we pay

We will pay you the amount of any **money** that is **lost** or **damaged**.

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

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

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

In the case of a **loss** of subscription, conversion or redemption privileges through the **loss** of any security, the value of such privileges will be the value immediately preceding the expiration of the subscription, conversion or redemption, in the currency in which the **loss** was sustained.

Losses sustained in currencies other than Australian dollars will be calculated by converting the amount of **loss** to Australian dollars at the market rate at the time of settlement of the **loss** or such other rates as may have been expressly agreed with us. If there is no market price or value on the relevant day, then the value shall be agreed between you and us, or in default, we and you shall submit to mediation and be bound by the decision of the mediator.

In the case of travellers cheques, discount house vouchers or lottery tickets, the amount will be calculated at the original purchase price incurred by you.

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

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

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

The maximum amount we will pay, in respect of:

- (a) **money in transit** at the time of the **loss** or **damage** is the 'money in transit' **insured amount**;
- (b) **money** on the **premises** during **business hours** at the time of the **loss** or **damage** is the 'money on the premises during business hours' **insured amount**;
- (c) **money** on the **premises** outside **business hours** at the time of the **loss** or **damage** is the 'money on the premises outside business hours' **insured amount**;
- (d) **money** in a locked **safe or strongroom** at the time of the **loss** or **damage** is the 'money in locked safe or strongroom' **insured amount**;
- (e) **money** on the **premises** outside **business hours** is \$3,000 plus any additional amount shown on the **schedule**;
- (f) **money** in private residence is \$3,000 plus any additional amount shown on the **schedule**; or
- (g) **money in custody** at the time of the **loss** or **damage** is the 'money in private residence' **insured amount**.

Excess

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

Definitions

The following words have the following meanings for this section only. You should also refer to the General Definitions section starting on page xix.

ATM

Automatic teller machine which is a burglar resistant unit designed for the safe storage and disbursement of bank notes which resists fire and attack by hand-held or power operated tools.

Business hours

The normal working and office hours of the **business** (including overtime) during which you, your directors, officers, partners or **employees** are in the **building** for the purposes of the **business**.

Employee

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

Employee does not include:

- (a) Any broker, factor, consignee or contractor;
- (b) Any member of your **family**; or

Any partner, director or trustee unless that person is also your employee.

In custody

In your custody and control at your private residence or in the custody and control of persons authorised by you at their private residences until the next business day when the **monies** can be deposited in the bank.

In transit

During a journey to or from the **premises** to anywhere in The Commonwealth of Australia until the next business day when the **monies** can be deposited in the bank.

Money contained in the night safe or **ATM** of any bank where you normally transact business is 'in transit' whilst deposited.

Wages and salaries collected from the bank but not paid to **employees** is 'in transit' until it is physically in the control of **employees**.

Seasonal increase period

Any period of time during the **period of insurance** that has at least 35% increased amount of **money** compared to other times during the **period of insurance**.

The total number of days we will allow as **seasonal increase periods** is 120 days during any one **period of insurance**, unless a different period is shown in the **schedule**. You do not have to tell us what the dates of the periods are, but, if you make a claim under this **section** then your financial records over at least the previous 2 years must substantiate the period as a **seasonal increase period**. If the **business** is less than 2 years old, we will use the financial records of your **business** from the date of commencement until the date of the **loss** or **damage** to substantiate your claim.

Section 3 – Portable and valuable items

About this section

This section covers portable or valuable items that you usually carry around with you in the course of your **business** anywhere in the world. Any individual item worth more than \$2,500 must always be specified.

Your insurance under this section

✓ What we cover

Provided 'Portable and Valuable Items' is shown under 'What's Covered' in the **schedule** we will insure you for **accidental loss** of or **damage** to **insured property** occurring anywhere in the world during the **period of insurance**.

✗ What we exclude

This section does not cover:

- (a) any **unspecified item** of property unless your **schedule** shows that you have cover for **unspecified items**.
- (b) **loss** or **damage** caused by or arising out of:
 - (i) the actual process of cleaning, maintenance, overhaul, repair or renovation, alteration, addition or undergoing a trade process;
 - (ii) wear and tear, fading, gradual deterioration or developing flaws, normal upkeep or making good, or any gradual cause;
 - (iii) moths, termites or other insects or vermin;
 - (iv) scratching, biting or chewing by any **animal**;
 - (v) chipping, scratching, denting or marring that does not materially affect the use or operation of the **insured property**;
 - (vi) change in colour, loss of weight, change in flavour, texture or finish;
 - (vii) the action of light, atmospheric conditions, any form of **fungus** or variations or extremes of temperature, rust or oxidation, wet or dry rot, corrosion, inherent vice or latent defect;
 - (viii) mechanical, hydraulic, electrical or electronic breakdown, burn-out, failure, malfunction or derangement of any equipment or device;
 - (ix) soot or smoke from industrial operations (other than sudden and unforeseen resultant damage);
 - (x) any faults or defects in any item of **insured property** that you or any of your employees knew about before taking out this **section**;
 - (xi) unexplained inventory shortage, disappearance resulting from clerical or accounting errors, or shortage in the supply or delivery of materials;
 - (xii) testing, experimentation, intentional overloading, misuse or abuse;
 - (xiii) cracking, scratching or breakage of **glass** or fragile items;
 - (xiv) detention, confiscation or disappearances by customs or any lawful authority;
 - (xv) the sea, including tidal wave tsunami, storm surge or high water;
 - (xvi) **flood**;
 - (xvii) spontaneous combustion, fermentation or heating;
 - (xviii) persons taking part in riots or civil commotion; or
 - (xix) faulty materials or faulty workmanship.
- (c) **loss** or **damage** to any item worth more than \$2,500 unless it is a **specified item**;
- (d) **loss** of or **damage** to **money** or documents of any kind;
- (e) **loss** of or **damage** to tools of trade, sporting equipment, guns or musical instruments while they are in use;
- (f) **loss** of or **damage** to **insured property** undergoing any process involving the application of heat;

- (g) loss of use, loss of earning capacity and any other consequential loss;
- (h) **loss of or damage to insured property** as a result of:
 - (i) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of **data**;
 - (ii) breakdown or malfunction of the processing system including operator error or omission in creating, amending, loading, deleting or using **data**; or
 - (iii) total or partial inability or failure to receive, send, access or use **data** for any time or at all;
- (i) you for any **loss of or damage** caused by or arising out of theft:
 - (i) committed by any member of your **family** or by any **employee** of yours or committed by any person whilst lawfully at your **premises**; or
 - (ii) of unattended **insured property** in the open air.
- (j) you for any **loss or damage** caused by or arising out of theft from any building or vehicle unless the **insured property** was:
 - (i) securely locked in the vehicle and the theft was consequent upon forcible and violent entry to the vehicle;
 - (ii) securely and permanently affixed to a building or vehicle and theft is consequent upon forcible and violent removal of the **insured property**;
 - (iii) securely chained to a vehicle by a steel chain having a link diameter of 10mm or greater and a padlock with a security rating under AS 4145.4 (or any subsequent amendment) of 6 (or its equivalent) or above;
 - (iv) securely locked in a building or any part of the building and the theft is consequent upon forcible and violent entry to the building or that part of the building. However we will not cover any theft:
 - ▼ committed by any person while lawfully at your **premises**; or
 - ▼ of **insured property** which is unattended in areas of the building accessible by the general public; or
 - (v) stolen as a consequence of armed holdup or the threat of physical violence.

Extra covers

If we agree to pay a claim for **loss of or damage** to your **insured property** we will also pay for the following extra covers.

1. Reinstatement of insured amount

✓ What we cover

If we pay an amount for a claim under this policy section we will automatically reinstate the **insured amounts** for **insured property**. You will not have to pay any additional premium.

Additional benefits

We will also provide the following additional benefits in this section, subject to the General exclusions and all of the exclusions in this policy section, unless provided otherwise.

Any amounts payable under these additional benefits apply in addition to the **insured amount**.

1. Theft of other equipment

✓ What we cover

We will cover you for theft of any **insured property** not belonging to you but in your physical or legal control for the purposes of your **business** occurring during the **period of insurance** anywhere in the world.

x What we exclude

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

We will not cover you under this additional benefit unless the **insured property** was:

- (a) in a securely locked **vehicle** and the theft was consequent upon forcible and violent entry to the **vehicle**;
- (b) securely and permanently affixed to a building or **vehicle** and theft is consequent upon forcible and violent removal of the **insured property**;
- (c) in a **vehicle** and was securely chained to that **vehicle** by a steel chain having a link diameter of 10mm or greater and a padlock with a security rating under AS 4145.4 (or any subsequent amendment) of 6 (or its equivalent) or above;
- (d) in your private residence or the private residence of your employee who had been authorised by you to have the custody and control of the **insured property**. However we will not cover any theft by a tenant; or
- (e) securely locked in a building or any part of the building and the theft is consequent upon forcible and violent entry to the building or that part of the building.

We will not cover any theft:

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

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

What we pay

At our option, we will:

- (a) repair or replace the item of property (including carry case and usual accessories) to a condition equal to but not better or more extensive than its condition when new; or
- (b) pay the cost to repair or replace the property.

When the **loss** or **damage** is confined to a part or component of the **insured property**, we will only pay for that part or component plus the cost of any necessary dismantling and reassembling.

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

- (a) The maximum amount we will pay in respect of each **specified item** is the **insured amount** for that item.
- (b) The maximum amount we will pay in respect of any one **unspecified item** is \$2,500.
- (c) The maximum we will pay during the **period of insurance** for all claims in respect of any particular group or class of **unspecified items** is the **insured amount** for that group or class of **unspecified property** set out in the **schedule**.

Excess

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

Definitions

The following words have the following meanings for this section only. You should also refer to the General Definitions section starting on page xix.

Insured property

Specified items and/or **unspecified items**, as shown in your **schedule**.

Specified items

Each item of property that is specifically described on the **schedule**. Any item worth more than \$2,500 must be specified.

Unspecified items

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

Unspecified items does not include any item worth more than \$2,500.

Section 4 – Management liability

About this section

This section covers the management liability of **you, your directors, officers and employees**. The cover in this section (apart from the Optional Cover – Employee Dishonesty) is issued on a **claims made and notified** basis, which is discussed further on page v.

You can also choose to take out the Employee Dishonesty Optional Cover which will cover **you** for theft of **your** property or **money** by any of **your employees** which occurs during the **period of insurance**.

Your Insurance under this section

✓ What we cover

Provided 'Management Liability' is shown under 'What's Covered' in the **schedule** we will insure **you** for **loss** above the **excess** resulting from **claims** first made against **you** and notified to us during the **period of insurance** (or **discovery period**, if applicable).

✗ What we exclude

This section does not cover:

1. Bodily injury and property damage

Loss resulting from **claims**:

- (a) for bodily injury, any form of psychiatric, psychological or mental injury, illness, disease or death of any person;
- (b) for damage to or destruction of any tangible property including any resulting consequent loss of use.

This Exclusion will not apply in respect of any actual or alleged psychiatric, psychological or mental injury alleged in any **claim** by any **insured person** resulting from any **employment wrongful act**.

2. Dishonest or criminal intent or improper conduct

Loss resulting from **claims** against **you** arising directly or indirectly from or in respect of:

- (a) any **wrongful act** committed by **you** with wilful, reckless, dishonest, fraudulent, malicious or criminal intent; or
- (b) an **insured person** or **trustee** improperly using their position to gain an advantage for themselves or someone else or to cause a detriment to the **company** or the **superannuation fund**; or
- (c) an **insured person** or **trustee** improperly using information obtained as a result of their position to gain an advantage for themselves or someone else or to cause a detriment to the **company** or the **superannuation fund**,

in each case only if established by formal written admission by **you** or final adjudication of a judicial or arbitral tribunal.

For the purpose of this Exclusion, the fact that one of **you** has committed or is alleged to have committed the conduct described in a, b or c above will not be imputed to any other of **you**.

This Exclusion does not apply to Optional Cover – Employee Dishonesty.

3. Known claims and circumstances

Loss resulting from **claims** arising directly or indirectly from or in respect of any fact, **event**, circumstance or **wrongful act**:

- (a) known to **you** at the inception of this policy and which a reasonable person in the circumstances might reasonably expect to give rise to a **claim**;
- (b) which has been or should reasonably have been the subject of any written notice given under any policy of which this **policy** is a direct or indirect renewal or replacement; or
- (c) alleged in, discovered in, relating to or underlying any **claim** made against **you** prior to the inception of the commencement of the **period of insurance**.

x What we exclude

4. Company v insured

Loss, other than **defence costs**, resulting from any **claim** brought by or on behalf of the **company** except for any **claim**:

- (a) brought as a statutory derivative action, but not voluntarily solicited or assisted by the **company**;
- (b) by or at the direction of any liquidator, administrator, or receiver or equivalent in any jurisdiction; or
- (c) by the **company** pursuant to Section 50 of the Australian Securities and Investments Commission Act 2001.

This Exclusion does not apply to Optional Cover – Employee Dishonesty.

5. Contractual liability

Loss resulting from **claims** against the **company** arising directly or indirectly from or in respect of any actual or alleged breach of contract, except that this exclusion will not apply in respect of a **claim** for an **employment wrongful act**.

6. Pollution

Loss resulting from **claims** arising directly or indirectly from or in respect of **pollution**.

7. Intellectual property rights

Loss resulting from **claims** against the **company** arising directly or indirectly from or in respect of any alleged or actual breach of any other party's intellectual property rights, or infringement or violation of any trade secret.

8. Restrictive trade practices

Loss resulting from **claims** against the **company** arising directly or indirectly from or in respect of any alleged or actual restrictive trade practices including but not limited to, Part IV of the Competition and Consumer Act 2010 (Commonwealth) or similar legislation in other jurisdictions, or tortious interference with any other party's business or contractual relationships.

9. Professional services

Loss resulting from **claims** arising directly or indirectly from or in respect of:

- (a) any breach of duty in respect of any professional services or professional advice by **you**; or
- (b) any breach of any contract for the provision of professional services or professional advice by **you**;

except that this Exclusion will not apply in respect of any actual or alleged professional services or professional advice which is provided by an **insured person** when acting solely in their capacity as an **insured person**, or in circumstances where such professional services or professional advice is provided to **you** and not to third parties in the course of the **company's** professional **business**.

10. Public capital raisings

Loss resulting from **claims** arising directly or indirectly from or in respect of any public offer for the raising of capital by debt or equity, including but not limited to any prospectus.

11. Jurisdiction limits

- (a) any action brought or instituted against **you** or any judgment obtained against **you** (whether or not such judgment is enforced by the courts of The Commonwealth of Australia or New Zealand) in any country other than The Commonwealth of Australia or New Zealand, regardless of whether **you** are represented by a branch or by an **employee** domiciled in that country or by a company, firm or individual holding **your** power of attorney.

However, this exclusion (a) does not apply to actions and judgments arising from business visits (but not manual labour or supervision of manual labour) by travelling **directors** and **employees** of the **company** normally resident in the Commonwealth of Australia or New Zealand, to any country other than the **United States** or **Canada**; or

X What we exclude

(b) any actions brought or instituted against **you** or any judgment obtained against **you** (whether or not such judgment is enforced by the courts of The Commonwealth of Australia or New Zealand) within the **United States** or **Canada**.

However, this exclusion (b) does not apply to any recognition or enforcement action brought or instituted within the Commonwealth of Australia or New Zealand relating to a judgment obtained against **you** within the **United States** or **Canada** arising from business visits (but not manual labour or supervision of manual labour) by travelling **directors** and **employees** of the **company** normally resident in the Commonwealth of Australia or New Zealand.

12. Retroactive date

Loss resulting from any **wrongful act** occurring or committed prior to the **retroactive date**.

13. Subrogation waiver

Any liability incurred solely by reason of the **you** entering into a deed or agreement excluding, limiting or delaying the legal rights of recovery against another.

14. Occupational health and safety law

Loss resulting from **claims** arising directly or indirectly from or in respect of any breach of occupational health and safety law.

Additional benefits

We will also provide the following additional benefits in this section, subject to the General exclusions and all of the exclusions in this policy section, unless provided otherwise.

Any amounts payable under these additional benefits do not apply in addition to the **insured amount** specified in the **schedule**.

1. Advancement of defence costs and representation expenses

✓ What we cover

We will advance **defence costs** and, **representation expenses** covered under this section including under Additional Benefit 5 – Occupational Health and Safety Expenses and Additional Benefit 6 – Pollution Expenses.

However, if and to the extent that **you** are not entitled to cover for **loss** under the terms of this section, then we will cease to advance **defence costs** and **representation expenses** and any amounts previously advanced shall be repaid to us by **you** within thirty days following a request by us for such repayment.

If a **claim** alleges a **wrongful act** or illegal or improper conduct as described in Exclusion 2 – Dishonest or Criminal Intent / Improper Conduct, then we will advance **defence costs** and **representation expenses** in respect of such **claim**.

Provided that if it is found by way of an admission by **you**, judgment or adjudication that **you** did commit such **wrongful act** or engage in such illegal or improper conduct, then any amounts previously advanced shall be repaid to us within thirty days following the request for repayment.

2. Continuity

✓ What we cover

In the absence of fraudulent non-disclosure or fraudulent misrepresentation, where a **claim** that would otherwise be covered by this section is excluded by Exclusion 3 – Known Claims and Circumstances, then cover is provided under this section, provided that:

- (a) **you** were **insured against** the **wrongful act** by us at the time when **you** first became aware of such fact, **event**, circumstance or wrongful act and have since been insured continuously by us, under a policy of which this policy section is a replacement; and
- (b) no related **claim** has been made against **you** prior to the **period of insurance**.

The cover provided under this Additional Benefit will be in accordance with this section, except that:

- (a) if the **excess** applicable to the section in force at the time when **you** first became aware of such fact, **event**, circumstance or **wrongful act** is higher than the **excess** specified in the **schedule**, then that higher amount will be deemed to be the **excess** specified in the **schedule** in respect of such **claim**; and
- (b) if the **insured amount** applicable to the section in force at the time when **you** became aware of such fact, **event**, circumstance or **wrongful act** is lower than the **insured amount** specified in the **schedule**, then that lower amount will be deemed to be the **insured amount** in respect of such **claim**.

3. Acquisition or creation of new subsidiaries

✓ What we cover

If, during the **period of insurance**, the **policyholder** acquires or creates a new **subsidiary** that has total assets (by reference to the new **subsidiary's** most recent financial statements as at the time of acquisition or creation) that are no greater than the total assets of the **policyholder** (by reference to the **policyholder's** most recent financial statements as at the time of acquisition or creation), then the definition of **company** will be extended to include the new **subsidiary** with effect from the date of acquisition or creation of such **subsidiary** by the **policyholder**.

✗ What we exclude

The definition of **company** will not be extended to include any new **subsidiary** acquired or created by the **policyholder** that:

- (a) has any of its securities listed on any exchange in the **United States**; or
- (b) is domiciled or incorporated in the **United States**.

4. Outside directorships

✓ What we cover

This policy section is extended to include as an **insured person** a person who, at the written request of the **company** was prior to the **period of insurance**, or is during or after the **period of insurance** a **director** or **officer** of, or occupies a position of equivalent status in, any **non-profit outside entity** or **outside entity**.

Any cover afforded under this additional benefit will be specifically excess of:

- (a) any indemnity; or
- (b) any insurance contract specified by **endorsement**, available from or through the **non-profit outside entity** or **outside entity**.

5. Occupational health and safety expenses

✓ What we cover

Subject to the provisions of Additional Benefit 1 – Advancement of Defence Costs and Representation Expenses and notwithstanding Exclusion 1 – Bodily Injury and Property Damage or Exclusion 14 – Occupational Health and Safety law we will pay on behalf of **you**:

- (a) **defence costs** incurred in defending claims (other than a civil claim for compensation or damages) first made against **you** and notified to us during the **period of insurance**, based upon occupational health and safety law which results from a **wrongful act**; and
- (b) **representation expenses**, where the subject matter of the **official investigation**, examination, inquiry or other proceedings is occupational health and safety law.

For the purposes of this Additional Benefit 5 – **representation expenses** also includes necessary and reasonable costs, charges and expenses (other than regular or overtime wages, salaries, fees or **benefits** of an **insured person**) incurred with our prior consent, in representing and assisting **you** at a visit from an inspector of a workplace health and safety authority in connection with and following a workplace safety incident, provided that notice of the visit is given to **you** and is notified to us during the **period of insurance**.

The cover provided under this Additional Benefit 5 will only apply to **claims** made in the jurisdictions of Australia and New Zealand and pursuant to the laws of Australia or New Zealand.

If there is an entitlement to payment under Additional Benefit 6 – Pollution Expenses then there is no entitlement to payment under this Additional Benefit.

6. Pollution expenses

✓ What we cover

Subject to the provisions of Additional Benefit 1 – Advancement of Defence Costs and Representation Expenses, and notwithstanding Exclusion 1 – Bodily Injury and Property Damage or Exclusion 6 – Pollution, we will pay on behalf of **you**:

- (a) **defence costs** incurred in defending claims (other than a civil claim for compensation or damages) first made against **you** and notified to us during the **period of insurance**, based on **pollution** which results from a **wrongful act**; and
- (b) **representation expenses**, where the subject matter of the **official investigation** is **pollution**.

The cover provided under this Additional Benefit will only apply to **claims** made in the jurisdictions of Australia and New Zealand and pursuant to the laws of Australia or New Zealand.

7. Emergency costs

✓ What we cover

If, due to an emergency, **you** are unable to request our prior written consent to the incurring of **defence costs** or **representation expenses** in respect of **claims** covered under the terms of this section, then **you** may incur reasonable **defence costs** and **representation expenses** without our prior written consent until such time as **you** contact or reasonably could have contacted us.

8. Personal tax liability

✓ What we cover

The definition of **loss** is extended to include any personal liability an **insured person** incurs with respect to unpaid taxes of an insolvent company.

Our liability under this Additional Benefit will not exceed \$25,000 per **period of insurance**.

9. Public relations expenses

✓ What we cover

The definition of **loss** is extended to include the reasonable costs, charges, fees and expenses of a public relations firm or consultant incurred with our prior consent which **you** engage to prevent or limit the adverse effects or negative publicity which results from or is anticipated to result from a **claim**.

Our liability under this Additional Benefit will not exceed \$25,000 per **period of insurance**.

