



MIRAMAR STEADFAST CLIENT TRADING PLATFORM BUSINESS INSURANCE

POLICY WORDING

DATED 1 July 2019

ABOUT STEADFAST

Steadfast Group, established in 1996, is the largest general insurance broker network and largest group of underwriting agencies in Australasia. Steadfast supports over 380 insurance broker businesses across Australia, New Zealand and Asia.

Steadfast Group also operates as a co-owner and consolidator through its equity interests in a number of broker businesses, underwriting agencies and other complementary businesses - this includes an equity stake in unisonSteadfast, a global general insurance broker network with over 200 brokers in 130 countries. Steadfast, the strength You need.

This Policy is available exclusively to You through a Steadfast broker. Steadfast does not issue, guarantee or underwrite this Policy.

IMPORTANT INFORMATION ABOUT STEADFAST'S ADVICE

Any advice Steadfast gives about this Policy does not take into account any of Your particular objectives, financial situation or needs. For this reason, before You act on Steadfast's advice, You should consider the appropriateness of the advice taking into account Your own objectives, financial situation and needs.

Before You make any decisions about whether to acquire this Policy We recommend You should read this insurance Policy.

MIRAMAR STEADFAST CLIENT TRADING PLATFORM BUSINESS INSURANCE POLICY WORDING

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IMPORTANT INFORMATION

ABOUT LLOYD'S

Lloyd's underwriters are authorised by the Australian Prudential Regulation Authority ('APRA') under the provisions of the *Insurance Act 1973* (Cth) to conduct insurance business in Australia.

Lloyd's syndicates have approximately \$1 billion placed in trust in Australia, purely to act as an additional layer of security to pay claims. Lloyd's is recognised by two leading independent international rating agencies, Standard & Poor's and AM Best who rate Lloyd's "A+" (Strong) and "A" (Excellent).

GENERAL INSURANCE CODE OF PRACTICE

We proudly support the General Insurance Code of Practice. The purpose of the Code is to raise the standards of practice and service in the general insurance industry.

For further information on the Code, please visit www.codeofpractice.com.au

ABOUT MIRAMAR

Miramar Underwriting Agency Pty Ltd (ABN 97 111 534 797, AFSL 314176) ('Miramar') acts under a binding authority given to it by Us, to administer and issue policies, alterations and renewals. In all aspects of arranging the Policy, Miramar acts as an agent for the Underwriters and not for You.

If You have any queries in relation to this Policy, contact Miramar in any of the following ways:

Street Address: Level 5, 97-99 Bathurst Street, Sydney NSW 2000

Postal Address: PO Box A2016, Sydney South NSW 1235

Phone: +61 2 9307 6600

Fax: +61 2 9307 6699

OUR CONTRACT WITH YOU

This Policy is a contract of insurance between You and Us and contains all the details of the cover that We provide. The Policy consists of:

- this Policy wording which tells You what is covered, sets out the claims procedure, exclusions and other terms and conditions of cover;
- the Proposal, which is the information You provide to Us when applying for insurance cover;
- Your most current Policy Schedule issued by Us. The Schedule is a separate document unique to You, which shows the insurance details relevant to You. It includes any changes, exclusions, terms and conditions made to suit Your individual circumstances and may amend the Policy. Please note, only those Cover Sections shown as covered in Your Schedule are insured;
- any Endorsement;
- any other document We tell You forms parts of the Policy which may vary or modify the above documents.

These documents should be read together as they jointly form the contract of insurance between You and Us.

DUTY OF DISCLOSURE

Before You enter into an insurance contract, You have a duty to tell Us anything that You know, or could reasonably be expected to know, may affect Our decision to insure You and on what terms.

You have this duty until We agree to insure You.

You have the same duty before You renew, extend, vary or reinstate an insurance contract.

You do not need to tell Us anything that:

- reduces the risk We insure You for; or
- is common knowledge; or
- We know or should know as an insurer; or
- We waive Your duty to tell Us about.

If You do not tell Us something

If You do not tell Us anything You are required to, We may cancel Your contract or reduce the amount We will pay You if You make a claim, or both.

If Your failure to tell Us is fraudulent, We may refuse to pay a claim and treat the contract as if it never existed.

COOLING-OFF PERIOD

There is a twenty-one (21) day cooling-off period. If You wish to cancel the Policy, You can cancel it from its date of issue by contacting Miramar in writing within twenty-one (21) days of its date of issue. We will refund Your Premium less any non-refundable government charges, taxes and levies We have paid.

You can not exercise this right if:

- You have made a claim or become entitled to make a claim under the Policy; or
- You have exercised any right or power You have in respect of the Policy or the Policy has ended.