10. Business crisis consultant fees

✓ What we cover

We will pay on behalf of the **company**, **business crisis consultant fees** incurred by the **company** in responding to a **business crisis event** that first occurs during the **period of insurance**.

✗ What we exclude

We will not pay more than \$25,000 per **business crisis event**.

11. Spouses and legal representatives

✓ What we cover

If an **insured person** dies or becomes legally incapable, insolvent or bankrupt, then this policy section will cover loss resulting from claims first made against the **insured person's** estate, heirs, executors or other legal representatives during the **period of insurance**.

Provided that the estate, heirs, executors or other legal representatives must comply with the terms of this policy section.

If a **claim** against an **insured person** includes a claim against that **insured person's spouse** solely by reason of:

- (a) the **spouse's** legal status as a **spouse** of the **insured person**, or
- (b) the **spouse's** ownership interest in property which the claimant seeks as recovery for **claims** made against the **insured person**,

then all **loss** for which the **spouse** becomes legally liable that would otherwise be covered by this policy section will be treated for the purposes of this policy section as **loss**, except to the extent the **claim** alleges any act, error or omission by the **insured person's spouse**.

12. Retired directors and officers

✓ What we cover

In the event that this policy section is neither renewed nor replaced for any reason, other than for non-payment of premium, then any **director** or **officer** who retires from all paid employment and office with a **company** during the **period of insurance**, but prior to any **merger or acquisition**, shall be entitled to an automatic **discovery period** of 84 months following expiry of the **period of insurance**.

13. Automatic discovery period

✓ What we cover

In the event that this policy section is neither renewed nor replaced for any reason other than for non-payment of premium, and provided that no **merger or acquisition** has occurred, the **policyholder** will be entitled to a **discovery period** of 90 days at no additional premium.

Discovery periods are non-cancellable, and any **claim** made during a **discovery period** will be deemed to have been first made during the immediately preceding period of insurance.

The entitlement to a **discovery period** will not increase or reinstate the **insured amount**.

Optional insurance

The following cover is optional and is available if **you** choose it and pay an additional premium. The optional cover **you** have chosen will be set out in the **schedule**.

Employee dishonesty

✓ What we cover

Provided 'Employee Dishonesty' is shown under 'What's Covered' in the **schedule** we will pay **you** for **fidelity loss** that occurs during the **period of insurance**.

A series of related, continuous or repeated acts of fraud or dishonesty (whether by any one **employee** or any number of **employees** in collusion) will be treated as a single act of fraud or dishonesty even if committed during more than one period of insurance.

However, if the act of fraud or dishonesty is committed during more than one period of insurance **you** shall be entitled to elect in which of these periods of insurance the act of fraud or dishonesty shall be deemed to have occurred. The maximum amount of insurance will be determined by the **insured amount** that applied in the elected period of insurance.

x What we exclude

We will not cover **you** for any **fidelity loss** arising from any act of dishonesty committed more than 12 months before the inception of this section.

We will not cover **you** for more than the lesser of the:

- (a) **insured amount** shown in the **schedule**; or
- (b) the amount that would have been recoverable under the previous policy had it continued in force until the **discovery** of the **loss**.

This optional cover does not cover **you** for:

- (a) any **fidelity loss** arising from the conduct of an **employee**, discovered later than:
 - (i) 12 months after the expiry of the **period of insurance**; or
 - (ii) 12 months after the termination of employment of the relevant **employee(s)**, whichever occurs first;
- (b) any **fidelity loss** arising from the conduct of an **employee** after **you** have knowledge of or information about any prior act of fraud or dishonesty by the **employee**;
- (c) **fidelity loss** arising from the conduct of an **employee** outside of Australia or New Zealand;
- (d) **fidelity loss** or part of a **fidelity loss** where the proof of the **fidelity loss** is solely dependent upon an inventory stock take or a profit and loss calculation;
- (e) fraud or dishonesty by any of **your employees** committed with **your** connivance;
- (f) indirect or consequential loss of any kind, including but not limited to loss of use or loss of earning capacity; or
- (g) **fidelity loss** arising directly or indirectly from or in respect of the actual or alleged theft of confidential information or intellectual property.

We will also pay:

1. Claims preparation costs

✓ What we cover

If we agree to pay a **claim** under this optional cover we will also pay for the reasonable cost of auditors' fees and other reasonable expenses incurred by **you** with our consent, for the preparation of claims under this optional cover.

✗ What we exclude

We will not pay more than \$25,000 for claims preparation costs during any one **period of insurance**.

Any amounts payable for claims preparation costs do not apply in addition to the **insured amount** applicable to this optional cover.

2. Welfare, social or sporting club cover

✓ What we cover

The term 'you' is extended to include any welfare, social or sporting club formed with **your** knowledge and consent which is exclusively for the benefit of **employees** and their families.

Unless stated otherwise below, any amounts payable in respect of this extension of the term 'you' do not apply in addition to the **insured amount** applicable to this optional cover.

Policy section conditions

These conditions apply to all covers and claims under this section 4 unless otherwise stated.

1. Acquisition, merger or winding up of policyholder

If, during the **period of insurance**, any of the following events occur:

(a) a **merger or acquisition** of the **policyholder**; or

(b) the appointment of a receiver, controller, administrator or liquidator to the **policyholder** or, the commencement of a scheme of arrangement or compromise or a winding up process in respect of the **policyholder**,

then this policy section will remain in force until the expiry of the **period of insurance**, but only in respect of **loss** resulting from **claims** based on **wrongful acts** committed or alleged to have been committed prior to the events described in a or b above.

2. Severability and imputation

For the purposes of this policy section, any knowledge or information possessed by any past, present or future chief executive officer, chief operating officer, chief financial officer, chief legal officer (or similar positions) or chairman of the board of **directors** shall be imputed to the **company**.

The **proposal** made to us prior to entering into this policy shall be construed as separate applications for cover by each of **you** and, except as provided for above, no information provided by or representation made by one, shall be imputed to another.

No breach of this policy section or knowledge or information possessed by one of **you** shall be imputed to another except as provided for above.

3. Related claims

For the purpose of the calculation of the **insured amount**, any **sub-limit** or **excess**, all **related claims** will be deemed to be one **claim** and cover for all **related claims** will be provided as follows:

(a) if the first **related claim** is first made during this **period of insurance** and notified to us during this **period of insurance** or any applicable **discovery period**, then cover for all subsequent **related claims** will only be provided under this policy; and

(b) if the first **related claim** was first made and notified to us during a period prior to this **period of insurance**, during which **you** had cover with us, then cover for all **related claims** will only be provided under that earlier policy with us, subject to the terms, **excess** and **insured amount** of that earlier policy; and

(c) if the first **related claim** was first made during a period prior to this **period of insurance**, during which **you** did not have cover with us, then no cover for any **related claim** will be provided under this policy.

4. Notification

The **policyholder** must give to us notification of any **claim** made against **you**, or any **loss**, as soon as reasonably practicable within the **period of insurance**.

Each notification of a **claim** must include so far as practicable:

(a) the identity of the claimant or potential claimant; and

(b) the nature of the **claim**; and

(c) the likely quantum of the **claim**.

The **policyholder** must provide us notification of any **business crisis event** as soon as reasonably practicable and during the **period of insurance**. Each notification of a **business crisis event** must include a full description of the event.

The **policyholder** must provide us with such further information and documentation as we may reasonably require.

5. Claims conduct

We are entitled to take over and conduct in **your** name the defence or settlement of any **claim** and will have full discretion in the conduct of any proceedings and in the settlement of any **claim**.

We reserve entirely our rights under this policy, including our right to agree or deny cover while we assess a **claim** or conduct a defence. Our rights under this policy are not affected if we do not conduct the defence.

Neither **you** nor we will be required to contest or litigate any **claim** if, in the opinion of Senior Counsel, reasonable attempts should be made to settle the **claim**. The Senior Counsel shall be mutually agreed upon, or in the absence of such agreement, as nominated by the President of the NSW Bar Association. The cost to obtain the opinion will be advanced by us and treated as **defence costs**.

Senior Counsel shall provide the opinion in writing. In formulating the opinion Senior Counsel shall consider commercial matters including the amount of the **claim**, the actual and potential **loss** (including **defence costs**) that may reasonably be incurred in contesting the **claim**, the liability prospects and the prospect of recovering costs against the claimant in the event that the defence is successful. Senior Counsel shall also provide a settlement range within which reasonable attempts should be made to settle the **claim**.

If it is the opinion of Senior Counsel that reasonable attempts should be made to settle the **claim**, **you** shall not object to our attempt to do so.

6. Settlement

You must not settle or offer to settle any **claim**, incur any **defence costs**, or **representation expenses** or otherwise assume any contractual obligation or admit any liability in respect of any **claim** without our prior written consent.

If **you** object to a proposal by us to settle or compromise any **claim** payable under this policy section and wish to contest or litigate the matter, then **you** may so elect, but our liability in respect of any such **claim** so contested or litigated will not exceed the amount for which, but for such election, it could have been settled or compromised by us, together with **defence costs** payable in accordance with the terms of this policy section and incurred up to the time of such election.

7. Allocation of loss

This Claims Condition applies to any part of any **loss** resulting from a **claim** which is in respect:

- (a) of one of **you** only; or
- (b) of more than one of **you**, whether jointly or severally; or
- (c) of one or more of **you** and one or more persons or entities who is or are not covered under this policy section, whether jointly or severally,

and which is partly covered and partly not covered under this policy section, (together 'Loss to be Allocated'). We must determine a fair and reasonable allocation of the covered part of the Loss to be Allocated among the relevant insureds and us having regard to the extent of each insured's comparative responsibility for the Loss to be Allocated.

Our consideration of what is fair and reasonable should include without limitation, the following factors:

- (a) the nature of the **claim** against each insured;
- (b) the issues of fact and law in relation to each insured;
- (c) the content and the manner of the conduct of any defence of the **claim**;
- (d) the relative degree of personal responsibility for the **loss**;
- (e) the extent to which the insured's responsibility for the **loss** is joint, several or shared;
- (f) the extent to which any person or entity, other than that insured, would obtain a benefit from the payment by us;
- (g) the extent to which the **loss** is solely of that insured;
- (h) the extent to which the issues in the **claim** against that insured are in common with the issues in the **claim** against any other person or entity;
- (i) the extent to which the **loss** is partly covered and partly not covered under this policy section;
- (j) in the event of a settlement, the likely comparative responsibility had the settlement not occurred.

If **you** wish to dispute our determination of the allocation, each party agrees that the dispute must be referred for expert determination in accordance with the Australian Commercial Disputes Centre ("ACDC") Mediation Guidelines, to an expert agreed by the parties, or if the parties do not agree on an expert, an expert nominated by the then current CEO of ACDC or the CEO's nominee.

Each party agrees to sign an agreement with the expert that confirms the following:

- (a) each party will pay an equal share of the fees for the appointed expert (to be charged at the expert's usual rate); and
- (b) the expert may:
 - (i) consider relevant industry practice;
 - (ii) consider all information presented to the expert by either party;
 - (iii) request more information from either party;
 - (iv) request a meeting with the parties (to which they may bring their lawyers); and
- (c) the expert must decide within thirty days after the agreement is signed, and need not give reasons; and
- (d) the expert's decision will be binding on the parties and final; and
- (e) the expert will exclude all liability of the expert to either party (including liability for negligence) to the full extent permitted by law.

This allocation applies for all purposes under this policy section including the Additional Benefit 1 – Advancement of Defence Costs and Representation Expenses and the Policy Section Condition 8 – Subrogation and Recoveries.

Any allocation of **loss** will not apply to or create a presumption with respect to the allocation of other **loss** on account of such **claim**.

This provision overrides the Complaints Resolution provision contained in Part B with respect to our determination of the allocation, to the extent of any inconsistency.

8. Subrogation and recoveries

Provision of information and assistance

You agree to provide us with all information, evidence, documentation, assistance and co-operation and to execute such documents, including signed statements and affidavits, which we reasonably request in the exercise of our rights of recovery.

You will at all times and at **your** own cost use reasonable endeavours to do and concur in doing everything reasonably practicable to assist in the exercise of **your** rights of recovery.

All recoveries

All recoveries obtained by **you** from other parties will be allocated, after the settlement of any **claim** under this policy section as follows:

- (a) firstly, to the benefit of **you** to reduce or extinguish the amount of **your loss** to the extent that it would have been paid under this policy section but for the fact that such **loss** exceeds the sum of the **insured amount**, and the **excess** where applicable; and
- (b) secondly, to the benefit of us for all sums paid in settlement of **loss** arising under this policy; and
- (c) thirdly, to the benefit of **you** for the **excess** under this policy section.

All recoveries will be applied as herein only after deduction of the reasonable cost of obtaining such recovery. All recoveries made prior to settlement of any **claim** under this policy section will be held for the benefit of us and applied as stated herein after settlement if any is made.

Recoveries do not include any amount recovered from insurance, suretyship, reinsurance, security or indemnity taken for the benefit of us.

9. Authorisation

The **policyholder** is the agent for each of **you** and each of **you** is bound by any statement, act or omission of the **policyholder** for all purposes under this policy section, subject to the Claims Conduct Condition and the Severability and Imputation Conditions.

If the **policyholder** is more than one entity, then the first entity listed in the **policy schedule** will be deemed to be the **policyholder**.

10. Confidentiality

You must not disclose the existence or terms of this policy section, including without limitation the **insured amount**, the nature of the insurance or the premium payable to any person who is not insured except where:

- (a) **you** are required by law or stock exchange rules to do so; or
- (b) we provide our prior written consent to such disclosure.

11. Governing law

The construction, interpretation and meaning of the terms of this policy section will be determined in accordance with the laws of the Commonwealth of Australia and the State or Territory where the policy was issued. Any disputes relating to the construction, interpretation and meaning of the terms of this policy will be submitted to the exclusive jurisdiction of the courts of the Commonwealth of Australia.

12. Interpretation the singular includes the plural and vice versa.

A reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinate legislation issued under, that legislation or legislative provision (whether of the Commonwealth of Australia or elsewhere).

What we pay

Our liability to **you** under this section in respect of **loss** resulting from **claims** first made against **you** and notified to us during the **period of insurance** (or the **discovery period**, if applicable) will not exceed the 'Management Liability' **insured amount** in the aggregate for all **loss** covered under the policy section during the **period of insurance**.

Except as provided by the Optional Cover – Employee Dishonesty, we have no liability for any amount above the 'Management Liability' **insured amount**.

Any **discovery period** will not increase or reinstate the 'Management Liability' **insured amount** or any Sub-limit of Liability, which will be our maximum liability for the **period of insurance** and **discovery period**, combined.

In respect of the Optional Cover – Employee Dishonesty, we will:

- (a) pay **you** the amount of lost **money**; or
- (b) at our option, replace lost **covered property** or pay the market value of the **covered property**.

Notwithstanding that the act of fraud or dishonesty may have been committed during more than one **period of insurance**, the maximum amount we will pay for all **claims** under Optional Cover – Employee Dishonesty in the **period of insurance** is the 'Employee dishonesty' **insured amount**.

Retroactive cover for optional cover – Employee dishonesty

If the Employee Dishonesty Optional Insurance replaces any previous fraud and dishonesty policy held by **you** that is terminated, cancelled or allowed to expire at the time of the replacement, we will cover any **fidelity loss** that is within the period of cover of the consecutive previous policy provided that:

- (a) the **fidelity loss** is not covered by the consecutive previous policy;
- (b) the **fidelity loss** would have been recoverable by **you** under the consecutive previous policy except for the fact that the time within which to discover any **fidelity loss** had expired; and
- (c) the **fidelity loss** would have been covered under this section if this section had been in force when the acts or defaults causing the **fidelity loss** were committed.

Excess

The **excess** that applies to Management Liability only is shown on the **schedule** and applies to each **claim** under this section.

If **you** also select Optional Cover – Employee Dishonesty the **excess** that applies to 'Employee Dishonesty' will apply in addition to any excess applicable to Management Liability.

You are liable for the amount of **loss** or **fidelity loss** up to the **excess** for each **claim** under this section.

The **excess** is deducted from **loss** payable before the application of the 'Management Liability' **insured amount** or, in respect of the Optional Cover – Employee Dishonesty, from **fidelity loss** payable before the application of the 'Employee dishonesty' **insured amount**.

Definitions

The following words have the following meanings for this policy section only. You should also refer to the General Definitions section starting on page xix.

Benefits

- (a) fringe benefits and perquisites; or
- (b) amounts due or payments made in connection with superannuation or an employee benefit plan or pension scheme; or
- (c) share or stock options or any other right to purchase, acquire or sell shares or stock; or
- (d) bonuses, or employee or management incentive schemes or similar.

Business crisis consultant fees

The reasonable costs, charges, fees and expenses of an independent management consultant engaged to minimise the effect of the **business crisis event**, but only during the first thirty days immediately following the **business crisis event**.

Business crisis event

Any one of the following unforeseen **events** which, in the reasonable opinion of the Managing Director (or equivalent) of the **company**, if left unmanaged has the potential to lead to an imminent decrease of 30% or more of the **company's** consolidated revenues:

- (a) the loss of a major customer or contract of the **company**; or
- (b) the sudden and unexpected death or injury of any **insured person**; or
- (c) the unexpected imposition of a tax bill; or
- (d) the unexpected recall of any product manufactured, distributed or sold by **company**; or
- (e) the illegal tampering with or contamination of any product manufactured, distributed or sold by the **company**.

Claim

- (a) a written communication, including electronic communications, to **you**, containing a demand for compensation or damages, alleging an act, error, omission, conduct, facts or circumstances that may constitute a **wrongful act**; or
- (b) a civil proceeding commenced against **you** by the service of a written complaint, summons, statement of claim, writ or similar pleading or an arbitral process, cross-claim, or counter claim against **you** alleging an act, error, omission, conduct, facts or circumstances that may constitute a **wrongful act**; or
- (c) any criminal proceeding commenced against **you** by a summons or charge arising from a **wrongful act**; or
- (d) any **official investigation**.

Company

- (a) the **policyholder**; and
- (b) subsidiaries of the **policyholder** prior to or as at the commencement of the **period of insurance**, but cover only applies in respect of **wrongful acts** committed or alleged to have been committed subsequent to the acquisition or creation of such **subsidiary**.

Covered property

Tangible property other than **money**.

Defence costs

Reasonable costs, fees and expenses incurred by **you** in defending, investigating or settling **claims**.

Director

Any natural person who was prior to the **period of insurance**, or is during or after the **period of insurance** a validly appointed director (as defined in the Corporations Act 2001 or any equivalent provision in the jurisdiction in which the **company** is incorporated) of the **company**.

Discovered/Discovery

When **you** first become aware of facts which would cause a reasonable person in the circumstances to believe that **fidelity loss** has occurred, or is likely to occur, regardless of when the act or acts causing or contributing to such **fidelity loss** occurred and even though the exact amount or details of the **fidelity loss** may not then be known.

Discovery period

A period of time immediately following the expiration of the **period of insurance** during which written notice may be given to **us** of a **claim** first made after the expiry of the **period of insurance**, and based on **wrongful acts** occurring prior to the expiry of the **period of insurance**.

Employee

Any natural person who was prior to the **period of insurance**, or is during or after the **period of insurance** an employee of the **company**, (which will include trainees, casual, part-time, seasonal, temporary, voluntary and work experience personnel) acting in such capacity, but excludes **directors** and independent contractors.

Employment wrongful acts

Any employment related act, error, omission, conduct constituting actual, constructive or alleged:

- (a) wrongful dismissal, discharge or termination of employment;
- (b) wrongful failure to employ or promote;
- (c) wrongful deprivation of career opportunity;
- (d) misleading representation or advertising in respect of employment;
- (e) wrongful disciplinary action;
- (f) negligent employee evaluation;
- (g) wrongful demotion;
- (h) breach of employment contract;
- (i) sexual or workplace harassment (including the creation of a workplace environment conducive to such harassment);
- (j) wrongful discrimination;
- (k) failure to grant tenure; or
- (l) invasion of privacy or defamation;

committed by **you** in respect of **employees** or prospective employees of the **company**.

Fidelity loss

Direct financial or physical **loss** of **money** or **covered property** belonging to **you**, or leased by **you** or in **your** care, custody or control, and caused by any dishonest or fraudulent act committed by an **employee** (whether acting alone or in collusion with any other person) while working for **you** in connection with the **business**.

Fidelity loss does not mean:

- (a) regular or overtime wages, salaries, fees or benefits earned in the normal course of employment; or
- (b) damages of any type, including but not limited to punitive, exemplary or aggravated damages.
- (c) Securities
- (d) Shares, stocks, bearer instruments, derivatives, bonds, warrants, debentures, units in shares, units in trusts (including any evidence of indebtedness or other equity or debt security), rights under a depositary receipt or other securities (or interests therein) of whatever nature.

Insured person

Any natural person who was prior to the **period of insurance**, or is during or after the **period of insurance** a **director, officer** or **employee** of the **company**.

Loss

- (a) any amount, whether determined by judgment, verdict or award for which **you** are legally liable to pay including compensation orders, pre- and post-judgment interest, awards of costs or settlements including claimant's costs;
- (b) **defence costs**;
- (c) **representation expenses**;
- (d) reasonable expenses incurred by **you** with our prior written consent, solely to investigate, prove and substantiate the amount of the **claim**;
- (e) fines and penalties, to the extent allowed by law;
- (f) with respect to any **claim** for an **employment wrongful act**:
- (g) in the event of an order to reinstate or re-employ an **employee**, the cost to **you** of complying with any order to pay salary or wages, or damages calculated by reference to salary or wages, to an **employee** for the period from the date of the purported dismissal or termination to the date on which the court, tribunal or similar body delivered its judgment to the parties but does not mean employee entitlements or benefits.

Loss does not mean:

- (a) any amount that we are prohibited from paying under the laws applicable to this policy;
- (b) any amount representing a profit or advantage to which **you** are not legally entitled;
- (c) with respect to any **claim** for an **employment wrongful act**:
 - (i) any amounts payable in respect of a specified contractual obligation
 - (ii) compensation payable in respect of contractual or statutory notice periods
 - (iii) future salary or wages if the **company** was ordered to reinstate an **employee** but does not;
 - (iv) salary or wages earned prior to the date of termination; or
 - (v) **benefits**.