Even after this cooling-off period ends, You still have cancellation rights. Please refer to '3. Cancelling the Policy' under General Conditions.

HOW TO MAKE A CLAIM

If You need to make a claim against this Policy, please refer to '1. Making a claim' under Claims Conditions.

RENEWAL PROCEDURE

Before this Policy expires, We will advise You whether We intend to offer renewal and if so on what terms. It is important to check the terms of any renewal before renewing to ensure that the details are correct. This document will apply to any renewal unless We tell You otherwise.

PRIVACY STATEMENT

In this Privacy Statement the use of "We", "Us" and "Our" means the Underwriters and Miramar unless specified otherwise.

The privacy statement set out below refers to Miramar's Privacy Policy in dealing with Your information and processing of Your insurance Policy. This will differ from the privacy policy of Your broker as set out on their website.

We are committed to protecting Your privacy. We are bound by the obligations of the *Privacy Act 1988 (Cth)*. This sets out basic standards relating to the collection, use, storage and disclosure of personal information.

We need to collect, use and disclose Your personal information (which may include sensitive information) in order to consider Your application for insurance and to provide the cover You have chosen, administer the insurance and assess any claim. You can choose not to provide Us with some of the details or all of Your personal information, but this may affect Our ability to provide the cover, administer the insurance or assess a claim.

The primary purpose for Our collection and use of Your personal information is to enable Us to provide insurance services to You.

Personal information will be obtained from individuals directly where possible and practicable to do so. Sometimes it may be collected indirectly (e.g. from Your insurance intermediary or co-insureds). If You provide personal information for another person You represent to Us that:

- You have the authority from them to do so and it is as if they provided it to Us;
- You have made them aware that You will or may provide their personal information to Us, the types of third parties We may provide it to, the relevant purposes We and the third parties We disclose it to will use it for, and how they can access it. If it is sensitive information We rely on You to have obtained their consent on these matters. If You have not done or will not do either of these things, You must tell Us before You provide the relevant information.

We may disclose the personal information We collect to third parties who assist Us in providing the above services, such as related entities, distributors, agents, insurers, reinsurers and service providers. Some of these third parties may be located outside of Australia. In all instances where personal information may be disclosed to third parties who may be located overseas, We will take reasonable measures to ensure that the overseas recipient holds and uses Your personal information in accordance with the consent provided by You and in accordance with Our obligations under the *Privacy Act 1988 (Cth)*.

In dealing with Us, You consent to Us using and disclosing Your personal information as set out in this statement. This consent remains valid unless You alter or revoke it by giving written notice to Our designated Privacy Officer. However, should You choose to withdraw Your consent, We may not be able to provide insurance services to You.

Miramar's Privacy Policy which is available at www.miramaruw.com.au or by calling Miramar, sets out how:

- Miramar protects Your personal information;
- You may access Your personal information;
- You may correct Your personal information held by Us;
- You may complain about a breach of the *Privacy Act 1988 (Cth)* or Australian Privacy Principles and how Miramar will deal with such a complaint.

If You would like additional information about privacy or would like to obtain a copy of the Privacy Policy, please contact Our designated Privacy Officer by:

Postal Address: PO Box A2016, Sydney South NSW 1235

Phone: +61 2 9307 6656

Fax: +61 2 9307 6699

Email: privacyofficer@steadfastagencies.com.au

You can download a copy of Miramar's Privacy Policy by visiting www.miramaruw.com.au

DISPUTE RESOLUTION PROCESS

Any enquiry or complaint relating to this insurance should be referred to Miramar in the first instance.

Please contact Miramar by:

Postal Address: PO Box A2016, Sydney South NSW 1235

Phone: +61 2 9307 6653

Fax: +61 2 9307 6699

Email: servicefeedback@steadfastagencies.com.au

If Miramar require additional information, Miramar will contact You to discuss. If Your complaint is not immediately resolved Miramar will respond within fifteen (15) business days of receipt of Your complaint or agree a reasonable appropriate timeframe to respond.

If this does not resolve the matter or You are not satisfied with the way a complaint has been dealt with, You should contact Lloyd's Australia Limited:

Street Address: Level 9, 1 O'Connell Street, Sydney NSW 2000

Phone: +61 2 8298 0783

Fax: +61 2 8298 0788

Email: ldraustralia@lloyds.com

who will respond to Your complaint within fifteen (15) business days, unless an alternative timetable has been agreed with You.