Management wrongful acts

Any act, error, omission, conduct, misstatement, misleading statement, neglect or breach of duty, trust, contract, warranty of authority, statute or confidentiality, actually or allegedly committed by:

- (a) the **company**; or
 - (b) a **director** or **officer** of the **company**, or as the holder of a position of equivalent status in, any non-profit outside entity or outside entity, in that capacity; or
 - (c) a **trustee** of a **superannuation fund** in that capacity,
- but does not include an **Employment wrongful act**.

Merger or acquisition

- (a) the **policyholder** or the **company** consolidating with, merging into or selling all or substantially all of its assets such that the **policyholder** or the **company** is not the surviving entity; or
- (b) any entity obtaining control of the **policyholder** or the **company**.

Money

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

Any **superannuation fund** or pension fund formed by **you** and exclusively for the benefit of **employees** but does not include any scheme that is administered by a professional funds manager.

Non-profit outside entity

Any non-profit organisation of any kind that is exempt from the payment of income tax, other than a **subsidiary**.

Officer

Any natural person who was prior to the **period of insurance**, or is during or after the **period of insurance**:

- (a) a company secretary of the **company**; or
- (b) a person:
 - (i) who makes, or participates in making, decisions that affect the whole, or a substantial part, of the business of the company; or
 - (ii) who has the capacity to affect significantly the company's financial standing; or
 - (iii) in accordance with whose instructions or wishes the directors of the company are accustomed to act (excluding advice given by the person in the proper performance of functions attaching to the person's professional capacity or their business relationship with the directors or the company),

other than:

- (a) a receiver, or receiver and manager; or
- (b) an administrator or an administrator of a deed of company arrangement; or
- (c) a liquidator; or
- (d) a trustee or other person administering a compromise or arrangement made between the company and someone else.

Official investigation

Any formal investigation, examination, inquiry, or other formal proceeding into the affairs of the **company** or the conduct of **directors, officers, employees** and **trustees** in that capacity, as ordered or commissioned by any authoritative or governmental body that has legal authority to conduct such a proceeding, and in which the **company** and **directors, officers** and **employees** in that capacity, are required or requested to attend or produce documents.

An **official investigation** is deemed to have started when **you** are first required or requested to attend or produce documents.

Outside entity

Any company, other than a **subsidiary**, that:

- (a) is not domiciled or incorporated in the **United States**;
- (b) is not a bank, building society, credit union, stockbroker, venture capital company, private equity company, insurance or reinsurance company, investment manager, fund manager or similar entity; and
- (c) does not have any of its securities listed on an exchange.

Policy committee

A prescribed policy committee for the purposes of Part 9 of the Superannuation Industry (Supervision) Act 1993.

Policyholder

The person or entity named as such in the **schedule**.

Pollution

- (a) the actual, alleged or threatened discharge, release, escape, seepage, migration or disposal of **pollutants** into or on real or personal property, water or the atmosphere; or
- (b) any direction or request to test for, monitor, clean up, treat, detoxify or neutralise **pollutants**.

Proposal

The signed proposal form and declaration completed in respect of this policy, including any renewal declaration and any information supplied by the **company** about any matter or risk the subject of or relevant to this insurance or policy.

Related claims

All **claims** arising directly or indirectly from or in respect of the same or causally related or continuous or repeated **wrongful acts** whether committed by one or more of **you** and whether directed to or affecting one or more than one person or legal entity.

Representation expenses

Reasonable costs, fees and expenses of preparing for, attending, cooperating with, or being represented at an **official investigation**.

Retroactive date

The date specified as such in the **schedule**.

Spouse

A lawful spouse, domestic partner (including same sex partner) or any person deriving similar status by reason of the common law or statute.

Subsidiary

- (a) a subsidiary of the **policyholder** as defined in the Corporations Act 2001; or
- (b) any body corporate in which the **policyholder**:
 - (i) controls the composition of the board of the body corporate; or
 - (ii) is in a position to cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of the body corporate; or holds more than one-half of the issued share capital of the first body (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital); or
- (c) any body corporate which is a subsidiary of a body corporate described in a or b above; or
- (d) any other body corporate whose accounts are consolidated into those of the **policyholder** in accordance with the relevant Australian Accounting Standard.

Superannuation fund

A corporate superannuation fund established for the benefit of **employees** of the **company**, but excludes any industry, master or self managed **superannuation fund**.

Trustee

Any **insured person** who:

- (a) was prior to the **period of insurance**, or is during or after the **period of insurance**
 - (i) duly appointed trustee of the **superannuation fund**; or
 - (ii) member of the **policy committee** of the **superannuation fund**, to the extent that such person's activities concern the administration of that superannuation fund as is contemplated under the Superannuation Industry (Supervision) Act 1993; or
- (b) was prior to or at the commencement of the **period of insurance** a **trustee** of the **superannuation fund** duly appointed by a court or regulatory body or pursuant to statute.

Wrongful act

Management wrongful act or **employment wrongful act**.

You

- (a) the **company**;
- (b) an **insured person**; and
- (c) a **trustee**.

Section 5 – Business interruption

About this section

This section of the policy covers a reduction in your **business** income as a result of **damage** referred to in this policy section.

Your insurance under this section

✓ What we cover

Provided 'Business Interruption' is shown under 'What's Covered' in the **schedule**, we will insure you for:

1. a reduction in your:
 - (a) **gross profit** or **gross rentals** if "Gross Profit" is shown in the **schedule**;
 - (b) **gross income** if "Gross Income" is shown in the **schedule**; or
 - (c) **weekly income** if "Weekly Income" is shown in the **schedule**,
 2. your increased costs of working only if 'Increased Costs of Working Only' is shown in the **schedule**,
- arising from the **business** being interrupted directly by sudden and unforeseen physical **loss** or **damage** as described below under 'Loss or damage covered' which occurs during the **period of insurance**.

Loss or damage covered

1. Insured Events

✓ What we cover

Loss or **damage** for which you are covered by the insuring clause (or would have been but for the application of the **excess**) (but not where you are only covered by an Additional Benefit in those sections) under:

- (a) Section 1A: Property damage;
- (b) Section 1B: Theft;
- (c) Section 1C: Glass;
- (d) Section 2: Money;
- (e) Section 3: Portable and valuable items;
- (f) Section 6: Goods in transit; or
- (g) any other policy insuring the events in (a) to (f) and for which the insurers have admitted liability, or would have admitted liability if it was not for the application of an excess.

2. Boiler explosion

✓ What we cover

Loss or **damage** as a result of the explosion of any boiler or economiser at the **premises**.

3. Utilities extension

✓ What we cover

Damage to:

- (a) an electricity power station or substation;
 - (b) a gas works;
 - (c) a water or sewage works; or
 - (d) a telecommunications installation,
- that is land-based within Australia and supplies your **business** if the following apply:
- (a) the **damage** would have been covered under an insured event specified in policy section 1A – Property Damage if such **damage** had been to **property insured** under that policy section; and
 - (b) the **damage** results in hindering or stopping the supply of electricity, gas, water or sewage or telecommunications to the **premises**.

X What we exclude

We will not pay for the first 48 hours of any such interference or interruption which occurs after the **loss** of or **damage** to the property.

We will not pay more than 20% of the **insured amount** shown against Gross Profits, Gross Income, Weekly Income or Increased Cost of Working Only in the **schedule**, whichever is applicable, for any one **event**.

4. Premises in the immediate vicinity (prevention of access)

✓ What we cover

Damage to property in the immediate vicinity of the **premises** if the following apply:

(a) the **damage** would have been covered under an insured event specified in policy Section 1A – Property Damage if such **damage** had been to **property insured** under that policy section; and

(b) the **damage** prevents or hinders the use of or access to the **premises**.

5. Unspecified Suppliers' or customers' premises extension

✓ What we cover

Damage to property at the Australian premises of:

(a) any suppliers, manufacturers or processors of component goods, materials or services which supplies your **business** directly; or

(b) any customer to whom you supply component goods, materials or services directly;

if the **damage** would have been covered under an insured event specified in policy Section 1A – Property Damage if such damage had been to **property insured** under that policy section.

X What we exclude

We will not pay more than 20% of the **insured amount** shown against Gross Profits, Gross Income, Weekly Income or Increased Costs of Working Only in the **schedule**, whichever is applicable, during any one **period of insurance**.

6. Business that attracts customers

✓ What we cover

Damage to property of a major tenant if the following apply:

(a) your **business** is located in a multi tenanted retail shopping complex or commercial complex;

(b) the **damage** would have been covered under an insured event specified in policy section 1A – Property Damage if such damage had been to **property insured** under that policy section; and

(c) the **damage** results in customers not coming to the shopping complex.

7. Roads, bridges and railway lines

✓ What we cover

Damage to roads, bridges and railways lines over which **stock**, components and materials used in your **business** are conveyed to and from your **premises** if the following apply:

(a) the **damage** would have been covered under an insured event specified in policy Section 1A – Property Damage if such **damage** had been to **property insured** under that policy section; and

(b) the **damage** results in not being able to convey **stock** as defined in Section 1A, components or materials used in your **business** to and from your **premises**.

X What we exclude

We will not pay more than 20% of the **insured amount** shown against Gross Profits, Gross Income, Weekly Income or Increased Costs of Working Only in the **schedule**, whichever is applicable, for any one **event**.

8. Infectious diseases, murder, suicide

✓ What we cover

Loss or damage as a result of the closure or evacuation of the whole or part of the **premises** by order of a competent government, public or statutory authority as a result of:

- (a) infectious or contagious human disease occurring at the **premises**;
- (b) vermin or pests or defects in the drains or other sanitary arrangements at the **premises**;
- (c) poisoning of customers directly caused by the consumption of food or drink provided on the **premises**;
- (d) the outbreak of a notifiable human infectious or contagious disease occurring within twenty (20) kilometres radius of the **premises**;
- (e) murder or suicide occurring at the **premises**; or
- (f) shark or crocodile attack occurring within a 20 kilometre radius of the **premises**.

✗ What we exclude

We will not pay any claim that is directly or indirectly caused by or arises from, or is in consequence of or contributed by:

- (a) cleaning, repairing or checking your **premises**; or
- (b) any Quarantinable Disease (as the term is defined in the Quarantine Act (C'th) 1908 and any subsequent amendments) or Highly Pathogenic Avian influenza.

9. Computer installation

✓ What we cover

Damage to a computer installation, including any ancillary equipment and data processing medium utilised by you anywhere in Australia that you utilise in your **business** if the following apply:

- (a) the **damage** would have been covered under an insured event specified in policy Section 1A – Property Damage if such **damage** had been to **property insured** under that policy section; and
- (b) the **damage** results in not being able to utilise a computer installation or any ancillary equipment in your **business**.

10. Documents temporarily removed

✓ What we cover

Damage to your documents or documents held in trust by you as part of your **business** that are:

- (a) temporarily removed to other premises anywhere in Australia; or
- (b) in transit to any place in Australia;

if the **loss** or **damage** would have been covered under an insured event specified in policy Section 1A – Property Damage if such **damage** had been to **property insured** under that policy section.

✗ What we exclude

We will not pay more than 20% of the **insured amount** shown against Gross Profits, Gross Income, Weekly Income or Increased Costs of Working Only in the **schedule**, whichever is applicable, resulting from any one **event**.

11. Registered motor vehicles owned or operated by you

✓ What we cover

Accidental loss or damage to any registered **vehicle** or trailer owned or operated by you when they are at the **premises** or in buildings anywhere in Australia.

✗ What we exclude

We will not pay for **loss** or **damage** to any registered motor **vehicle** whilst on a **road**.

12. Transit

✓ What we cover

Damage to **stock** whilst in transit by **road**, rail, sea or air to any place in Australia away from your **premises** if the **damage** would have been covered under an insured event specified in policy Section 1A – Property Damage if such damage had been to **property insured** under that policy section.

✗ What we exclude

We will not pay more than 10% of the of the **insured amount** shown against Gross Profits, Gross Income, Weekly Income or Increased Costs of Working Only in the **schedule**, whichever is applicable resulting from any one **event**.

Extra covers

If we agree to pay a claim under this policy section arising from any business interruption caused by any **loss** or **damage** specified under 'Loss or damage covered', we will also provide the following extra covers.

Unless stated otherwise below, any amounts payable under these extra covers apply in addition to the **insured amount**.

1. Reinstatement of insured amount

✓ What we cover	If we pay an amount for a claim under this policy section we will automatically reinstate the insured amounts for property insured . You will not have to pay any additional premium.
✗ What we exclude	This Extra Cover does not apply if we pay the full insured amount for property insured in respect of a single claim under this policy section.

2. Professional fees

✓ What we cover	We will pay the reasonable professional fees (including those of an auditor or accountant) and other reasonable additional expenses incurred for preparing or to certify a claim under this section
✗ What we exclude	We will not pay more than \$25,000 for any one event . Provided that any cover given under this extra cover shall not accumulate with any similar cover that may be given under Policy Section 4 – Management Liability or Policy Section 8 – Tax Probe.

3. Departmental provision

✓ What we cover	We will apply the cover provided by this policy section to each department of your business separately, if your business is conducted in departments, and each department has independent trading results which are ascertainable.
✗ What we exclude	We will not pay more than the insured amount shown against Gross Profits, Gross Income, Weekly Income or Increased Costs of Working Only in the schedule , for all losses resulting from the same event .

4. Government incentives

✓ What we cover	We will pay for the reduction in the your gross profits, gross income or weekly income in relation to your business where such interruption results from the loss of Government approved incentives, subsidies or market development allowances to which you would have been entitled. This only applies if the loss of these incentives, subsidies or allowances was caused by loss of or damage to: (a) property insured resulting from an insured event covered under section 1A – Property Damage; or (b) contents or stock resulting from theft covered under the insuring clause in section 1B – Theft.
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What we pay

Gross profit cover

If the **schedule** shows that you are insured for 'Gross Profit' we will pay for either:

- a **reduction in turnover**. This amount is calculated by applying the **rate of gross profit** to the amount by which the **turnover** during the **indemnity period** falls short of the **standard turnover** as a consequence of the **loss** or **damage** covered by this policy section; or
 - a **reduction in gross rentals**. This is the amount by which the **gross rentals** during the **indemnity period** falls short of the **standard gross rentals** as a consequence of the **loss** or **damage** covered by this policy section;
- and
- increased cost of working**. This is the expenditure necessarily and reasonably incurred with our consent for the sole purpose of avoiding or diminishing the reduction in **turnover** or **gross rentals** of the **business** caused by the **loss** or **damage** covered by this policy section. We will not pay the amount of any such expenditure incurred to avoid the reduction that exceeds the reduction in **turnover** or **gross rentals** (less any expenses saved as a result of the damage).

Gross income cover

If the **schedule** shows that you are insured for 'Gross Income' we will pay:

- (a) the amount by which, as a consequence of **loss** or **damage** covered by this policy section, the **gross income** earned during the **indemnity period** falls short of the **standard income**; and
- (b) in respect of the increased costs to avoid a reduction in **gross income** as a consequence of loss or damage covered by this policy section and with our consent, increased costs necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the shortage in **annual income**, provided the costs are less than, or equal to, the amount we would have paid under a reduction in **gross income**.

Limits to what we pay applicable to Gross Profit and Gross Income covers

The most we will pay for:

- (a) **gross profit** or **gross rentals** is the insured amount for 'Gross Profit' specified in the **schedule**; or
- (b) **gross income** is the **insured amount** for 'Gross Income' specified in the **schedule**.

If your insured amount is too low

Business Interruption Cover contains an underinsurance provision which requires you to insure for full value. If you do not, we may pay you a lower amount after taking into account the proportion of underinsurance as stated below.

- (a) For a claim for loss of **gross profit** or **gross rental**, the amount payable will be proportionately reduced if the Gross Profit **insured amount** is less than:
 - (i) for **gross profits**, the sum produced by applying the **rate of gross profit** to 80% of the **annual turnover** (proportionally increased if the **indemnity period** exceeds 12 months); or
 - (ii) for **gross rentals**, 80% of the **annual gross rentals** (proportionally increased if the **indemnity period** exceeds 12 months).
- (b) For a claim for loss of **gross income**, the amount payable will be proportionately reduced if the Gross Income **insured amount** is less than 80% of the **annual income** (proportionally increased if the **indemnity period** exceeds 12 months).

Weekly Income cover

If the **schedule** shows that you are insured for Weekly Income cover we will pay the same percentage of the Weekly Benefit shown in the **schedule**, as the reduction in your **weekly income** bears to the **average weekly income**. For example, if your **weekly income** is reduced by 25% when compared to your **average weekly income**, we will pay 25% of the Weekly Benefit shown in the **schedule**.

Limits to what we pay applicable to weekly income cover

The most we will pay per week is the **insured amount** for 'Weekly Benefit' shown in the **schedule**. We will pay for a maximum of the number of weeks shown by the **indemnity period**, for all claims made during the **period of insurance**.

We will not pay any claim under Part C – **Weekly Income** where the interference or interruption to the business is for a period of less than 3 full continuous days.

Increased cost of working only cover

If the **schedule** shows that you are insured for Increased Costs of Working Only cover, we will pay general and administrative day to day operating expenses, such as advertising fees, utilities and additional staff costs, necessarily and reasonably incurred by you during the **indemnity period** to avoid or reduce a shortage of annual turnover, annual income or annual gross rentals of the **business** caused by loss or damage covered by this section.

Limits to what we pay applicable to increased costs of working only cover

The most we will pay for increased costs of working only is the **insured amount** for –'Increased Cost of Working Only' cover specified in the **schedule**.

Policy section conditions

These conditions apply to all covers and claims under policy section 5.

1. End of indemnity period

The **indemnity period** will end at the time any of the following happen:

- (a) you form the intention of ceasing to carry on the **business** or a part of it;
- (b) the proprietary interest in the **business** or a part of it changes;
- (c) you dispose of or permanently discontinue the **business** or a part of it;
- (d) you become a bankrupt, or enter into a scheme of arrangement or compromise or composition with creditors;
- (e) you are placed in liquidation or provisional liquidation, or under official management or administration, or enter into a scheme of arrangement; or
- (f) a receiver, or a receiver and manager, is appointed to any of your assets,

if any of these occur before either the **business** ceases to be affected by the **loss** or **damage** or the period shown in the **schedule** ends, unless we agree in writing to extend the **indemnity period**.

2. Other factors when calculating reduction in gross income, gross profit, or weekly income

In deciding the amount by which your **gross income**, **gross profits**, or **weekly income** has been reduced or how much is payable under the Increased Costs of Working Only cover, we will consider:

(a) Savings to the business

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

(b) Other events and trends

We will take into account any events or trends which your **business** is affected by, whether before or after, the interruption took place and adjust the applicable of the **standard turnover**, **standard income**, **standard gross rentals** or **average weekly income** accordingly to reflect the likely **gross profits**, **gross income**, **gross rentals** or **weekly income** of the **business** during the **indemnity period**.

(c) Alternative trading

We will take into account, any other trading that you carry out or which is carried out on your behalf, or for your benefit at any other premises.

(d) Accumulated stocks

We will take into account any run down of accumulated **stock** which is carried out to postpone any reduction or shortage of **gross profits**, **gross income** or **weekly income**.

(e) New business

We will use the results of your **business** to the date of the **loss** or **damage** as the basis to settle your claim if the **loss** or **damage** covered under this policy section occurs before the end of the first financial year of your **business**.

Optional insurances – Applicable to gross profit cover and gross income cover of this section

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

Any amounts payable under these optional insurances do not apply in addition to the **insured amount**.

1. Outstanding accounts receivable

✓ What we cover

We will pay the amounts which you cannot recover from your debtors following **damage** to your debt records if:

- ▼ the **damage** is caused by an insured event covered under the Property Damage section of this policy or by the Theft or Glass section insuring clauses (but not where you are only covered by an Additional Benefit under those sections), and for which we have admitted liability, and
- ▼ as soon as possible at the end of each month, you record and store at your accountant or auditor, or alternative premises, the total of the **outstanding accounts receivable** and keep these figures for a period of 12 months.

We will pay the difference between:

- ▼ the **outstanding accounts receivable**, and
- ▼ the total of the amount received or traced in respect of the **outstanding accounts receivable**.

We will also pay the additional expenditure incurred with our consent in tracing and establishing **outstanding accounts receivable**, after the insured event has occurred.

✗ What we exclude

We will not pay more than the **insured amount** for 'Outstanding Accounts Receivable' shown in the **schedule** for any one claim.

If your insured amount is too low

If, when the **insured event** happens, the **insured amount** shown for **outstanding accounts receivable** in the **schedule** is less than the **outstanding accounts receivable**, then we will only pay for a pro-rata proportion of your **outstanding accounts receivable** claim.

2. Additional increased cost of working

✓ What we cover

We will cover you for the additional expenditure reasonably incurred by you during the **indemnity period** for all costs not otherwise recoverable that are necessarily incurred for the resumption or maintenance of normal business operations or services following loss or damage covered by this policy section.

This **insured amount** will be in addition to the increased cost of working provision contained in the Gross Profit or Gross Income cover, or the Increased Costs of Working Only cover.

✗ What we exclude

We will not cover you for more than the **insured amount** shown on the **schedule** for 'Additional increased costs of working' for any one claim.

Definitions

Annual income

The **gross income** during the 12 months immediately before the date the **damage** or loss occurred or if the **business** has been operating for less than one year at the date of the **loss** or **damage**, the proportional equivalent, for a period of 12 months, of the **gross income** realised during the period between the commencement of the **business** and the date of the **damage**.

Annual gross rentals

The **gross rentals** during the 12 months immediately before the date of the **damage** or if the **business** has been operating for less than one year at the date of the **loss** or **damage**, the proportional equivalent, for a period of 12 months, of the **gross rental** realised during the period between the commencement of the **business** and the date of the **damage**.

Annual turnover

The turnover during the 12 months immediately before the date of the damage.

Average weekly income

The average **weekly income** for the 12 months preceding the date of the **damage**. If the **business** has not yet completed the first financial year, then the average **weekly gross income** for the period which it has operated for.

Gross income

The money paid or payable to you for goods sold or services rendered, less the purchase price of **stock** defined in Section 1A.

Gross profit

The **turnover** less the net cost of goods, materials and services relating to the **turnover**.

Gross rentals

The money paid or payable to you by tenants in respect of the rental of the **premises** and for services rendered by you or on your behalf in connection with the rental.

Indemnity period

The period beginning when the **loss** or **damage** took place, and ending on the earlier of the date:

- (a) when the **business** is no longer affected by the **loss** or **damage**;
- (b) that any of the circumstances referred to in Policy Section Condition 'End of Indemnity Period' occurs; or
- (c) the indemnity period ends, as shown in the **schedule**.

Outstanding accounts receivable

The total amount owed to your **business** by customers as at the end of the month immediately prior to the date of the **damage**, adjusted for:

- (a) bad debts;
- (b) amounts debited (or invoiced but not yet debited) and credited (including credit notes and cash not passed through the books at the time of the **damage**) to customers' accounts in the period between the date to which the last statement relates, and the time of the **damage**; and
- (c) any abnormal condition of trade which had, or could have had, a material effect on the **business**.

Rate of gross profit

The rate of **gross profit**, expressed as a percentage, earned on the **turnover** during either:

- (a) the financial year immediately before the date of the **loss** or **damage**; or
- (b) if the **business** has been operating for less than one year at the date of the **loss** or **damage**, the period between the date of commencement of the **business** and the date of the **damage**.

Standard gross rentals

The **gross rentals** during that period, which corresponds to the **indemnity period** in either:

- (a) the 12 months immediately before the date of the **damage**; or
- (b) if the **business** has been operating for less than one year at the date of the **loss** or **damage**, the proportional equivalent, for a period equal to the **indemnity period**, of the **gross rentals** realised during the period between the commencement of the **business** and the date of the **damage**.

Standard income

The **gross income** during that period which corresponds to the **indemnity period**, in the 12 months before the damage occurred or if the **business** has been operating for less than one year at the date of the **loss** or **damage**, the proportional equivalent, for a period of 12 months, of the **gross income** realised during the period between the commencement of the **business** and the date of the **damage**.

Standard turnover

The **turnover** during that period which corresponds to the **indemnity period** in either:

- (a) the 12 months immediately before the date of the **damage**; or
- (b) if the **business** has been operating for less than one year at the date of the **loss** or **damage**, the proportional equivalent, for a period equal to the **indemnity period**, of the **turnover** realised during the period between the commencement of the **business** and the date of the **damage**.

Turnover

The money paid or payable to you for goods sold and delivered, work done, services rendered in the course of the **business** at the **premises**.

Weekly benefit

The amount shown in the **schedule**.

Weekly income

The **gross income** received by you for each week the **business** is in operation, during the **indemnity period**.

Section 6 – Goods in transit

About this section

This section covers **loss** of or **damage** caused to the **goods** you sell, buy or use in your **business** when they are in **transit**. The cover you have depends on whether you select Accidental Damage or Limited Conditions, and whether you select **temperature controlled goods** when you take out this insurance.

Your insurance under this section.

✓ What we cover

Provided 'Goods in Transit' is shown under 'What's Covered' in the **schedule** we will insure you for **loss** of or **damage** of or to **goods**.

The nature and extent of cover will depend on whether you select Accidental Damage or Limited Conditions. The option you select will be shown in the **schedule**.

Accidental Damage

We will cover **loss** of or **damage** to the **goods** in **transit**, including loading and unloading, directly caused by any of the following insured events occurring during the **period of insurance**:

1. **Accidental loss** of or **damage** to the **goods** during the **transit**;
2. Acts of strikers, locked-out workers or persons taking part in labour disturbances, riots or civil commotions;
3. Malicious acts of persons, unless caused or directed by you;
4. Insufficiency or unsuitability of packing or preparation of the **goods**, unless such was caused, directed or agreed by you;
5. Unexpected deterioration of **temperature controlled goods**.

We will also cover **loss** or **damage** caused by any of the above insured events while at any exhibition or display (other than in your owned or controlled **premises**), limited to a maximum of fourteen days. We will not pay more than \$20,000 for **goods** at any one exhibition or display;

If the **transit** is interrupted or terminated due to the insolvency or financial default of the carrier, whether or not **loss** or **damage** is caused to the **goods**, we will pay the extra costs of freight or storage to forward the **goods** to their intended destination, or to return the **goods** to the place from which they were despatched, up to a maximum of 10% of the **insured amount** of the **goods**.

Limited Conditions

We will insure you for **loss** of or **damage** to the **goods** during **transit**, directly caused by any of the following insured events occurring during the **period of insurance**:

1. Fire
2. Explosion
3. Lightning
4. **Flood**
5. Collision of the conveying vehicle with any external object other than the road, gutter, or similar surrounding surfaces
6. Overturning, jackknifing or derailment of the land **conveyance**
7. Impact of the **goods** with something that is not on or part of the conveying vehicle (but not impact of the **goods** with the **road** or surrounding areas caused by the **goods** dropping or falling from the conveying vehicle, unless specified below), provided the **loss** of or **damage** to the **goods** is caused by the insured **events** listed above
8. Collision, crashing or forced landing of the conveying **aircraft**
9. Jettison, washing overboard and **loss** or **damage** incurred in time of peril.
10. War or warlike activities, which means invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or civil strife following any of these.

✗ What we exclude	<p>We will not pay for:</p> <ul style="list-style-type: none"> ▼ loss or damage that existed or occurred prior to the commencement of the transit; ▼ loss or damage caused by dismantling, erection, commissioning, testing or storage other than in the ordinary course of transit; ▼ loss of or damage to non-temperature controlled goods directly or indirectly as a result of mechanical, electrical or electronic breakdown or malfunction where there is no external evidence of damage in transit from an insured event specified under the applicable of Accidental damage cover or Limited conditions cover; ▼ consequential loss or damage including loss of profits and loss of market; or ▼ loss of or damage to livestock.
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Extra cover

If we agree to pay a claim for **loss or damage** for **goods in transit** under this section we will also pay for the following. Unless stated otherwise below, these extra covers will not be in addition to the **insured amount**.

1. Air freight of replacement parts

✓ What we cover	<p>We will pay the cost of air freighting replacement parts from suppliers to the original destination, even if the original transit was not by air freight.</p> <p>Any amount we pay under this cover will be in addition to the insured amount.</p>
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✗ What we exclude	We will not pay more than \$10,000 for each event .
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2. General average and salvage contribution

✓ What we cover	We will pay the general average and or salvage contribution that you are required to pay under any Bill of Lading or similar document if the insured transit is by sea.
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3. Clean up costs

✓ What we cover	<p>We will pay the clean up and disposal costs necessarily incurred as a result of an accident at any site, where the accident results from an insured event covered by this section and where you are legally or contractually obliged to pay those costs.</p> <p>Any amount we pay under this cover will be in addition to the insured amount.</p>
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✗ What we exclude	We will not pay more than \$25,000 for each event .
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4. Transport and disposal costs

✓ What we cover	<p>We will pay the reasonable costs and expenses incurred in cleaning up or decontaminating your premises following the delivery or return of salvaged goods, plus the cost of transport and disposal costs to remove those goods.</p> <p>Any amount we pay under this cover will be in addition to the insured amount.</p>
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✗ What we exclude	We will not pay more than \$25,000 for each event .
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5. Freight and salvage charges

✓ What we cover	We will pay any additional freight or salvage charges that you are required to pay to remove your goods from any accident site, including the cost of transport to forward the goods to their intended destination or to return the goods to the place from which they were despatched.
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6. Minimisation costs

✓ What we cover	We will pay the reasonable costs incurred to avoid or minimise any further loss of or damage to the goods .
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7. Buyer and seller protection

✓ What we cover

If, as a buyer or seller, you retain a contingent financial interest in the **goods** in **transit**, to the extent that:

- (a) the **goods** are **lost** or **damaged**, and the **loss** or **damage** would be covered under this **transit** cover;
 - (b) the other party under the terms of sale is legally liable to pay you for the **goods** or for the **loss** or **damage**, but fails to do so;
 - (c) you have taken all reasonable steps to safeguard the **goods** and to recover payment from the other party; and
 - (d) you have not disclosed to any party interested in the **goods** the existence of this cover;
- we will insure the **goods** for **loss** or **damage** covered by the insured events detailed in this section.

What we pay

What we pay for loss of or damage to non temperature controlled goods

For loss of or damage to plant, machinery, computers and the like up to five years old

At our option we will pay:

- (a) the cost of repairing or reinstating the **goods** to a condition equal to but no better or more extensive than when new (including the reasonable costs of any necessary overtime);
- (b) in the case of a purchase or sale, the purchase or sale price plus the cost of packing and transport; or
- (c) in the case of movement of return **goods** (inwards or outwards), stock transfers, and movement of **goods** other than for the reason of purchase or sale, the new replacement cost or, if not available, as near as possible to the same make, model and specifications as is available,

whichever is the lesser.

For loss of or damage to plant, machinery, computers and the like more than five years old

At our option we will pay:

- (a) the cost of repairing or reinstating the **goods** to a condition equal to but no better or more extensive than its condition immediately prior to the **loss** or **damage** (including the reasonable cost of any necessary overtime);
- (b) in the case of a purchase or sale, the purchase or sale price plus the cost of packing and transport; or
- (c) in the case of movement of return **goods** (inwards or outwards), stock transfers, and movement of **goods** other than for the reason of purchase or sale, we will pay the greater of the written down book value in your books of account or the current market value whichever is the lesser.

For loss of or damage to non temperature controlled goods other than plant, machinery, computers and the like

At our option we will pay the lesser of:

- (a) the cost of repairing or reinstating the **goods** to a condition equal to but no better or more extensive than its condition immediately prior to the **loss** or **damage** (including the reasonable cost of any necessary overtime), or
- (b) the invoice value covering the **goods** while in **transit** (including freight if separately invoiced to the receiver of the **goods**), or if there is no invoice value, the cost of replacing the **goods** with similar of the same age and condition or as near as possible to that age and condition.

For loss of or damage to temperature controlled goods other than plant, machinery, computers and the like

We will pay the lesser of:

- (a) the cost to re-condition the **goods** (including the reasonable costs of any necessary overtime), or
- (b) the invoice value covering the **goods** while in **transit** (including freight if separately invoiced to the receiver of the **goods**), or if there is no invoice value, the cost of replacing the **goods** with similar **goods** of the same quality or as near as possible to that quality, whichever is the lesser.

Brands and labels

For any **damaged goods** bearing identifying brands or labels or other permanent markings, the **goods** may be retained by you to dispose of as you see fit, provided a reasonable allowance is agreed for the value of the **goods** and this allowance is deducted from the claim settlement. Where only the labels or packaging are affected, we will pay you only the cost to recondition or replace those labels or packaging.

Limits to what we pay

The most we will pay for:

- ▼ all **goods** in any one **conveyance** is the **insured amount** shown in the **schedule**.
- ▼ trade samples in **transit** in your or your employee's care, custody and control, is \$10,000 any one claim or series of claims arising from any one **event**.
- ▼ shipping containers in your care, custody or control, to the extent that you are legally liable to pay for any **loss** or **damage** to them is \$20,000.

The limits shown in the **schedule** and the extra cover limits referred to in this section apply to any one claim or series of claims arising from any one **event**.

Excess

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

Definitions

The following words have the following meanings for this section only. You should also refer to the General Definitions section starting on page xix.

Conveyance

Any ship, vessel, **aircraft**, postal service (except in the case of **temperature controlled goods**), rail and road vehicle used to transport the **goods**.

Goods

Your goods that you sell, buy or use in your **business** being the following:

- ▼ **non-temperature controlled goods** if shown on the **schedule**
- ▼ **temperature controlled goods** if shown on the **schedule**
- ▼ trade samples
- ▼ return insured **goods**
- ▼ **stock** transfers
- ▼ retail and sales packaging; or
- ▼ shipping containers in your care, custody or control.

Non temperature controlled goods

Goods belonging to you which are not **temperature controlled goods**.

Temperature controlled goods

Goods belonging to you that require a controlled temperature environment for **transit**.

Transit

The transportation of **goods** by a **conveyance** within Australia.

Transit includes:

- ▼ any period where the **goods** are “shut out” from the **conveyance** or intended destination
- ▼ for **non temperature controlled goods** while in any packer’s or unpacker’s premises for a period of up to three months for the purpose of packing or unpacking.

Transit does not include any period of storage other than in the ordinary course of transit.

Each insured transit commences in respect of each item of **goods** when the item is first moved for the purpose of loading on to the conveying vehicle for transit to a destination outside the **premises**.

For **non temperature controlled goods**, the transit terminates:

- ▼ when each item of **goods** are delivered to the intended destination either in the receiver’s premises or such other place as the receiver may instruct, or
- ▼ seventy two hours after unloading from the final conveying **vehicle** whichever occurs first.

For **temperature controlled goods**, the transit terminates when each item of **goods** is delivered to the intended destination either in the receiver’s premises or such other place as the receiver may instruct, whichever occurs first.

Section 7 – Legal liability

About this section

This section of the policy covers your legal liability for **personal injury** to another person (other than employees) or **damage** to property owned or controlled by someone else, or **advertising liability**. **Property damage, personal injury or advertising liability** which gives rise to **legal liability** must happen during the **period of insurance** and be caused by an **occurrence** in connection with the **business**.

This section will also cover **you** for **your legal liability** for **personal injury** or **property damage** caused by **your products** if you have chosen Products Liability..

Your insurance under this section

✓ What We Cover

Provided 'Legal Liability' is shown under 'What's Covered' in the **schedule**, we will insure **you** for **your legal liability**. Provided "Products Liability" is shown under 'What's Covered' in the **schedule**, we will also insure **you** for **your legal liability** caused by **products** in connection with **your business**.

What is legal liability?

Legal liability means that a court finds, or we accept, that **you** are legally responsible to pay compensation for:

- (a) **property damage** in respect of property owned or controlled by someone else;
- (b) **personal injury** to another person; or
- (c) **advertising liability**,

which,

- (a) happens during the **period of insurance**;
- (b) results from an **occurrence** in connection with the **business**;
- (c) occurs within the **geographic limitations**; and
- (d) was not intended or expected by **you**.

Policy section exclusions

✗ What we exclude

This policy section (including the Additional Benefits) does not insure **you** for liability arising directly or indirectly out of or caused by, through, or in connection with, or for:

1. Types of advertising liability

In respect of **advertising liability**:

- (a) an act, error or omission that occurs prior to the first period of insurance of this section of **your** policy;
- (b) statements made at **your** direction in the knowledge that such statements are false;
- (c) the failure of performance of contract but this exclusion shall not apply to claims for unauthorised appropriation of advertising ideas contrary to an implied contract;
- (d) any incorrect description of products or services;
- (e) any mistake in advertised price of products or services;
- (f) failure of **your** products or services to conform with advertised performance, quality, fitness or durability;
- (g) the export of products to or **business** visits by **your** directors, executives and **employees** to the **United States** and **Canada**; or
- (h) **your business's** involvement in publishing, broadcasting, telecasting, internet publishing, newspaper or magazine publishing.

2. Pollution

- (a) the discharge, dispersal, release or escape of **pollutants** into or upon land, the atmosphere or water unless such discharge, dispersal, release or escape is sudden, identifiable, unexpected and unintended from **your** standpoint and takes place in its entirety at a specific time and place;
- (b) the cost of preventing, removing, nullifying or cleaning up any contamination or pollution as a consequence of the discharge, dispersal, release or escape of any **pollutants**.

However paragraphs (a) and (b) do not apply to **personal injury, property damage**, removal, nullifying or cleaning up costs which are consequent upon a sudden, identifiable, unexpected and unintended happening which takes place in its entirety at a specific time and place, or

(c) the actual, alleged or threatened discharge, dispersal, release, seepage, migration or escape of **pollutants** caused by any of **your** products that has been discarded, dumped, abandoned or thrown away by others.

3. Asbestos

(a) the inhalation of (including the fear of inhalation of, or exposure to) asbestos, asbestos fibres or derivatives of asbestos;

(b) **property damage**, or loss of use or diminution in value of property, arising directly or indirectly, out of or caused by, through or in connection with asbestos, asbestos fibres or derivatives of asbestos; or

(c) the cost of cleaning up, removing, treating, controlling, storing or disposing of asbestos, asbestos fibres or derivatives of asbestos or any other associated expenses.

4. Employers liability

(a) **personal injury** to any of **your** employees arising out of or in the course of their employment in **your business**;

(b) **personal injury** to any person who is pursuant to any statute relating to workers' compensation deemed to be an employee of **yours** or in respect of which **you** are entitled to seek indemnity under any policy of insurance required to be taken out pursuant to any statute relating to workers' compensation whether or not **you** are a party to such contract of insurance; or

(c) imposed by the provisions of any workers' compensation or accident compensation statute, or any industrial award or agreement or determination.

However this exclusion does not apply to claims for loss of consortium by the spouse of any of **your** employees or the spouse of any person who is pursuant to any statute relating to workers' compensation deemed to be an employee of **yours**.

5. Vehicles

The ownership, use, legal possession, or legal control by **you** or of any **vehicle** or any attachment to such **vehicle**:

(a) which is registered;

(b) in respect of which registration or insurance is required by virtue of any legislation relating to **vehicles**; or

(c) in respect of which compulsory liability insurance or statutory indemnity is required by virtue of any legislation (whether or not insurance is affected).

However this exclusion will not apply to the cover provided by additional benefit 3.

6. Aircraft and watercraft

(a) the ownership, legal possession, legal control or use by **you** or the use on **your** behalf of:

(i) any **aircraft**;

(ii) any **watercraft** exceeding eight (8) metres in length unless such a **watercraft** is owned and operated by others and used by **you** for **business** entertainment;

(b) the selling or manufacturing of **aircraft** or the manufacture, assembly and/or supply of any products that are used with **your** knowledge in **aircraft**;

(c) the leasing, hiring or chartering of **aircraft** to or from **you**;

(d) the repair, service or maintenance of **aircraft** or **aircraft** products or the installation of any products into **aircraft** unless such repair, service, maintenance or installation does not affect the operational capabilities or safety of the **aircraft** and this policy section has been endorsed accordingly; or

(e) the repair, service or maintenance of **watercraft** exceeding eight (8) metres in length or the installation of any products into **watercraft** exceeding eight (8) metres in length unless such repair, service, maintenance or installation does not affect the navigation, propulsion or safety of such **watercraft**.

7. Professional duty

(a) a breach of any professional duty owed by **you** or anyone for whose breaches of such duty **you** may be legally liable;

(b) the performance of treatment to humans or animal for beautification, cosmetic enhancement or to remedy illness, mental or physical deficiency, disease or injury;

(c) the prescribing of activities, pharmaceuticals, medical or herbal remedies to improve performance or appearance, or to alleviate pain, illness, mental or physical deficiency, disease or injury; or

(d) dispensing of drugs, medicines, pharmaceutical supplies or artificial aids.

However, this exclusion does not apply to the rendering of or failure to render first aid.

8. Fines, penalties and punitive damages

Fines, penalties, liquidated damages, punitive, exemplary, multiple or aggravated damages however imposed.

9. Product and known defects

- (a) damage to **your products** if that damage is attributable to any defect in them or their harmful nature or unsuitability.
- (b) any defect or deficiency in **your products** of which **you** or **your** agents have knowledge or have reason to suspect at the time when **your products** pass from **your** actual physical custody or from the actual physical custody of any person under **your** control.

10. Product recall

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

11. Loss of use

The loss of use of tangible property which has not been physically **damaged** or destroyed resulting from:

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

12. Faulty workmanship

The cost of performing, completing, correcting or improving any work undertaken by **you** or on **your** behalf. However, this exclusion does not apply in respect of liability for **personal injury** or **property damage** resulting from faulty or defective workmanship.

13. Building works

The erection, demolition of and/or alteration or addition to buildings or structures by **you** or on **your** behalf except where the completed value of such work does not exceed \$500,000 in total.

14. Defective design

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

15. Aircraft landing areas

The use of any land, property or structure as an airport, aircraft hangar or aircraft landing area, where such airport, aircraft hangar or aircraft landing area:

- (a) is required by law to be issued with a licence permitting regular public transport operations of aircraft having a maximum passenger seating capacity of more than 30; or
- (b) has more than 1,000 flight movements per year.

16. Jurisdiction limits

- (a) any action brought or instituted against **you** or any judgment obtained against **you** (whether or not such judgment is enforced by the courts of The Commonwealth of Australia or New Zealand) in any country other than The Commonwealth of Australia or New Zealand, regardless of whether **you** are represented by a branch or by an employee domiciled in that country or by a company, firm or individual holding **your** power of attorney.

However, this exclusion (a) does not apply to actions and judgments arising from **business** visits (but not **manual labour** or supervision of **manual labour** and not in respect of **advertising liability** arising from business visits to the **United States** or **Canada**) by travelling directors and employees of the **named insured** normally resident in the Commonwealth of Australia or New Zealand, to any country other than the **United States** or **Canada**; or

- (b) any actions brought or instituted against **you** or any judgment obtained against **you** (whether or not such judgment is enforced by the courts of The Commonwealth of Australia or New Zealand) within the **United States** or **Canada**.

However, this exclusion (b) does not apply to any recognition or enforcement action brought or instituted within the Commonwealth of Australia or New Zealand relating to a judgment obtained against **you** within the **United States** or **Canada** arising from **business** visits (but not **manual labour** or supervision of **manual labour** and not in respect of **advertising liability** arising from business visits to the **United States** or **Canada**) by travelling directors and employees of the **named insured** normally resident in the Commonwealth of Australia or New Zealand.

17. Preventing our right of recovery

Any amount **you** are unable to recover because of a contract or agreement that **you** have entered into which excludes or limits **your** rights to recover that amount.

18. Contractual liability

Any liability assumed under any contract or agreement. However, this exclusion does not apply to:

- (a) liability which would have been implied or imposed by law in the absence of such contract or agreement;
- (b) liability assumed under those contracts specified in the **schedule**;
- (c) liability assumed under any written lease of, or agreement for the rental of real property, where such lease or agreement does not include an obligation by **you** to insure such property;
- (d) liability assumed under a written contract with a public authority for the supply to **you** of water, gas, electricity or communication services except where such contract is a contract by which **you** agree to perform work for or on behalf of that public authority; or
- (e) the cover provided by Additional Benefit 4 – Interested Parties.

Paragraphs (c) and (d) do not apply to liability assumed by **you** under the relevant lease, contract or agreement to indemnify a party in respect of an act or omission for which it is wholly responsible, unless such liability would otherwise have been implied or imposed on **you** by law.

19. Internet and computer operations

- (a) **your internet operations**; or
- (b) any liability for **property damage** to **data** and **media** arising directly or indirectly out of or caused by, through or in connection with:
 - (i) the use of any computer hardware or software;
 - (ii) the provision of computer or telecommunications services by **you** or on **your** behalf; or
 - (iii) any **loss** or **damage** caused by any **computer virus**.

However, this exclusion does not apply to **personal injury** or **property damage** arising out of any material prepared by the manufacturer in respect of product use, safety instructions or warnings which is reproduced on **your** website.

20. Libel or slander

The publication or utterance of a libel, slander or defamation:

- (a) made prior to the commencement of the **period of insurance**;
- (b) made by **you** or at **your** direction with the knowledge that it is false; or
- (c) related to advertising, publishing, printing, broadcasting or telecasting activities conducted by **you** or on **your** behalf.

21. Property in physical or legal control

Loss of or **damage** to

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

However this exclusion will not apply to the cover provided by additional benefit 2 – property in **your** physical or legal control or paragraphs (f) and (g) of additional benefit 3 – vehicles.

22. Hot work

Flame cutting, flame heating, arc or gas welding, metal grinding or any similar operation in which welding, metal grinding or cutting equipment is used, except where such use is carried out in strict compliance with all relevant statutes and Australian Standards 1674.1 and 1674.2 (or any subsequent amendments).

23. Underground works

Any underground works including digging, trenching or excavation unless **you** can establish that **you** and **your** employees have strictly complied with the relevant regulations and Australian Standards in carrying out this work, including making all searches of underground services before undertaking any underground works.

24. Weakening of support to property

Damage to any land, property or building or contents of that building caused by or arising out of any:

- (a) vibration of that land, property or building; or
- (b) removal or weakening of support of that land, property or building.

25. Molestation

The molestation of, the interference with, the mental abuse or the physical abuse of any person by:

- (a) **you**;
- (b) any employee; or
- (c) any person performing any voluntary work or service for **you** or on **your** behalf.

26. Products Liability

Your products unless 'Products Liability' is shown in the **schedule**.

Extra covers

Legal costs

If we agree to pay a claim under this section, we will pay all charges, expenses and legal costs incurred by us or by **you**, with our written consent, in the settlement or defence of a claim for compensation made against **you** covered under this section.

Additional benefits

We will also provide the following additional benefits in this policy section, subject to the General exclusions and all of the exclusions in this policy section, unless provided otherwise. All loss, damage or injury that is covered by these Additional Benefits must occur during the **period of insurance**.

Unless stated otherwise below, any amounts payable under these additional benefits do not apply in addition to the 'Public Liability' **insured amount** or the 'Product Liability' **insured amount**.

1. First aid costs

✓ What we cover

We will pay any expenses incurred by **you** for first aid to others at the time of an **occurrence** during the **period of insurance** which gives rise to **legal liability** covered by this policy section.

2. Property in care, custody and control

✓ What we cover

Under this additional benefit, we will pay a claim for **your legal liability** (as if the words "owned or controlled by someone else" were deleted from the definition of 'Legal Liability'):

- (a) to any customer, principal or person for whom **you** perform work in the course of the **business** for:
 - (i) the cost of replacing keys or security cards which are damaged, destroyed, lost or stolen whilst in **your** physical or legal control or that of another person or entity who undertakes or has undertaken work on **your** behalf;
 - (ii) the cost of replacing, recalibrating or re-keying locks, locking mechanisms or other security devices which results from the damage, destruction, loss or theft of keys or security cards whilst in **your** physical or legal control or that of another person or entity who undertakes or has undertaken work on **your** behalf; or
 - (iii) the loss of use of keys, security cards, locks, locking mechanism or other security devices caused by the damage, destruction, loss or theft of keys or security cards whilst in **your** physical or legal control or that of another person or entity who undertakes or has undertaken work on **your** behalf,

subject to:

- ▼ a maximum of \$5,000 in respect of any one **occurrence** and in the aggregate any one **period of insurance** unless some other sub-limit is specified in the **schedule** or attached by **endorsement**; and

▼ **you** contribute an amount of \$500 as the first payment of any claim in addition to any **excess** specified elsewhere in this policy section or **schedule**.

- (b) for **property damage to premises** which are leased or rented by **you** for the purpose of carrying on **your business** and the liability does not arise from **your** failure to insure the **premises** as required in the lease or rental agreement;
- (c) for **property damage to or loss** of employees' and directors' property to the extent it is not otherwise covered under Section 1A – Property Damage;
- (d) for **property damage** to premises temporarily occupied by **you** for the purpose of carrying out work in connection with the **business** or **damage to or loss** of the contents of such **premises**; or
- (e) for **property damage to or loss** of property not owned by **you** but in **your** physical or legal control (other than property referred to in subparagraphs (a) through to (d) of this Additional Benefit (e) through to (g) of the Additional Benefit 3. Vehicles), subject to a maximum of \$250,000 any one **occurrence** or any other greater amount set out in the **schedule**.

This Additional Benefit 2 overrides Policy Section Exclusion 21 – Property in physical or legal control to the extent of any inconsistency.

3. Vehicles

✓ What we cover

Under this Additional Benefit, we will pay a claim for **your** legal liability (as if the words "owned or controlled by someone else" were deleted from the definition of 'Legal Liability') for :

- (a) **personal injury** arising out of an **occurrence** which is partially (to the extent of that part) or totally outside the indemnity afforded under such compulsory liability insurance or other legislation relating to **vehicles** and where the reason the **occurrence** is outside the indemnity afforded by compulsory liability insurance or statutory indemnity does not involve a breach by **you** of legislation relating to **vehicles**;
- (b) **property damage** arising out of and during loading or unloading of goods to or from any **vehicle** in the course of the **business**;
- (c) **property damage** caused by the operation or use of any **vehicle** which is principally designed for lifting, lowering, loading or unloading any goods and is not also a road transport **vehicle** whilst being operated or used by **you** or on **your** behalf in the course of the **business**;
- (d) **property damage** caused by the use of any tool or plant forming part of or attached to or used in connection with any **vehicle** other than when travelling to or from any work site or transporting or carting goods;
- (e) for **loss of or damage to vehicles** (not belonging to **you** or used by **you** or on **your** behalf) in **your** physical or legal control where such **loss or damage** occurs whilst any such **vehicle** is in a car park owned or operated by **you** provided that as part of **your business** **you** do not operate such car park for reward;
- (f) **property damage to vehicles** not belonging to **you** or used by **you** or on **your** behalf but in **your** physical or legal control as part of **your business**;
- (g) **property damage** caused by the use of any **vehicle** not belonging to **you** but in **your** physical or legal control whilst being driven or moved as part of **your business**;

Provided that in relation to paragraphs (e), (f) and (g):

- (i) the damage results from an **occurrence** taking place on **your premises** and the **vehicle** is under the control of a driver with a licence that is valid in Australia in relation to the class of **vehicle**;
- (ii) liability is subject to a maximum of \$250,000 any one **occurrence** unless some other sub-limit is specified in the **schedule** or attached by **endorsement**; and,
- (iii) we will not be liable for the first:
 - ▼ \$1,000 when the **vehicle** is being driven by a person under 25 years of age; or
 - ▼ \$250 when the **vehicle** is being driven by a person who has not held a driving licence in relation to the class of vehicle for two or more consecutive years.

These **excesses** are cumulative to the extent that one or more of the above circumstances apply and they are also in addition to the amount of any other applicable **excess** specified in this policy section or the **schedule**.

This Additional Benefit 3 overrides Policy Section Exclusion 5 – 'Vehicles' and Policy Section Exclusion 21 – Property in physical or legal control, to the extent of any inconsistency.

4. Interested parties

✓ What we cover

We will pay a claim for **legal liability** that any interested party noted on the **schedule** may incur in the following circumstances:

A court finds, or we accept, that the interested party is legally responsible to pay compensation and legal costs for:

(a) **property damage** in respect of property owned or controlled by someone else; or

(b) **personal injury** to another person;

which,

(a) happens during the **period of insurance**;

(b) results directly from your acts, errors or omissions in the carrying out of work or services in connection with **your business**;

(c) occurs within the **geographic limitations**; and

(d) was not intended or expected by **you** or the interested party.

Such liability will be limited:

(a) to the extent required by any undertaking or contract entered into between you and the interested party;

(b) only where such liability would exist in the absence of such an undertaking or contract; and

(c) the **legal liability** is not otherwise excluded under this section or any of the General Exclusions listed on pages xvii and xviii.

5. Representation Costs

✓ What we cover

We will pay the costs of representing **you** at an inquest or in any court of summary jurisdiction relating to an **occurrence** during the **period of insurance** which may give rise to **legal liability** covered under this policy section, if **you** have notified us in advance and we have given our prior written consent to **your** incurring these costs.

Policy section conditions

These conditions apply to this policy section.

1. Joint insureds

Where **you** are comprised of more than one party we will deal with any claim as though a separate policy had been issued to each one of those parties, provided that nothing in this clause shall operate to require us to pay more than the **insured amount** shown in the **schedule**.

We agree to waive all rights of subrogation or action which we may have against any such entity in relation to matters covered by this section.

2. Reasonable care

You must:

(a) exercise reasonable care to avoid and minimise **personal injury** or **property damage**, which includes taking reasonable measures to maintain all **premises**, fittings and plant in sound condition; and

(b) at **your** own expense take reasonable action to trace, recall or modify any, or all, of **your products** containing any defect or problem of which **you** have knowledge, or reason to suspect. This includes any compulsory recall or ban imposed by a government or statutory agency.

3. Inspection of property

We will be permitted to, but not obliged to, inspect the operations or property of **your business** at any time. Our inspection, or lack of inspection, does not constitute a recognition, admission or waiver of rights by us that any property or operation of **your business** is safe.

What we pay

Public liability

Subject to the limits that apply to **products** liability claims, we will pay up to the 'Public Liability' **insured amount** for any claim or series of claims for **personal injury, property damage** or **advertising liability** caused by or arising out of one **occurrence** or series of **occurrences** arising out of one original cause.

Unless stated otherwise, the additional benefits are not in addition to the 'Public Liability' **insured amount** or the 'Products Liability' **insured amount**.

Products liability

We will pay, in the aggregate, up to the 'Products Liability' **insured amount** for **your** legal liability caused by **your products** arising out of any **occurrences** that happen during the **period of insurance**.

Legal costs

Unless stated otherwise, any amounts payable under Extra Cover – Legal Costs are in addition to the 'Public Liability' **insured amount** or the 'Products Liability' **insured amount**.

Subject to the terms and conditions of Policy Section Exclusion 16 – 'Jurisdiction Limits' paragraph (b); for any claim arising from a recognition or enforcement action brought or instituted within The Commonwealth of Australia or New Zealand relating to a judgment obtained against **you** within the **United States** or **Canada** arising from **business** visits (but not **manual labour** or supervision of **manual labour** and not in respect of **advertising liability** arising from business visits to the **United States** or **Canada**) by travelling directors and employees of the **named insured** normally resident in the Commonwealth of Australia or New Zealand, the **insured amount** is inclusive of the Extra Cover – Legal Costs and the Additional Benefits.

Application of insured amount to claims that exceed the limit

If we pay the **insured amount** in respect of any claim or series of claims we will not be obliged to defend any legal action against **you**. We will have no further liability under this section with respect to the claim or series of claims (including legal costs) except for additional benefits incurred by **you** with our permission prior to the date of payment.

If a payment exceeding the **insured amount** has to be made to dispose of a claim, or legal action against **you**, our liability to pay any additional benefits will be limited to that proportion of those additional benefits as the **insured amount** bears to the amount paid to dispose of the claim or legal action.

Excess

The **excess** that applies is shown on the **schedule** and other **excesses** set out in this policy section may also apply.

Definitions

The following words have the following meanings for this policy section only.

Advertising liability

- (a) Any infringement of copyright or passing off of title or slogan; or
- (b) Unfair competition, piracy, idea misappropriation contrary to an implied contract; or
- (c) Invasion of privacy committed or alleged to have been committed during the **period of insurance** in any advertisement, publicity article, broadcast or telecast and caused by or arising out of **your** advertising activities.

Geographic limitations

- (a) anywhere in The Commonwealth of Australia or New Zealand; and
- (b) elsewhere in the world but only in respect of:
 - (i) business visits by directors and employees of the **named insured** normally resident in The Commonwealth of Australia or New Zealand, other than directors or employees who are engaged in or supervising **manual labour** during such visits and not in respect of **advertising liability** arising from business visits to the **United States** or **Canada**; or
 - (ii) **your products** exported from The Commonwealth of Australia or New Zealand, other than **your products** exported to the **United States** or **Canada**.

Internet operations

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

Manual labour

Work primarily involving physical exertion, but does not include activities associated with marketing, promotion, demonstration or selling.

Named insured

The person, company or legal entity shown as the insured on the **schedule**.

Occurrence

An **event** neither expected nor intended from **your** standpoint including continuous or repeated exposure to substantially the same general conditions.

Personal injury

- (a) bodily injury, death, sickness, disease, disability, shock, fright, mental anguish, mental injury or loss of consortium;
- (b) false arrest, false imprisonment, wrongful eviction, wrongful detention or malicious prosecution;
- (c) libel, slander, defamation of character or invasion of right of privacy; or
- (d) 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.

Product or products

Anything (after it has ceased to be in **your** possession or control) including its packaging or container which is manufactured, grown, extracted, produced, processed, assembled, constructed, erected, installed, repaired, serviced, treated, sold, supplied, resupplied, or distributed in or from Australia or its external territories by **you** in the normal course of the **business**, and also including design formula or specification, directions, markings instructions or warnings given or omitted to be given by **you** in connection with such **products**.

The term includes anything (including any component, packaging or container of or for such thing) which by operation of a law of the Commonwealth of Australia **you** are deemed to have manufactured.

Property damage

- (a) physical damage to or destruction of tangible property (which includes **loss** of property) including the loss of use of the property damaged or destroyed; or
- (b) loss of use of tangible property which has not been physically **damaged** or destroyed provided such loss of use is caused by physical damage to or **loss** or destruction of other tangible property.

Tangible property does not include electronic **data**.

You, your, yours, yourself

The term '**you**' means:

- (a) **your** personal representatives in the event of **your** death;
- (b) all subsidiary companies (now or hereafter constituted) of the **named insured** which are incorporated within the Commonwealths of Australia or New Zealand and which carry on **your business**;
- (c) any director, executive officer, employee, partner or shareholder of the **named insured** or the companies as designated in paragraph (b) but only whilst acting within the scope of their duties in such capacity;
- (d) voluntary workers but only whilst acting within the scope of their duties in such capacity;
- (e) any principal in respect of the liability of such principal arising out of the performance by the **named insured** or the companies as designated in paragraph (b) of any contract or agreement for the performance of work for such principal;
- (f) any employee, office bearer or member of social, sports, fire fighting or welfare organisations, canteen and first aid facilities formed with the consent of the **named insured**, the companies as designated in paragraph (b) or the persons as designated in paragraph (c); and (g) where the **named insured** is a club or association, any member of such club or association, but only whilst engaged as a member in activities organised by the club or association.

Section 8 – Tax Probe[®]

About this section

This section covers the **professional fees** such as accountant's fees incurred by you in connection with an audit, review or investigation of your business's tax affairs by the Australian Taxation Office, or by a Commonwealth, State or Territory department, body or agency.

Your Insurance under this Section

✓ What we cover

Provided that 'Tax Probe' is shown under 'What's Covered' in the **schedule** we will insure you for **professional fees** reasonably and necessarily incurred by you in connection with an official **tax audit** by an **authority**, which is commenced and notified to us during the **period of insurance**.

The nature and extent of cover under this Section 8 will depend on whether you select:

- (a) Business Audit Only – With Investigation Cover (which provides cover under this section excluding Extra Cover – Directors' Personal Tax Returns) ; or
- (b) Business AND Directors Audit – With Investigation Cover (which provides cover under this section including Extra Cover – Directors' Personal Tax Returns); or
- (c) Individual cover (which provides cover under this section for insureds who are not companies excluding Extra Cover – Directors' Personal Tax Returns).

The cover you select will be shown on your **schedule**.

✗ What we exclude

This **section** does not cover:

- (a) any claim or claims caused by or arising out of any income return that has not been prepared or reviewed prior to dispatch by your **tax agent**. However, this exclusion does not apply to any return for:
 - (i) prescribed sales tax;
 - (ii) income derived from any payment under a contract of employment of service between you and any other person, company or entity, other than when that payment is paid by a company for which you are a director or have a controlling interest;
 - (iii) income derived from any payment from superannuation, pension or other retirement benefit; or
 - (iv) income derived from personal investments that you are not wholly or mainly dependent on;
- (b) you:
 - (i) if you bring about a **tax audit** through your failure to lodge taxation or any other return within the time limit prescribed by statute or through any extension of time granted by the **authority**;
 - (ii) if you make a statement to the **authority** or your **tax agent** that omits a material particular or is false or misleading; or
 - (iii) if you bring about a **tax audit** by your failure to pay all taxes by the due date or within any extension of time granted by the **authority**;
- (c) the amount of any fine or penalty that you may be ordered to pay by any **authority** or court;
- (d) any amount that you are unable to recover because of a contract or agreement that you have entered into that excludes or limits your rights to recover that amount;
- (e) any tax return prepared:
 - (i) by a person who ordinarily resides outside Australia and its external territories;
 - (ii) for a company, firm or entity which operates outside Australia and its external territories;
- (f) any claim arising from any **tax audit** for which notice or information was received by you or your **tax agent** before the inception of this **section**;
- (g) any claim or claims caused by or arising out of any inquiry from an **authority** which is not related to either an identified intention to conduct a **tax audit** or is not directed at obtaining information or data for a possible future **tax audit**;

- (h) any claim or claims caused by or arising out of any fraudulent act or fraudulent omission or statement made to an **authority**.
- This exclusion does not apply when a false or misleading statement results from:
- (i) you being misled by the **authority**, when you did not and could not be expected to know that statement was false or misleading; or
 - (ii) a matter which you can demonstrate to our satisfaction to be a contentious matter;
- (i) any claim or claims caused by or arising out of any improper, unwarranted or unjustified refusal or failure to comply with any request made by the **authority**.
- This exclusion does not apply when, in accordance with professional advice, you refuse or fail to comply with an authorisation under section 263 of the Income Tax Assessment Act 1936 or under section 264 of the Income Tax Assessment Act 1936; or,
- (j) any claim or claims caused by or arising out of any act committed deliberately or with wilful intent by you.
 - (k) any **tax audit** conducted by the Australian Prudential Regulation Authority;
 - (l) any **tax audit** where a **return** has been prepared lodged or submitted dishonestly or fraudulently, and where the supporting documents have been falsely created or collected;
 - (m) any **tax audit** where the Australian Taxation Office, or where another **tax agent** assesses your behaviour as being a case of deliberate evasion or recklessness;
 - (n) any routine enquiries, or enquiries from the **tax agent** which are not identified as being either preliminary to, or relating to an **tax audit** of a **return**;
 - (o) **professional fees** that are:
 - (i) associated with any criminal prosecution;
 - (ii) associated with any **return** lodged outside Australia, its states or territories;
 - (iii) in respect of any person or organisation ordinarily resident outside Australia, its states or territories;
 - (p) any:
 - (i) amounts sought by any amended notice of assessment;
 - (ii) additional tax, duty government impost or the like; or
 - (iii) costs in legally pursuing or defending any legal actions against you or initiated by you (unless it is at our discretion);
 - (q) any **tax audit** that includes a refund or claim for tax or duty relief arising out of an arrangement, facility, financial structure or the like adopted for the principal purpose of obtaining that refund or relief, unless the arrangement has received prior written approval from the relevant government or government authority or agency before being offered to you or the general public.
 - (r) any form of activity involving a periodic review relevant to you maintaining industry status, licence, compliance, membership, any form of occupational health and safety compliance, similar requirements;
 - (s) any form of activity involving a review of how the professional firm assisting you undertakes its professional duty;
 - (t) any form of practice or procedural audit of any of your files;
 - (u) any activity involving a statutory authority
 - (v) any activity agency gathering information or data that is not part of a formal **tax audit**; or
 - (w) any activity involved in the familiarisation, education, training, application, implementation, process or operation of any amendments or changes to existing or the introduction of new statutory or industry regulation.

Extra covers

If we agree to pay a claim for **professional fees** under this section we will also pay for the following extra covers.

1. Reinstatement of insured amount

✓ What we cover

If we pay an amount for a claim under this policy section we will automatically reinstate the **insured amounts** under this section. You will not have to pay any additional premium.

2. Directors' personal tax returns

✓ What we cover

If your **schedule** shows that you have selected 'Business and Directors Audit – with Investigation Cover' and you are a company and the director(s) work full-time in the **business**, we will also pay for **professional fees** reasonably and necessarily incurred by each director in connection with an audit by an **authority** of the director's personal income tax returns that are lodged with that **authority** which is commenced and notified to us during the **period of insurance**.

This extra cover only covers an audit of a director's personal income tax return that was prepared by the same **tax agent** who prepared the income tax return for the **business** in that same year.

✗ What we exclude

The amounts payable under this Extra Cover are included in, and do not apply in addition to, the "Business and Directors Audit – with Investigation Cover" **insured amount**.

This Extra Cover will not apply if your **schedule** shows that you have selected Business Audit Only – With Investigation Cover or Individual Cover.

3. Travel and accommodation expenses

✓ What we cover

We will reimburse you for travel and accommodation expenses incurred by you or your employees if they are reasonably and necessarily incurred to substantiate the claim.

Policy section conditions

These conditions apply to this section.

1. Authority matters

- (a) you must make a full and complete statement of the total income and profits or gains of a capital nature derived by you and of any deductions or capital losses during each tax year;
- (b) you must be registered for GST purposes, if required by the operation of legislation; and
- (c) all correspondence, requests and inquiries from the **authority** must be dealt with within an acceptable time, taking all reasonable steps to minimise cost and delay.

2. Claims

For any claim:

- (a) you must notify us within 30 days of the first notice of a **tax audit**;
- (b) you must keep us fully informed of all developments as they occur;
- (c) you shall take all necessary and reasonable steps to minimise any delays and costs incurred or likely to be incurred;
- (d) we have the right to directly access your **tax agent** and lawyers and any documented advice they have given you relevant to the **tax audit**; and
- (e) your **tax agent** will assist us with any matter we may pursue with the **authority**.

What we pay

Subject to the Reinstatement of Insured Amount Extra Cover, if the **schedule** shows the cover is:

- (a) Business Audit Only – With Investigation Cover, the most we will pay for a claim during the **period of insurance** relating to a **tax audit** is the **insured amount** shown on the **schedule**, or
- (b) Business AND Directors Audit – With Investigation Cover, the most we will pay for a claim during the **period of insurance** relating to a **tax audit** of:
 - (i) the policyholder named in the **schedule** or any company, firm, partnership or trust in which the policyholder named in the **schedule** holds 50% or more ownership, interest or shareholding; and
 - (ii) each director named in the **schedule**,is the **insured amount** shown on the **schedule**; or
- (c) Individual Cover, the most we will pay for a claim during the **period of insurance** relating to a **tax audit** of all individuals named in the **schedule** as policyholders is the **insured amount** shown on the **schedule**.

Excess

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

Definitions

The following words have the following meanings for this section only. You should also refer to the General Definitions section starting on page xix.

Authority

The Australian Taxation Office, a revenue office of an Australian State or Territory; a Commonwealth, State or Territory government department, body or agency which is duly authorised to conduct a **tax audit**.

Designated tax

Any tax assessable in accordance with the provisions, as amended, of the:

- (a) Income Tax Assessment Act 1936 (Cth);
- (b) Income Tax Assessment Act 1997 (Cth);
- (c) Fringe Benefits Tax Assessment Act 1986 (Cth);
- (d) A New Tax System (Goods and Services Tax) Act 1999 (Cth);
- (e) Superannuation Guarantee (Administration) Act 1992 (Cth);
- (f) Termination Payments Tax (Assessment and Collection Act) 1997 (Cth);
- (g) Sales Tax Assessment Act 1930 (Cth);
- (h) Sales Tax Assessment Act 1992 (Cth); or
- (i) any legislation of an Australian State or Territory relating to payroll tax.

Professional fees

Fees, costs and disbursements payable to a **tax agent** or professional person (other than you) in connection with a **tax audit** by an **authority**.

Professional fees does not mean any fees, costs or disbursements:

- (a) that relate to any subsequent objection lodged with the **authority** in respect of a **tax audit**;
- (b) incurred after the **tax audit** has been completed; or
- (c) incurred after 12 months from the commencement date of the **tax audit** other than when you can demonstrate to our satisfaction that the delay in completing the **tax audit** was caused primarily by the **authority**.

Return

Any return legally required to be, and is actually lodged with, an Australian Commonwealth, Federal or State government or government authority or agency by you or on your behalf.

Tax agent

Any person who is recognised by the **authority** as a registered **tax agent**, as appropriate to the type of **designated tax**, who prepares returns and statements required by that **authority** in respect of your liability to pay a **designated tax**, including supervision of the preparation of, and review prior to dispatch of, those returns and statements.

Tax agent does not mean you or a person working for you under a contract of employment.

Tax audit

- (a) The audit of a return submitted by you or on your behalf in respect of your liability to pay any **designated tax** (including the amount of tax payable) following lodgement of a return for that **designated tax**; or
- (b) Any official inquiry, investigation, examination or review in respect of your liability to pay any **designated tax** (including the amount of tax payable) following lodgement of a return for that **designated tax**.

If an official inquiry, investigation, examination or review referred to in paragraph (b) above escalates or results in an audit as referred to in paragraph (a) above, then this would be viewed as one **tax audit** for the purposes of this policy section.

For the purpose of this section:

- (a) the **tax audit** commences at the time you or your professional adviser first receive notice of either an audit under paragraph (a) or an inquiry, investigation, examination or review, under paragraph (b).
- (b) the **tax audit** is complete when:
 - (i) the auditor has given written notice to that effect;
 - (ii) the auditor notifies us that it has made a concluded decision about your returns;
 - (iii) when the auditor has issued an assessment or amended assessment of your returns; or
 - (iv) in the absence of i, ii or iii where your professional adviser declares in writing that such an audit has been concluded.
- (c) "You" includes any company, firm, partnership or trust in which you hold a 50% or more ownership, interest or shareholding.

Section 9 – Commercial motor

About this section

This section covers your vehicles. You can choose between three different types of cover for each vehicle you insure – Comprehensive; Legal liability, fire and theft; and Legal liability only. The cover you have selected will be displayed next to each vehicle on the schedule.

Cover options

There are three different types of cover for **vehicles**. Not all types of cover are available for all types of vehicles. The option you have chosen is shown on your **schedule** and is detailed below.

Cover option	Description of cover provided
Comprehensive	Part 1, insured events 1 to 5 (inclusive) apply Part 2 applies
Legal liability, fire and theft	Part 1, insured events 1 to 4 (inclusive) only apply Part 2 applies
Legal liability only	Part 1 does not apply Part 2 applies

You can ask us at any time to change the cover option for any **vehicle** and if we agree, there may be an additional premium or a refund of premium.

Cover for additional vehicles

We automatically provide cover for any additional vehicle you acquire, purchase or lease during the **period of insurance**. You must tell us about the additional vehicle within 30 days of getting it and pay any extra premium we ask for.

If we are unable to continue covering the additional vehicle, we will tell you and give you 5 working days from the date we tell you so you can organise to insure the vehicle elsewhere. Cover on the additional vehicle will then end at 4pm 5 days after we have told you we are unable to continue covering the additional vehicle.

If you have only one type of cover option for your **vehicles**, we will automatically provide that cover option for an additional vehicle you get during the **period of insurance** (unless you tell us you want another cover option).

If you have **vehicles** insured with us for more than one type of cover option, we will automatically provide the cover option with the better cover for an additional vehicle you get during the **period of insurance** (unless you tell us you want another cover option).

The **insured amount** of any additional vehicle will be its **market value**. However, unless a higher amount is shown on your **schedule** for additional vehicles or we have agreed to insure an additional vehicle that is similar for a higher amount, the most we will pay for an insured claim for **loss** or **damage** to an additional vehicle is:

- ▼ \$100,000 if your vehicle is a motorcycle, caravan, car, 4WD, utility or van of not more than 2 tonne carrying capacity.
- ▼ \$300,000 for any other vehicle type.

The most we will pay for an insured claim for **legal liability** arising from the use of an additional vehicle is the relevant amount stated in Part 2 of this section.

Your insurance under this section

Part 1 – Loss or damage to your vehicle

✓ What we cover

Provided 'Commercial Motor' is shown under 'What's covered' in the **schedule** and your **vehicle** is insured for Comprehensive or Legal Liability, Fire and Theft Cover, we will pay for **loss** of or **damage** to your **vehicle** occurring in Australia or its external territories and caused by one of the following insured events during the **period of insurance**.

1. Fire
2. Explosion
3. Lightning
4. Theft or attempted theft
5. Any other cause

✗ What we exclude

We will not pay for:

1. Loss or damage to tyres

loss or **damage** to tyres caused by punctures, bursts, road cuts or the application of brakes.

2. Vehicle deterioration

loss or **damage** due to wear and tear, corrosion, rusting or depreciation.

3. Accessories

any **vehicle** accessories other than those:

- ▼ supplied by the manufacturer of your **vehicle** as original equipment;
- ▼ stated within the definition of '**vehicle**', or
- ▼ specified accessories shown on your **schedule**.

4. Failure or breakdown

structural, mechanical, electrical, or electronic failure or breakdown.

5. Safeguarding your vehicle

loss or **damage** caused by you failing to take reasonable steps to protect, prevent or diminish further **loss** or **damage** to your **vehicle** after:

- ▼ it breaks down;
- ▼ it is **damaged** in an **event**; or
- ▼ you have been notified that your stolen **vehicle** has been found.

6. Incorrect fuel or additive

loss or **damage** to your **vehicle** due to using incorrect fuel or additive.

7. Engine, gearbox and transmission

damage to your **vehicle's** engine, gearbox or transmission because it was driven in a **damaged** condition after an **event** unless we agree that you could not reasonably have known that the **damage** was occurring.

8. Lawful seizure

loss or **damage** caused by or arising from any person or organisation who lawfully takes possession of your **vehicle**.

9. Accidental damage

loss or **damage** caused by **event** 5 under 'What we cover', if your **vehicle** is insured for Legal Liability, Fire and Theft only.

Extra covers

If as a result of an insured event we agree to pay a claim under this Part 1, we will also provide the following Extra Covers in relation to that claim:

1. New vehicle after total loss

✓ What we cover

Applicable if your **vehicle** is insured for Comprehensive cover only and:

▼ it is a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity, prime mover, trailer or rigid body truck, and

▼ we decide that because of the **event** it is a **total loss**,

if you are the first registered owner of your **vehicle** you can choose to accept a new replacement vehicle of the same make, model and series if:

▼ the **loss** or **damage** occurred within 2 years of the date of your **vehicle's** original registration;

▼ the replacement vehicle is available in Australia; and

▼ anyone who provided finance for your **vehicle** agrees in writing.

We will also pay all on-road costs.

✗ What we exclude

This Extra Cover does not apply if your **vehicle**:

▼ has a stock, tanker or vacuum application,

▼ is a concrete agitator vehicle;

▼ is a garbage compactor;

▼ is a concrete pumping truck or trailer;

▼ is any other specialised rigid vehicle body type; or

▼ is insured for **agreed value**.

If your **vehicle** is a prime mover, trailer or rigid body truck we will not pay more than 112.5% of the **insured amount** of your **vehicle**.

2. Personal effects

✓ What we cover

Applicable if your **vehicle** is insured for Comprehensive cover only

We will pay the reasonable costs of repair or replacement if the **personal effects** belonging to you or the **authorised driver**, are **damaged** or lost as a result of your **vehicle** being:

▼ **damaged** as a result of the insured event; or

▼ stolen as a result of forcible entry to your **vehicle**.

✗ What we exclude

We will not pay:

▼ more than \$1,000 for any one **event**; or

▼ if such **personal effects** are insured under another policy.

3. Funeral expenses

✓ What we cover

Applicable if your **vehicle** is insured for Comprehensive cover only

If the driver of your **vehicle** sustains a fatal injury during the insured event, we will pay the:

▼ burial or cremation costs of the deceased driver;

▼ travel costs within Australia or its external territories for the deceased driver or any member of the deceased driver's immediate family.

This benefit will not be reduced by any accident compensation.

✗ What we exclude

We will not pay more than \$5,000 in total for any one **event**.

We will not pay if the driver dies:

▼ more than 12 months from the date of the **event**, or

▼ because the driver committed suicide.

We will not pay if we have paid an amount for the 'Personal accident' Extra Cover.

4. Personal accident

✓ What we cover

Applicable if your **vehicle** is insured for Comprehensive cover only

We will pay \$5,000 if your **vehicle** was being driven by you or any **authorised driver** and, as a direct and sole result of the insured event, the driver:

- ▼ permanently and totally loses sight in one or both eyes, or
- ▼ permanently and totally loses the efficient use of one or both hands or feet.

We pay the driver.

✗ What we exclude

We will not pay more than \$5,000 in total any one insured event.

We will not pay if the permanent and total loss happens:

- ▼ more than 12 months from the date of the event; or
- ▼ because the driver attempted to commit suicide.

We will not pay if we have paid an amount for the 'Funeral expenses' Extra Cover.

5. Emergency repairs

✓ What we cover

Applicable if your **vehicle** is insured for Comprehensive cover only

We will pay reasonable costs of **emergency repairs** incurred by you if they are necessary in order to get your **vehicle** to your destination or a repairer after the insured event.

If you need **emergency repairs** we give you the authority to arrange these matters on our behalf. You must produce tax invoices and receipts for all costs if we ask for them.

✗ What we exclude

For any one **event**, we will not pay more than:

\$500 if your **vehicle** is a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity, or

\$3,000 if your **vehicle** is any other type of vehicle.

6. Emergency travel

✓ What we cover

Applicable if your **vehicle** is insured for Comprehensive cover only

If your **vehicle** is unroadworthy or unsafe to drive following the insured event we will pay the reasonable travel expenses incurred by:

- ▼ you or the **authorised driver**; and
- ▼ any occupants of your **vehicle** at the time of the **event**.

If you need emergency travel we give you the authority to arrange these matters on our behalf. You must produce tax invoices and receipts for all costs if we ask for them.

✗ What we exclude

We will not pay more than \$1,250 in total for any one **event**.

7. Emergency accommodation

✓ What we cover

Applicable if your **vehicle** is insured for Comprehensive cover only

We will pay reasonable costs for temporary accommodation:

- ▼ for you or the **authorised driver** if the insured event was more than 100km from your home or the **authorised driver's** home and your **vehicle** was unroadworthy or unsafe to drive.
- ▼ if your **vehicle** is an unregistered on-site caravan and it is damaged by an insured event, provided that the unregistered on-site caravan is your only home and you can't live in it as a result of the **event**.

If you need emergency or temporary accommodation we give you the authority to arrange these matters on our behalf. You must produce tax invoices and receipts for all costs if we ask for them.

✗ What we exclude

We will not pay more than \$1,250 for any one **event**.

8. Removal of debris

✓ What we cover

Applicable if your **vehicle** is insured for Comprehensive cover only

If you are liable to pay the cost of cleaning up or removing goods that have fallen off your **vehicle** because it was in a collision or it overturned, we will pay those reasonable costs. You must provide invoices or other proof of payment of costs if we ask for them.

✗ What we exclude

We will not pay more than \$25,000 for any one **event**.

9. Vehicle modifications

✓ What we cover

Applicable if your **vehicle** is insured for Comprehensive cover only

We will pay the reasonable costs of modifying the **vehicle** for any driver of your **vehicle** who is permanently disabled following the insured event.

✗ What we exclude

We will not pay more than \$3,000 for any one **event**.

10. Towing and storage

✓ What we cover

We will pay the reasonable and necessary costs of towing your **vehicle** when as a result of an **event** your **vehicle** cannot be driven to;

- ▼ our nearest assessing centre,
- ▼ a **recommended repairer** that we nominate, or
- ▼ a repairer we agree to.

We will also pay the reasonable costs of storing your **vehicle**.

✗ What we exclude

We do not cover:

- ▼ storage costs for any period after your claim is settled; or
- ▼ the cost of towing or storage of your **vehicle** if it is insured for Legal Liability Fire and Theft cover only and the **event** was not fire, explosion, lightning, theft or attempted theft.

11. Hire vehicle after theft

✓ What we cover

We will pay the reasonable cost incurred by you of hiring a vehicle of a similar make and model to your **vehicle** for up to 30 days if your **vehicle** is stolen and either not found or is found but is not drivable. This benefit stops before the 30 day limit if and when:

- ▼ your **vehicle** is returned undamaged;
- ▼ we repair your **vehicle** and return it to you; or
- ▼ we have settled your claim.

You are responsible for all running costs and extras of the hire vehicle, including paying the deposit, security bond, fuel and any upgrade costs. You are responsible for paying all costs for any period you continue to use the hire vehicle after this benefit stops.

If you withdraw your claim or we refuse to accept it, you might have to refund us any payments for the hire vehicle we have already made.

Please see the Additional Benefit 'Hired Vehicle' on page 88 for details of the cover provided under this policy when you hire a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity.

✗ What we exclude

We will not pay more than \$3,000 for any one **event**.

12. Lease payout – motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity

✓ What we cover

Applicable if your **vehicle** is insured for Comprehensive cover only, and is a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity.

We will pay the difference when the amount owing by you under a lease or a hire purchase agreement is greater than the **market value** of your **vehicle** if we decide the **vehicle** is a **total loss**.

We will deduct:

- ▼ any amounts or interest in arrears at the time of the **loss** or **damage**; and
- ▼ discounts in respect of finance charges or interest for the unexpired term of the financial agreement.

✗ What we exclude

We will not pay more than 20% of the **market value** of your **vehicle**.

We will not pay under this Extra Cover:

- ▼ if your **vehicle** is insured for **agreed value**;
- ▼ if your **vehicle** was purchased via a personal loan or line of credit; or
- ▼ when the **loss** or **damage** to your **vehicle** was caused by fire or theft.

13. Lease payout – vehicle other than those referred to in Extra Cover 12

✓ What we cover

Applicable if your **vehicle** is insured for Comprehensive cover only and is not a vehicle referred to in Extra Cover 12.

We will pay the difference when the amount owing by you under a lease or hire purchase agreement is greater than the **market value** of your **vehicle** if we decide your **vehicle** is a **total loss**.

We will deduct:

- ▼ any amounts or interest in arrears at the time of the **loss** or **damage**; and
- ▼ discounts in respect of finance charges or interest for the unexpired term of the financial agreement.

✗ What we exclude

We will not pay more than 12.5% of the **insured amount** of your **vehicle**.

We will not pay under this Extra Cover:

- ▼ when the **loss** or **damage** to your **vehicle** was caused by fire or theft, or
- ▼ if your **vehicle** was purchased via a personal loan or line of credit.

Additional benefits

Your policy is extended to include the following Additional Benefits if your **vehicle** has Comprehensive cover. All of the terms, conditions and exclusions of this policy apply to the Additional Benefits unless otherwise specified including without limitation the exclusions applicable to Part 1 and Part 2 of this section.

1. Two-wheel or box trailer

✓ What we cover

When your two-wheel or box trailer is attached to or being towed by your **vehicle**, we will cover **loss** or **damage** to your trailer caused by an **event** in the **period of insurance**.

✗ What we exclude

We will not pay more than \$1,000 for any one **event**. If we agree, you can insure your trailer for more if you insure it as a separate insured **vehicle** under your policy.

No **excess** is applicable for any claim accepted under this Additional Benefit.

2. Locks and keys

✓ What we cover

We will pay the cost of replacing the keys or re-coding your **vehicle's** locks if during the **period of insurance**, the keys to your **vehicle**:

- ▼ have been stolen (even if your **vehicle** was not);
- ▼ have been **damaged** or lost after an **event** as a result of which we have paid a claim under Part 1 of this section; or
- ▼ may have been duplicated and there is reasonable grounds to believe so.

✗ What we exclude

We will not pay more than \$3,000 for any one **event**.

You must pay the basic **excess** applicable to your **vehicle** for any claim accepted under this Additional Benefit.

3. Hired vehicle

✓ What we cover

If you hire a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity:

(a) but do not insure it with the hiring company, we will pay for:

- ▼ theft, **loss** of or **damage** to that hire vehicle during the **period of insurance**; and
- ▼ your **legal liability** for another person's **personal injury** or **damage** to another person's property in the **period of insurance** which you or an **authorised driver** cause while you or an **authorised driver** are driving or in control of the hire vehicle.

(b) and you did insure the hire vehicle with the hiring company for theft, **loss** or **damage** or **legal liability**, we will pay any excess you are required to pay to the hiring company under that insurance for theft, **loss** or **damage** to that hire vehicle during the **period of insurance**.

✗ What we exclude

We will not pay more than:

- (a) \$40,000 for the theft, **loss** or **damage** to the hire vehicle; or
- (b) the hire vehicle excess,

whichever applies, any one **event**.

Please refer to page 97 of this policy for how we will settle any other claim for your **legal liability** under this Additional Benefit.

You must pay to us an **excess** of \$500 (unless another amount is shown on any **endorsement**) for any claim accepted by us under this Additional Benefit.

4. Recovery costs – no damage

✓ What we cover

We will pay the reasonable cost of removing your **vehicle** to a place of safety following it becoming immobilised, bogged or stranded in the **period of insurance** even if there is no **damage** to your **vehicle**.

You must pay:

- ▼ for the recovery costs after recovery, and
- ▼ provide tax invoices and receipts for all costs if we ask for them.

✗ What we exclude

We will not pay more than \$5,000 in total for any one **event**.

This Additional Benefit does not apply if your **vehicle** is immobilised, bogged or stranded solely as a result of **vehicle** failure or breakdown.

You must pay the basic **excess** applicable to your **vehicle** for any claim accepted under this Additional Benefit.

5. Theft of certain vehicle accessories

✓ What we cover

If any of the following accessories that would normally be attached to or in or on your **vehicle** are stolen in the **period of insurance** we will pay the reasonable cost to replace them, even if the theft occurs while they are not attached to your **vehicle** or if they are not shown on your **schedule**:

- ▼ Buckets
- ▼ Chain trencher
- ▼ Hammer
- ▼ Laser
- ▼ Pallet forks
- ▼ Post hole borer
- ▼ Ramps
- ▼ Ripper
- ▼ Rock breaker
- ▼ Sweeper

✗ What we exclude

We will not cover these accessories if:

- ▼ you do not give us evidence to satisfy us that the **insured amount** reflects the value of your **vehicle** plus the accessories, and
- ▼ you cannot prove you owned the accessories.

You must pay the basic **excess** applicable to your **vehicle** for any claim accepted under this Additional Benefit, unless you have already paid the **excess** applicable to your **vehicle** because it was also stolen in the **event**.

6. Vehicles being test driven by you

✓ What we cover

If a vehicle is being demonstrated to you or test driven by you or your **authorised driver** during the **period of insurance**, we will cover your **legal liability** for:

- ▼ theft, **loss** of or **damage** to that vehicle; or
- ▼ another person's **personal injury** or **property damage** in connection with the use of that vehicle.

✗ What we exclude

We will not pay:

- ▼ more than \$100,000 for theft of, **loss** or **damage** to the demonstration or test driven vehicle;
- ▼ if the demonstration or test driven vehicle is a customer's vehicle or being test driven for the purposes of repair, restoration or modification.

No **excess** is payable for any claim accepted under this Additional Benefit.

7. Non-owned trailer in control

✓ What we cover

Only applicable if your **vehicle** is a prime mover or rigid body truck of 2 tonne carrying capacity or more

We will pay for **loss** of or **damage** in the **period of insurance** to a trailer you do not own, lease or hire when:

- ▼ the trailer was in your legal possession or control at the time the **loss** or **damage** occurs; and
- ▼ you or an **authorised driver** were using it in conjunction with your **vehicle**.

x What we exclude

We will not pay:

- ▼ more than \$50,000 for any one **event**, regardless of the number of trailers your **vehicle** may have under its control at the time of the **event**,
- ▼ for **loss** or **damage** to goods or property being carried in the trailer, or
- ▼ if the trailer is a tanker, tipper, convertible, refrigerated, freezer or chiller trailer.

You must pay to us an **excess** of \$2,500 for any claim accepted by us under this Additional Benefit. This **excess** is additional to any **excess** payable for your **vehicle**.

If you ask us we may allow you to increase the maximum we will pay and remove the restrictions relating to the type of trailers that are in your lawful custody or control. If we agree to your request, an extra premium will be payable.

We will not backdate any request.

What we pay

If we agree to pay a claim under Part 1, we will either pay you for a **partial loss** or a **total loss**. This is determined by the extent of the **loss** or **damage**, the cost of repair or replacement and the value of your **vehicle**.

If we agree to pay a claim for **legal liability** under any Additional Benefit in this Part, the "Limits to what we pay" in Part 2 of this section will apply.

Total loss

If we accept a claim and decide your **vehicle** is a **total loss** and the conditions applying to Extra Cover 1 – 'New vehicle after total loss' are met you can choose to accept a new replacement vehicle of the same make, model and series as your **vehicle**.

If Extra Cover 1 – 'New vehicle after total loss' does not apply we will settle your claim one of the following ways:

(a) Market value or insured amount

If the **vehicle** is shown on the **schedule** as having **market value**, and the **insured amount** does not show a figure in dollars, we will pay you the **market value** of your **vehicle**.

If the **vehicle** is shown on the **schedule** as having a **market value**, and the **insured amount** does show a figure in dollars, we will pay you the lesser of the **market value** or the **insured amount**.

The **market value** or **insured amount** of your **vehicle** includes accessories defined as your **vehicle** plus any agreed accessory specified on your **schedule**.

We will deduct any **excess** that is payable from the amount we pay.

If we pay the **market value** or **insured amount** as a result of a **total loss** then your cover for that **vehicle** comes to an end. There will be no refund of the premium.

(b) Agreed value

If the **vehicle** is shown on the **schedule** as having **agreed value**, we will pay you the **insured amount** shown on the **schedule** for your **vehicle**. This **insured amount** for your **vehicle** includes accessories defined as your **vehicle** plus any agreed accessory specified on your **schedule**.

The **agreed value** shown on your **schedule** is the most we will pay for theft, **loss** or **damage** to your **vehicle**.

We will deduct any **excess** that is payable from the **agreed value**.

If we pay the **agreed value** as a result of a **total loss** then your cover for that **vehicle** comes to an end. There will be no refund of the premium.

(c) Legal liability, fire and theft

If the **vehicle** is shown on the **schedule** as having Legal Liability, Fire and Theft cover, we will pay you the **market value** or the **insured amount** for your **vehicle**, whichever is less. The **market value** of your **vehicle** includes accessories included within the definition of **vehicle** plus any agreed accessory specified on your **schedule**.

We will deduct any **excess** that is payable.

If we pay the **market value** or **insured amount** as a result of a **total loss** then your cover for that **vehicle** comes to an end. There will be no refund of the premium.

Applicable to (a), (b) and (c):

We will deduct any unpaid premium from the amount that we pay you.

Your **vehicle**, including any unexpired premium, registration and Compulsory Third Party insurance, becomes our property when we pay you for the **total loss**.

If another party (e.g. a bank) is shown as having an interest on your **schedule** and your **vehicle** is a **total loss**, we pay them (instead of you) what you owe them up to the amount you are entitled to under this **policy**. If this amount is less than the full amount payable under the **policy**, we pay you the balance.

If you make a claim and another party is entitled to the salvage of your **vehicle**, we will pay you or them the **insured amount** shown on the **schedule**, less our estimate of the salvage value, less any **excess** and unpaid premium.

For an example of how we settle a total loss claim, see page 102 and 103 of this policy.

Partial loss

If we agree to pay a claim and decide your **vehicle** is a **partial loss**, we can arrange the repairs with a **recommended repairer** if one is available, or alternatively you can choose your own repairer and arrange repairs with them.

Where we are able to provide you with access to one of our **recommended repairers**, we will offer you a choice if there is more than one in your area. However, we may only be able to nominate one **recommended repairer** if there are no others available.

Where we're unable to provide you with access to one of our **recommended repairers**, we will require you to choose your own repairer.

If we authorise repairs with a **recommended repairer** or your own repairer we will:

- ▼ authorise the repair of your **vehicle** to the same or reasonably similar condition and standard it was immediately before the **event**;
- ▼ authorise only the use of new parts or parts which are consistent with the age and condition of your **vehicle** (which may include using non genuine and/or recycled parts);
- ▼ authorise only the use of manufacturer's approved parts if your **vehicle** is under warranty, but not when your **vehicle** has an extended warranty or for windscreen replacement;
- ▼ only pay the **market value** of damaged parts we consider to be obsolete;
- ▼ replace damaged windscreen or window glass with glass which may not be produced by the original manufacturer but will meet Australian Design Rules; and
- ▼ guarantee the quality of materials and workmanship in respect of the repairs for the life of the **vehicle**.

Any repairer we authorise to repair your **vehicle** may sub-contract some of the repairs to a person of their choice. This will usually occur when the repairer is unable to perform the repairs themselves.

If you choose your own repairer and we do not authorise repairs, we:

- ▼ will pay an amount equal to the **reasonable repair costs**; and
- ▼ will not provide any guarantee for the quality of materials and workmanship in respect of the repairs.

We are not responsible for any costs or losses which occur because of delays in delivery of parts. If a part is not available in Australia, we will pay the cost of surface freight from the nearest reasonable source of supply.

You are responsible for the cost of any air-conditioning refit, re-gas or modification required by law.

You may have to contribute to the cost of replacing or repairing tyres, engines, accessories, paintwork, bodywork, radiators, batteries, interior trims, or caravan annexes affected by wear and tear or rust and corrosion. How much you are required to pay will depend on how worn we consider these items were when the **damage** happened.

If you do not agree to pay these amounts we will pay you the **reasonable repair cost** less any contribution charges.

We will subtract any **excess** that may apply.

For an example of how we settle a **partial loss** claim, see page 103 of this policy.

Policy section Part 1 conditions

Lifetime guarantee for repairs

If we authorise repairs for your **vehicle**, we will guarantee the repairs against any defect due to workmanship or faulty material for the life of your **vehicle**.

If you choose your own repairer and we pay **reasonable repair costs** instead of authorising repairs, we will not provide a lifetime guarantee for the repairs.

Underinsurance condition

If at the time of the **event**, your **vehicle** was insured for less than 80% of its **market value** and we decide your **vehicle** is:

- ▼ a **total loss**, we will not apply this underinsurance condition.
- ▼ a **partial loss**, we will pay the same proportion of the **loss** as the **insured amount** bears to 80% of the **market value** of your **vehicle**.

In assessing the amount we pay, prime movers and attached trailers and dollies are regarded as separate and distinct insured **vehicles**.

This underinsurance condition does not apply if your **vehicle** is a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity.

How you earn a No Claim Bonus

A No Claim Bonus recognises your good driving and claims history record where you are insured for comprehensive cover.

Your **schedule** will show the type of No Claim Bonus you are entitled to (if any), and your premium will be charged accordingly.

If you are not entitled to a maximum No Claim Bonus, you will earn an entitlement to a bonus for the next **period of insurance** if there has been no claims that fall within the definition of a **penalty claim**.

The following will apply if you qualify for a No Claim Bonus:

For sedans, station wagons, 4 wheel drives or good carrying vehicles with a carrying capacity of 2 tonnes or less:

Year	Existing bonus	Renewal bonus
1st Year	0%	25%
2nd Year	25%	45%
3rd Year	45%	55%
4th Year	55%	65%
Subsequent Years	65%	65%

For all other vehicles:

Year	Existing bonus	Renewal bonus
1st Year	0%	20%
2nd Year	20%	30%
3rd Year	30%	40%
4th Year	40%	50%
Subsequent Years	50%	50%

Protected No Claim Bonus

If you are entitled to a maximum No Claim Bonus of 65% for sedans, station wagons, 4 wheel drives or goods carrying vehicles with a carrying capacity of not more than 2 tonnes, we may allow you to have the option when you first take out the **policy**, or upon renewal, to protect your No Claim Bonus for that **vehicle**. An additional premium is payable to extend the **policy** to include this option.

How making a claim could affect your No Claim Bonus

If you do not lodge a penalty claim

If you did not lodge a **penalty claim** during the **period of insurance**, then your No Claim Bonus will not be detrimentally affected at renewal of your **policy**.

Windscreen claims

When you renew your **policy**, your No Claim Bonus will not be affected for any windscreen or window glass claim you make.

Other claims

When you renew your **policy**, we reduce your No Claim Bonus for each **penalty claim** you have made during the **period of insurance** unless you have selected the protected No Claim Bonus optional cover.

If you have selected the protected No Claim Bonus optional cover for your **vehicle** involved in a claim, we will not count the first **penalty claim** on that **vehicle** during the **period of insurance**.

The amount we reduce your No Claim Bonus to is set out below:

For sedans, station wagons, 4 wheel drives or good carrying vehicles with a carrying capacity of not more than 2 tonnes:

Your current No Claim Bonus	Following 1 penalty claim	Following more than one penalty claim
65%	45%	Nil
55%	25%	Nil
45%	Nil	Nil
25%	Nil	Nil
Nil	Nil	Nil

For all other vehicles:

Your current No Claim Bonus	Following 1 penalty claim	Following more than one penalty claim
50%	30%	Nil
40%	20%	Nil
30%	Nil	Nil
20%	Nil	Nil
Nil	Nil	Nil

Part 2 – Legal liability

What your vehicle also means.

For the purposes of Part 2, your **vehicle** also means:

- ▼ a trailer;
- ▼ a caravan; or
- ▼ another vehicle which has broken down;

that is being towed by your **vehicle** or a **substitute vehicle** legally and not for reward; and

- ▼ a **substitute vehicle**.

What is legal liability?

Legal liability means that an Australian court or a court of an Australian external territory finds, or we accept, that:

- ▼ you;
- ▼ an **authorised driver**;
- ▼ a passenger in your **vehicle**; or
- ▼ your employer, principal or business partner;

are legally responsible to pay compensation for:

- ▼ **loss** of or **damage to property** owned or controlled by someone else; or
- ▼ **personal injury** to another person (but only where the **legal liability** is not covered or capable of being covered by any compulsory third party insurance or public liability insurance),

caused by an **event** which occurs during the **period of insurance** in Australia or its external territories.

✓ What we cover

Provided 'Commercial Motor' is shown under 'What's Covered' in the **schedule**, we will pay a claim for your **legal liability** if the **event** giving rise to that **legal liability** was not expected or intended, and the **event** was caused by:

- ▼ you or an **authorised driver** driving, using or being in charge of your **vehicle**;
- ▼ goods being carried by or falling from your **vehicle**;
- ▼ loading goods onto your vehicle from a fixed place of rest directly beside your **vehicle**;
- ▼ unloading goods off your **vehicle** to a fixed place of rest directly beside your **vehicle**; or
- ▼ a passenger in your **vehicle** with your permission while travelling or getting in or getting out of your **vehicle**.

x What we exclude

We will not pay for your **legal liability**:

- ▼ for anything excluded by any other 'what we exclude' section in Part 1 or Part 2 in this policy section;
- ▼ which is a direct or indirect result of discharge or escape of **contaminants or pollutants** or **dangerous goods** from your **vehicle** unless they are substances you are legally allowed to carry;
- ▼ for **loss** of or **damage to property** you own, control or are responsible for, or which belongs to someone who normally lives with you. However, this exclusion will not apply to your **legal liability** for **damage** to motor vehicles belonging to an **employee** or visitor which occurs within the confines of a private car park owned or operated by you;
- ▼ for **personal injury** to anyone who was your **employee** at the time of the **event**;
- ▼ for **personal injury** if you were or anyone else was required by law to have insurance for compensation, damages or similar insurance for injury (e.g. compulsory third party insurance or workers compensation required by law);
- ▼ for **personal injury** if your **vehicle** is registered in the Northern Territory of Australia;
- ▼ where you cause your own **personal injury**, or if you injure or cause the death of someone who normally lives with you;
- ▼ occurring because you, an **authorised driver** of your **vehicle**, a passenger in your **vehicle**, or your employer, principal or business partner agreed to accept liability;
- ▼ because of an agreement you or anyone insured under this **policy** has entered into, unless **legal liability** would have applied anyway;
- ▼ for **personal injury** if at the time of the **event** your **vehicle** was being used as a show, carnival or festival attraction, parade float or for any similar activity;

- ▼ if at the time of the **event** your **vehicle** was being driven or used at, in or on any **aircraft** hangar or any part of an airport or airfield used by **aircraft** for loading, unloading, taxiing, takeoffs or landings;
- ▼ resulting from the use of your **vehicle** if it was unregistered at the time of the **event**, unless your **vehicle** is an unregistered on-site caravan;
- ▼ in respect of fuel contamination caused by you delivering:
 - ▼ the incorrect type of fuel; or
 - ▼ the fuel to the incorrect place.
- ▼ for **damage to property** resulting from an **event** arising out of the use of your **vehicle** while it is digging, excavating, boring or drilling.
 However, we will pay if your **vehicle** is being used for the sole purpose of travelling to or from any work site or transporting or carting goods at the time of the **event** and is not being used at the time of the **event** for any other purpose including any specific activity for which the **vehicle** was designed.
- ▼ to pay fines or punitive, exemplary or aggravated damages;
- ▼ arising directly or indirectly from:
 - ▼ the transportation, distribution, and or storage of asbestos;
 - ▼ any material containing asbestos or any process of decontamination, treatment or control of asbestos.
 This will only apply to **personal injury** arising in consequence of inhalation of asbestos fibre, and to **loss** or **damage to property** due to the presence of asbestos.
- ▼ for **personal injury** or **loss** of or **damage to property** arising directly or indirectly out of the actual, alleged or threatened discharge, dispersal, release or escape of **contaminants or pollutants** into or upon any property, land, the atmosphere, water course or body of water (including ground water). However this exclusion does not apply to Additional Benefit 1 – ‘Pollution’.

Extra covers

We will also provide the following Extra Covers in this section, subject to the General and section exclusions and the policy terms and conditions.

1. Damage by uninsured drivers

✓ What we cover

Applicable if your **vehicle** is insured for Legal Liability, Fire and Theft or Legal Liability cover only.

Loss of or **damage** to your **vehicle** during the **period of insurance** in an **event** as a result of a collision with another vehicle driven by an uninsured driver within Australia or its external territories.

A driver is uninsured if neither the driver nor the owner of the other vehicle had an insurance policy that would cover them for the **loss** or **damage** to your **vehicle**.

We only pay if:

- ▼ you show the **event** was the fault of the uninsured driver and we agree; and
- ▼ you can identify the other vehicle and its driver (name, residential address, phone number and registration details).

✗ What we exclude

We will not pay more than \$5,000 or the **market value** of your **vehicle** (whichever is less), for **loss** of or **damage** to your **vehicle** during any one **period of insurance**.

We will deduct:

- ▼ any **excess** that may apply to your **vehicle**, and
- ▼ the residual value of the **vehicle** if it is not repairable (you keep the damaged **vehicle**).

2. Emergency services

✓ What we cover

If we agree to pay a claim under Part 1 or Part 2 of this section during the **period of insurance**, we will pay the reasonable costs and charges levied by the police force or any fire brigade or other authority due to your **vehicle** causing the attendance of a member of the:

- ▼ fire brigade or authority for the purpose of fire extinguishment or other purposes; and/or
 - ▼ police force;
- at the accident site.

Additional benefits

We will also provide the following Additional Benefits in the section, subject to the policy terms and conditions, the General and section exclusions including the exclusions in Part 1 and Part 2 of this section and any **endorsement**. The **event** giving rise to the **legal liability** must not have been expected or intended.

1. Pollution

✓ What we cover

Your **legal liability** arising directly or indirectly out of the actual, alleged or threatened discharge, dispersal, release or escape of **contaminants or pollutants** into or upon any property, land, the atmosphere, water course or body of water (including ground water), where such discharge, dispersal, release or escape:

- ▼ is caused by or in connection with the operation ownership possession or use by you or on your behalf of any **vehicle**;
- ▼ is caused by a sudden identifiable unintended and unexpected **event**;
- ▼ takes place in its entirety at a specific point in time during the **period of insurance** and within Australia or its external territories; and
- ▼ does not relate to any property, land, air, water course or body of water which you own, occupy or have in your custody or control.

We will also only pay for clean up or removal costs if they are caused by such an incident within Australia or its external territories.

✗ What we exclude

We will not pay:

- ▼ more than \$500,000 during the **period of insurance**; or
- ▼ if the **contaminants or pollutants** are **dangerous goods**.

2. Legal Liability for unregistered on-site caravans

✓ What we cover

If your **vehicle** is an unregistered on-site caravan, you are covered for your **legal liability**, caused by your use or occupation of the unregistered on-site caravan during the **period of insurance** in Australia or its external territories.

✗ What we exclude

We do not pay for:

- ▼ amounts you must pay which are covered, or should be, by Medicare, workers compensation or another government scheme or arrangement, or private medical insurance; or
- ▼ **loss or damage** to the unregistered on-site caravan, unless the caravan is an insured **vehicle** and we have accepted a claim for it under Part 1 of this section.

3. Non owned vehicle liability

✓ What we cover

Your **legal liability**, in respect of any vehicle not owned or supplied by you while that vehicle is being used or driven by you or an **authorised driver** in connection with your business during the **period of insurance** in Australia or its external territories.

✗ What we exclude

You must pay to us an **excess** of \$500 for each claim accepted by us under this Additional Benefit.

4. Legal liability for caravans and trailers

✓ What we cover

You are covered for your **legal liability** as a result of:

- ▼ the actions of a caravan or trailer while it is being towed by your **vehicle**;
 - ▼ a caravan or trailer running out of control after separating from your **vehicle** while your **vehicle** is moving; or
 - ▼ another vehicle colliding or acting to avoid a collision with:
 - ▼ property falling off a caravan or trailer while it is being towed by your **vehicle**; or
 - ▼ property being loaded or unloaded from a caravan or trailer attached to your **vehicle**;
- during the **period of insurance** in Australia or its external territories.

✗ What we exclude

We do not cover **loss** or **damage** to:

- ▼ the caravan or trailer unless it is a **vehicle** insured under Part 1 of this section; or
- ▼ the property which is loaded or unloaded from or which falls from the caravan or the trailer.

We do not cover the cost to remove the trailer or caravan debris, unless the caravan or trailer is an insured **vehicle** and we have accepted a claim for it under Part 1 of this section.

You must pay the **excess** applicable to your **vehicle** for any claim accepted under this Additional Benefit.

What we pay

If we agree to pay a claim for **legal liability** under Part 2, we will pay:

- ▼ the compensation;
- ▼ legal costs and expenses if we have given our prior written consent to you incurring these costs;
- ▼ costs and charges reasonably and necessarily incurred by you in removing or cleaning up debris, unless stated otherwise; and
- ▼ costs and charges reasonably and necessarily incurred to extinguish a fire that your **vehicle** has caused.

We will also pay for legal costs in representing you or any other person covered at any inquest or other inquiry relating to an **event** which may give rise to you being **legally liable**, if we have given our prior written consent to you incurring these costs.

You must pay any **excess** that may apply.

For an example of how we settle a liability claim, see page 104 of this policy.

Limits to what we pay

If we agree to pay a claim for **legal liability**, the most we will pay for all claims arising directly or indirectly from one **event** is \$30 million (unless another amount is specified on your **schedule**) but restricted to:

- ▼ \$1,000,000 for any one **event** occurring within the external territories of Australia, but only in respect of the death or bodily injury to another person;
- ▼ \$1,000,000 (unless another amount is specified on your **schedule**) where your **vehicle** is being used for the transportation of **dangerous goods** or is attached to, or is towing, a **vehicle** used for the transportation of **dangerous goods**; and
- ▼ \$500,000 during the **period of insurance** in respect of all claims under the Additional Benefit 1 – ‘Pollution’ under Part 2.

These amounts include all legal costs and expenses.

These limits also apply to any cover for your **legal liability** provided under any Extra Cover, Additional Benefit or Optional Insurance (both Parts 1 and 2) or **endorsement** unless a lower limit is specified in the cover, benefit or any **endorsement**.

These limits are the most we will pay even if there are several claims against you relating to the one **event**.

Optional benefits

We may provide the following Optional Benefits when requested by you, when you pay any additional premium required and when shown on your **schedule** as applying, subject to the General Exclusions, the section exclusions and any other 'What we exclude' section in Part 1 or Part 2 of this policy section.

1. Windscreen excess waiver

✓ What we cover

You will not have to pay the basic **excess** for the first windscreen or window glass claim for that **vehicle** in any **period of insurance**. If you have any additional windscreen or window glass claims during the same **period of insurance** for that **vehicle**, the basic **excess** will apply.

✗ What we exclude

This option will only apply if your **vehicle** is a car, utility, 4WD or van of not more than 2 tonne carrying capacity.

2. Rental vehicle after accident

✓ What we cover

If your **vehicle** cannot be driven or is in need of repair following **loss** or **damage** as a result of an insured event, (other than theft) for which we agreed to pay a claim under Part 1, we will reimburse you for the cost of hiring a replacement vehicle:

- ▼ of a similar type to your **vehicle**; and
- ▼ from the date your **vehicle** is left at the repairers.

Please see:

- ▼ Additional Benefit 'Hire vehicle' (page 88 for cover applicable to and caused by the rental vehicle;
- ▼ Extra Cover 'Hire vehicle after theft' (page 86) for cover applicable if your **vehicle** is stolen.

✗ What we exclude

We will not pay if your **vehicle** is anything other than a car, utility, 4WD or van of not more than 2 tonne carrying capacity, we will not pay:

- ▼ if your **vehicle** is stolen;
- ▼ to hire a vehicle for any longer than the day after repairs to your **vehicle** have been completed;
- ▼ after your claim has been paid if your **vehicle** is a **total loss**;
- ▼ the running costs of the rental vehicle;
- ▼ for any other non-rental costs which you may be liable to pay for under a hire agreement.

We will not pay more than \$1500 for any one **event**.

3. Protected No Claim Bonus

✓ What we cover

If you are entitled to a maximum No Claim Bonus:

- ▼ you can choose to protect your No Claim Bonus for your **vehicle** against one penalty claim occurring in the **period of insurance** for that **vehicle**; or
- ▼ we may allow you to protect your No Claim Bonus against all **penalty** claims occurring during the **period of insurance** for that **vehicle**.

If you have the Optional Benefit your **schedule** will show whether the No Claim Bonus for your **vehicle** is protected for one or all **penalty claims**.

✗ What we exclude

This Optional Benefit does not apply if your **vehicle** is anything other than a car, utility, 4WD or van of not more than 2 tonne carrying capacity.

This Optional Benefit does not apply unless you are entitled to a maximum No Claim Bonus for your **vehicle**.

4. Damage to towed vehicles

✓ What we cover

Only available if your **vehicle** is a registered tow truck.

- ▼ we will pay all amounts you become **legally liable** to pay as damages for **loss** or **damage** to any vehicle being towed, retrieved or carried by your **vehicle**, in the **period of insurance** in Australia or its external territories.

✗ What we exclude

We will not pay:

- ▼ more than \$150,000 any one **event** for **loss** or **damage** to any vehicle/s being towed, retrieved or carried by your **vehicle**, or
- ▼ if your **vehicle** and the vehicle being towed, retrieved or carried are not being operated within the provisions of any law relating to the use of a tow truck.

Excess

An **excess** is the amount you might have to pay if you claim. **Excesses** are cumulative and apply to all claims, unless otherwise stated. If you also claim under another policy section for one **event** the excesses payable under this policy section apply in addition to all other excesses.

For each **event**, or series of **events** arising from the one originating cause you will bear the amount of the **excess** in respect of each and every insured **vehicle**, unless stated otherwise.

The basic **excess** is shown on your **schedule**. The amounts for any other **excesses** (or where the amounts can be found in this policy) are detailed below on pages 99 and 100. You might have to pay more than one type of **excess** when you claim. You must pay the **excesses** in full.

We will decide if you pay the **excess** to us (when we ask for it) or to the repairer when you pick up your **vehicle** after it has been repaired. We can also choose to deduct the **excess** from the amount we pay you.

You don't pay any **excess** when your **vehicle** is a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity and:

- ▼ another vehicle is involved in the **event**, and we agree the driver of your **vehicle** was not at fault, and you can identify the other vehicle and the other driver responsible (name, residential address, phone number and vehicle registration details); or
- ▼ no other vehicle is involved in the **event**, and we agree the driver of your **vehicle** was not at fault, and you can identify another person at fault (name, residential address and phone number) and prove that they were at fault.

Types of excesses

Basic excess

The basic **excess** is the amount shown on your **schedule**.

Age or inexperienced drivers excess

An age or **inexperienced driver excess** applies if a driver under 25 or an **inexperienced driver** was in charge of your **vehicle** at the time of an **event**. This **excess** will not apply to glass, damage while parked, fire, malicious damage, theft or storm claims.

If we accept a claim where the driver was less than 25 years of age or was an **inexperienced driver**, the following age or **inexperienced driver excesses** will apply to the claim when:

- ▼ the **vehicle** is a car, 4WD, utility or van of not more than 2 tonne carrying capacity:
 - ▼ for drivers under 21 years of age \$500
 - ▼ for drivers 21 year of age or older \$300
 - ▼ for **inexperienced drivers** \$250
- ▼ the **vehicle** is a prime mover and;
 - ▼ the **insured amount** for the prime mover is less than \$100,000 or it is insured for Legal Liability only – the age or **inexperienced driver excess** is \$2,500 or \$3,500 if the prime mover was towing more than one trailer at the time of the **event**.
 - ▼ the **insured amount** for the prime mover is \$100,000 or more, but not more than \$200,000 – the age or **inexperienced driver excess** is \$10,000 or \$15,000 if the prime mover was towing more than one trailer at the time of the **event**.
 - ▼ the **insured amount** for the prime mover is more than \$200,000 – the age or **inexperienced driver excess** is \$25,000 or \$37,500 if the prime mover was towing more than one trailer at the time of the **event**.
- ▼ the **vehicle** is not a car, 4WD, utility, van of not more than 2 tonne carrying capacity or prime mover the age or **inexperienced driver excess** is \$750.

You must pay these age or **inexperienced driver excess** in addition to any other **excess** for your **vehicle** that may be payable. For the purposes of the application of these age or **inexperienced driver excess**, a dolly is considered a trailer.

Tipping excess

A tipping **excess** applies if your **vehicle** is a trailer or rigid body truck and it is **damaged** while the tipping hoist is partly or fully extended. The tipping **excess** is \$1,000 and you pay this in addition to any other **excess** payable for your **vehicle**.

Theft excess

A theft **excess** of \$2,500 applies to each claim for theft or **damage** occasioned by theft of:

- ▼ your skid steer loader, excavator, loader, backhoe or bobcat, or
- ▼ any of their accessories, whether these accessories are attached to your **vehicle** at the time of the theft or **damage** or not.

You pay this in addition to any other **excess** for your **vehicle** that may be applicable.

Endorsement excess

An **endorsement excess** may apply if you have **endorsements** to your **policy**. Any **endorsement excess** applicable to your **policy** will be shown in the **endorsement** wording.

You pay the **endorsement excess** shown in the **endorsement** wording in addition to any other **excess** for your **vehicle** that may be payable.

Radius excess

A radius **excess** applies if we accept a claim for **loss** or **damage** to your **vehicle** or **legal liability** and at the time of the **event**, your **vehicle** was on a journey to or from a destination beyond the maximum radius of operation shown on your **schedule** measured from your **vehicles** garaged postcode shown on your **schedule**.

The radius **excess** is:

- ▼ \$500 if your **vehicle** is a truck or bus,
- ▼ \$2,500 if your **vehicle** is a trailer which at the time of the **event** was being towed by a prime mover or \$500 if being towed by a truck, or
- ▼ \$7,500 if your **vehicle** is a prime mover.

You pay the radius **excess** in addition to any other **excess** for your **vehicle** that may be payable.

Additional benefit excesses

Please refer to pages 88 and 90 for the amount of any **excess** you might have to pay if you make a claim under any Additional Benefit in Part 1 of this section.

Application of excess involving trailer and towing vehicle

If a trailer being towed by your **vehicle** damages the property of another person and:

- ▼ only the trailer was **damaged**, the **excess** for the towing **vehicle** will apply; or
- ▼ there is no **damage** to either the trailer or towing **vehicle**, the **excess** for the towing **vehicle** will apply.

Policy section exclusions

You are not covered under this section for an **event** occurring when your **vehicle** is being driven by, or is in the charge of, someone who:

- ▼ was under the influence of, or had their judgment affected by, any alcohol or drug;
- ▼ had more than the legal limit of alcohol in their breath or blood, as shown by analysis;
- ▼ refused to take a test for alcohol or drugs; or
- ▼ was not licensed, not correctly licensed or not complying with the conditions of their licence.

We will cover you if you were not the driver or person in charge of your **vehicle** at the time of the **event** and you can satisfy us that you did not know, and could not have reasonably known, of any of the above circumstances.

If we pay a claim we can recover those costs from the person who was driving or in charge of your **vehicle**, unless the law prohibits recovery by us.

You are not covered under this section:

- ▼ if you or an **authorised driver** does something or neglects to do something that is not in accordance with this **policy** or does not give us the information or assistance that we ask for;
- ▼ for theft of or malicious damage to your **vehicle** when anyone insured under this **policy** has not taken reasonable care to prevent this **loss** or **damage**;

- ▼ for financial loss:
 - ▼ occurring because you cannot use your **vehicle**;
 - ▼ because your **vehicle's** value was less after being repaired; or
 - ▼ because your **vehicle's** working life has been reduced;
- ▼ for **loss** of or **damage** to a drill rod or bit attached to your **vehicle** while the drill rod or bit is being used for its designed purpose. For the purposes of this exclusion, a drill rod or bit includes any part attaching to or forming part of the drill rod or bit including but not limited to pipes, guides, filters, gaskets, plugs, caps, beacon housings, tool heads, nozzles and/or any other electronic mechanism;
- ▼ for the cost to repair or replace burnt out electric motors or wiring of appliances in your caravan;
- ▼ for **damage** to your caravan, caravan annexe, trailer or **personal effects** caused by biting, chewing or scratching by an animal or bird;
- ▼ for **damage** to your caravan, caravan annexe or **personal effects** caused by any tenant;
- ▼ if your unregistered on-site caravan is unoccupied for 60 consecutive days. (If you want cover over 60 days, you need to ask us for an extension of time and we must agree in writing. We might charge an extra premium or impose special terms.);
- ▼ for **loss** or **damage** to your caravan caused by the sea or high water;
- ▼ for **loss** or **damage** or **legal liability** caused or contributed to by or arising from any biological, bacterial, viral, germ, chemical or poisonous **contaminants** or **pollutants** (except for any cover provided under Additional Benefit 1 – 'Pollution' on page 96) or any looting or rioting following these occurrences;
- ▼ for theft by anyone who has hired or leased your **vehicle** or who has taken it as security for a debt;
- ▼ for any **loss**, **damage** or **legal liability** caused by any person or organisation who lawfully destroys or takes away your ownership or control of any property or **vehicles** covered under this section,
- ▼ for any **loss**, **damage** or **legal liability** which happens before the **period of insurance** or which arises from an **event** before the **period of insurance** starts unless specifically stated otherwise,
- ▼ for an event that occurs outside Australia or its external territories.

We will not pay a claim for **loss**, **damage** or **legal liability** under this section:

- ▼ if another person is, or could have been, liable to compensate you for such **loss**, **damage** or **legal liability**, but you have agreed with that person either before or after the **loss**, **damage** or **legal liability** occurred that you would not seek to recover any moneys from that person;
- ▼ if the **event** that is the subject of the claim was intentionally or recklessly caused by you or the driver of your **vehicle** or someone acting with your or their express or implied consent; or
- ▼ if excluded by any **endorsement**.

You are not covered under this section if, at the time of an **event**, your **vehicle** was:

- ▼ damaged, unsafe or unroadworthy. However, this exclusion will not apply if you prove that the unroadworthy or unsafe condition of your **vehicle**:
 - ▼ did not cause or contribute to the **loss**, **damage** or **legal liability** being incurred, or
 - ▼ could not reasonably have been detected by you;
- ▼ being used in a race, contest, trial, test, hill climb or any similar activity;
- ▼ being used on a competition race track, circuit, course or arena;
- ▼ being used by you for illegal purposes;
- ▼ carrying passengers for payment or reward unless it was a car pool, child care arrangement or fare paying passenger bus;
- ▼ carrying a greater number of passengers than it was designed for or is allowable according to law;
- ▼ conveying, towing, lifting or carrying a load not secured according to law;
- ▼ conveying, towing, lifting or carrying a load in excess of that which was designed for or is allowable according to law;
- ▼ being used to move **dangerous goods** or substances that pollute or contaminate unless this was done legally;
- ▼ travelling on railway lines; or
- ▼ being operated, transported or driven in an underground mine or mining shaft (but we will cover you if your **vehicle** was being used for open cut mining).

Worked dollar examples

The following worked dollar examples are designed to assist in the understanding of some of the important benefits in this section and how claims are calculated. The examples do not cover all scenarios or all benefits and do not form part of your policy terms and conditions. The following should be used as a general guide only. You should consider all examples as each example covers different benefits and scenarios.

Example: Total loss — Market value

A car that has a carrying capacity of not more than 2 tonnes is comprehensively insured for **market value**. The basic **excess** is \$500. The vehicle is damaged in an accident and we assess the cost of repair to be \$20,000.

The **market value** is determined as follows:

The vehicle is an 8 year old sedan in poor condition. A motor vehicle guide records the value is \$20,000 for good condition. We assess the **market value** to be \$15,000 (GST inclusive).

The vehicle contains no modifications or accessories and we decide it is a total loss.

How much we pay		Further information
Market value	\$15,000	The vehicle is a total loss with a market value of \$15,000. We normally decide a vehicle is a total loss if the complete repair cost exceeds its market value less salvage value.
Less ITC	- \$1,364	If you are registered for GST and entitled to an Input Tax Credit (ITC) we will deduct this entitlement. In this example you are entitled to a full Input Tax Credit (100%). We will not deduct this entitlement if your vehicle is insured for Agreed Value .
Less outstanding premium	- \$300	If you paid your insurance by pay by the month instalments, we will deduct the remaining instalments for the period of insurance . In this example, there are three \$100 per month instalments remaining when total loss occurs.
Less excess	- \$500	Only the basic excess applies in this example. We deduct this from the amount we pay to you.
Total claim	\$12,836	We would normally pay this amount directly to you in a total loss situation.
Plus lease payout	\$2,200	If, instead of owning your vehicle outright, your vehicle was purchased under a finance lease and the amount owing was \$17,200 (excluding any payments in arrears and resulting interest), we will pay the difference between the amount owing under the finance arrangement and the market value (\$17,200 – \$15,000). This Extra Cover has a limit of 20% of the market value (\$3,000).
Less ITC	- \$200	In this example you are entitled to a full Input Tax Credit (100%).
Total claim	\$14,836	We would normally pay the claim directly to your financier and not to you in circumstances of a lease payout. You pay your financier any amounts left owing.

If the vehicle in the above example was less than 2 years old at the time of the **event**, instead of paying the claim above you can choose to accept a replacement vehicle including similar accessories and parts plus on-road costs e.g. registration, compulsory third party, pre-delivery. You must pay the **excess** to the dealership that has provided the replacement vehicle or us.

If the vehicle salvage is valued at \$1000, the salvage becomes our property and we are entitled to keep the \$1000 proceeds of its sale plus any registration and compulsory third party insurance refund. This does not affect the calculations above unless you obtain these refunds directly in which case we will deduct these costs from the total claim above.

Example: Total loss – Agreed value

A utility that has a carrying capacity of not more than 2 tonnes is comprehensively insured for an **agreed value** of \$45,000. The vehicle is damaged in an accident that we agree was not your fault and you have identified the at fault party and provided all their details that we require.

We assess the cost of repair of your vehicle to be \$40,000. We decide it is a **total loss**. The vehicle is not subject to finance. The basic **excess** is \$500.

How much we pay		Further information
Agreed value	\$45,000	The vehicle is a total loss with an agreed value of \$45,000. We normally decide a vehicle is a total loss if the complete repair cost exceeds its agreed value less salvage value.
Less ITC	\$0	We do not deduct any ITC when your vehicle is comprehensively insured for agreed value .
Less excess	\$0	No basic excess applies in this example as the accident was not your fault and you have provided all the details of the at fault party that we require.
Total claim	\$45,000	We would normally pay the Total claim amount directly to you in a total loss situation, unless your vehicle is subject to finance.

If the vehicle salvage is valued at \$10,000, the salvage becomes our property and we are entitled to keep the \$10,000 proceeds of its sale plus any registration and compulsory third party insurance refund. This does not affect the calculations above unless these refunds are paid to you directly in which case we will deduct these costs from the total claim above.

Example: Partial loss

A car that has a carrying capacity of not more than 2 tonnes is comprehensively insured for **market value**. The vehicle is stolen and subsequently recovered, damaged, 25 days later. We assess the cost of repairs to be \$5,500. The basic **excess** is \$500.

How much we pay		Further information
Damage to vehicle	\$5,500	We normally decide a vehicle is repairable if the cost of repairs is significantly less than the market value .
Less excess	- \$500	Only the basic excess applies in this example. We normally require you to pay the excess directly to the repairer.
Total claim	\$5,000	We would normally pay this amount directly to the repairer in a partial loss situation.

If **personal effects** to the value of \$350 are also stolen during the theft:

Plus personal effects	+ \$350	Personal effects cover is limited to \$1,000 per event . This extra cover's sub-limit is in addition to the market value of the vehicle.
Total claim	\$5,350	We normally pay the \$350 for personal effects to you (and the remaining \$5,000 directly to the repairer).

If a **replacement vehicle** of a similar type for a cost of \$100 per day is arranged by us:

Plus vehicle hire cost	+ \$2,500	The cost per day times the number of days from the date of theft until the date of recovery is 25 x \$100. This benefit has a limit of up to 30 days and we will not pay more than \$3,000. Note: This benefit would not apply if the vehicle was damaged in an accident instead of stolen, unless you also selected optional benefit 2 'Rental vehicle following accident'.
Total claim	\$7,850	We normally pay the \$2,500 for vehicle hire directly to the hire company (the \$350 to you and the \$5,000 to the repairer).

Example: Legal liability

A vehicle is insured for Legal Liability cover. The vehicle is involved in an accident and the other driver claims that the driver of your vehicle has a legal liability for the accident. The damage to the other vehicle would be assessed by a court at \$12,500. There is a basic **excess** of \$500 on your **policy**. The legal costs to defend your legal liability are \$3000.

How much we pay		Further information
Damage to other vehicle	\$12,500	We normally pay the cost of repairs directly to the third-party claimant.
Less excess	- \$500	Only the basic excess applies in this example. We normally require you to pay this amount to us before we act on your behalf.
Plus our legal costs	+ \$3,000	We incur and do not charge you for these costs providing you have paid your excess prior to legal costs being incurred.
Total claim	\$15,000	
<p>If the driver of your vehicle was not at fault and the driver of the other vehicle was at fault but was not insured, and you provide us with the details of the other driver. The basic excess is \$500. For the purposes of this example it is assumed that your vehicle is not comprehensively insured:</p>		
Damage by uninsured drivers Extra Cover	\$4,500	Your vehicle is not covered for own damage because Legal Liability Only cover was purchased. However, the 'damage by uninsured drivers' Extra Cover provides limited cover in these circumstances for up to \$5,000. For the purposes of this example, we assess that the damage to your vehicle will cost more than its market value of \$4,500. We decide it is not repairable.
Less ITC	- \$409.09	If you are registered for GST and entitled to an Input Tax Credit (ITC) we will deduct this entitlement. In this example you are entitled to a full Input Tax Credit (100%).
Less excess	- \$500	Only the basic excess applies in this example. We deduct this from the amount we pay you.
Less residual value of wreck	- \$500	The remaining value of your damaged vehicle. We deduct this from the amount we pay you.
Total claim	\$3,090.91	We normally pay this directly to you. You will keep the damaged vehicle.

Definitions

The following words have the following meanings for this section only. You should also refer to the General Definitions section starting on page xix.

Agreed value

The amount we agree to insure your **vehicle** for, as shown on the **schedule**.

Authorised driver

A person controlling, driving or using your **vehicle** with your consent.

Contaminants or pollutants

Includes smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials, or other irritants and other contaminants or pollutants. **Contaminants or pollutants** do not include **dangerous goods**.

Damage to property

1. physical loss of or damage to or destruction of tangible property including resultant loss of use; or
2. loss of use of tangible property which has not been physically damaged or destroyed provided such loss of use is caused by an event.

Dangerous goods

1. substances which are shown in the Australian Code for the Transport of Dangerous Goods by Road or Rail;
2. liquid fuels, liquefied or compressed gases, toxic chemicals, acids, organic peroxides or corrosives;
3. infectious, explosive radioactive or oxidising substances; or
4. substances with a flashpoint of below twenty two point seven degrees Celsius (22.7°C).

Emergency repairs

Minor repairs which are essential for you to be able to drive your **vehicle** safely from an accident or **event** causing **damage**.

Employee

Any person:

1. engaged in your business under a contract of service or apprenticeship, or
2. supplied to you pursuant to a contract of labour hire.

Inexperienced driver

A person who is 25 years or over and has not held a drivers licence for that class of **vehicle** being driven at the time of the **event** for the past 2 consecutive years.

Market value

The amount we calculate the market would pay for your **vehicle**. It takes into account the age, make, model, kilometres travelled and condition of your **vehicle** immediately before the **loss** or **damage**. We might use recognised industry publications to calculate the amount.

Partial loss

When we decide at our option, to repair your **vehicle**, replace any part of it or reimburse you for the **loss** or **damage** to it. In this case, we will not treat your vehicle as a **total loss**.

Penalty claim

An **event** or claim where we consider you to be at fault, or a claim where we are not able to recover the costs of repairing or replacing your **vehicle**.

Personal effects

Clothing and personal belonging normally worn or carried but excluding personal computers, non-fixed GPS units, musical instruments, curios, works of art money or credit cards.

Personal injury

Death, bodily injury, sickness, disease, disability, shock, fright, mental injury, mental anguish, or loss of consortium resulting from any of them.

Reasonable repair costs

If you choose your own repairer, we will pay the amount we consider to be reasonable repair costs taking into account:

1. your repairers quote with any adjustments or reduction recommendation by an experienced motor vehicle assessor we appoint, and
2. a quote we may choose to obtain from one of our recommended repairers.

Recommended repairer

A repairer who has been appointed by us as a recommended repairer because we have assessed the repairer as capable of meeting our strict standards of quality workmanship, timeliness, efficiency and cost effectiveness.

Substitute vehicle

A vehicle which does not belong to you and which you, your spouse, defacto partner or an **employee** are using while your **vehicle** is not in use because your **vehicle** is unroadworthy or undergoing repair.

Total loss

When your **vehicle** is stolen and not recovered, or is damaged so badly it would cost more to repair than the **value of your vehicle**.

Value of your vehicle

The **market value** or **agreed value**, whichever is shown in your **schedule**.

Vehicle

The vehicle(s) described on your **schedule**. The following accessories will also be insured if they are attached to or in or on your **vehicle**: baby capsule/car seat – bicycle carriers – binders – bonnet protector – built in refrigerator – built in television – bull bar – caravan annexe – cargo carrier – CB an/or 2 way radio – chains – cruise control – dash mats – decorative wheel trims – driving lights – fire extinguishers – fixed GPS units – floor mats – gates – headlamp guards – motor cycle helmets – gloves – or associated riding clothing up to a total of \$500 (if we pay a claim covering your motorcycle) – mud flaps – paint protection – panel/rust protection – pin striping – decals – protective mouldings – rear louvre sunshade – registration plate covers – ring feeder – seat covers – side steps for a 4WD – sign writing – sleeping box – sound system (fitted as standard by manufacturer) – spear wheel cover – steering locks – tarpaulins – tools supplied as standard by the manufacturer or similar replacement – tow bars – weather shield – winch. It also includes other vehicle accessories or modifications if we have agreed to insure them as part of your **vehicle** and they are shown on your **schedule**.