If We are unable to resolve Your complaint within forty-five (45) business days of the date We first received Your complaint or if Your complaint has not been resolved to Your satisfaction, You can lodge Your complaint with the Australian Financial Complaints Authority ('AFCA') depending on eligibility related to Your Policy. AFCA provides fair and independent financial services complaint resolution that is free to consumers and small businesses. You can contact AFCA by:

Post: Australian Financial Complaints Authority,
GPO Box 3, Melbourne VIC 3001

Phone: 1800 931 678 (free call)

Email: info@afca.org.au

Fax: +61 3 9613 6399

Website: www.afca.org.au

If Your complaint is not eligible for AFCA, it may be eligible for referral to the Financial Ombudsman Service Ltd (UK). Further details will be provided at the appropriate stage of the complaints process.

GENERAL TERMS AND CONDITIONS

UNDER-INSURANCE

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

Example:

When: The value of the property is \$250,000

The Coinsurance percentage is	80%
The Sum Insured or limit of liability for it is	\$100,000
The Excess is	\$250
The amount of loss is	\$40,000

Step (1): $\$250,000 \times 80\% = \$200,000$
(the minimum amount of insurance to meet Your coinsurance requirements)

Step (2): $\$100,000 \div \$200,000 = .50$

Step (3): $\$40,000 \times .50 = \$20,000$

Step (4): $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

POLICY INTERPRETATION

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

References to the masculine include the feminine, the singular also includes the plural and vice versa.

The headings are included for descriptive purposes only and do not form part of the Policy for the purpose of its construction or interpretation.

OUR AGREEMENT

Subject to all of the terms, conditions and exclusions contained in the Policy and Your payment of or agreement to pay the Premium:

- (a) We will provide You with the cover shown in the Cover Sections of the Policy which are shown as covered in the Schedule;
- (b) the insurance cover is in force for the Period of Cover set out in the Schedule;
- (c) We will cover You to the extent described in the Policy;

We will not pay more than the Sum Insured or limit of liability for each Cover Section which is shown in the Schedule or as provided in the Policy.

GENERAL DEFINITIONS

The following General Definitions apply to all sections of the Policy, unless defined differently in individual Cover Sections. If a word or expression has a special meaning, it begins with a capital letter.

Act of Terrorism

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

Aircraft

Aircraft means any craft or object designed to travel through air or space, other than model aircraft or unmanned inflatable balloons used for advertising or promotional purposes.

Animal(s)

Animal means any living creature including, but not limited to, livestock, birds, fish, vermin or insects.

Australia

Australia means the Commonwealth of Australia and all of its States and Territories including all external Territories.

Automatic Teller Machine ('ATM')

Automatic Teller Machine ('ATM') means a burglar resistant unit designed for the safe storage and disbursement of bank notes and which resists fire and attack by hand-held or power operated tools.

Building(s)

Building means the Building(s) at the Situation.

Building includes:

- (a) sheds with a concrete floor and fixed to foundations at the Situation;
- (b) customised and modified shipping containers or transportable buildings permanently located at the Situation used as workshops, lunchrooms or storage and which are permanently fixed to the ground with electrical or plumbing services, as necessary at the Situation;
- (c) shipping container(s) permanently located at the Situation whilst used as an outbuilding in which the Stock or Contents of Your Business is stored long term and whilst at the Situation and positioned within the boundary of the Property Insured provided that the container doors are securely locked when unattended;
- (d) walls, foundations, storage tanks and sheds, awnings, exterior lights, masts, antennae and aerials, fixed external signs, gates, fencing, pavements, roads, flagpoles, floodlights and other structural improvements pertaining to the Building;
- (e) property owner's fixtures and fittings, floor coverings, plant, plumbing or wiring services that are within the Building;
- (f) carports, pergolas, verandas, shelters, staircases and canopies;
- (g) barns and outbuildings;

- (h) external fixed items including swimming pools, saunas and spas, gangways between Buildings, lights and signs and air conditioning units;
- (i) wharves, piers and jetties;
- (j) underground and above ground services at the Situation that are Your property or property which You are responsible for and which are connected to any Building specified in (a) to (i) above.

Building does not include:

- (a) plant and machinery;
- (b) Stock;
- (c) Contents;
- (d) property undergoing erection, construction, alteration or addition (including partial dismantlement of existing structures), where the total contract value of all work to be carried out at any one Situation exceeds \$500,000 or twenty percent (20%) of the total Sum Insured of Buildings and Contents, whichever is the lesser, provided that this limit shall only apply to the portion of the Property Insured which is the subject of any such work and not to any other portion of the Property Insured;
- (e) land, unsealed driveways, unsealed paths, topsoil and fill, dams, reservoirs, canals, tunnels and railway tracks (not at the Situation).

Business

Business means Your Business(es) as described in the Schedule (and, where applicable, as further described in any more specific underwriting information or Proposal provided to Us at the time when this insurance was negotiated).

Business Hours

Business Hours means when You or any of Your Employees are at the Business Situation for the purpose of conducting Your Business.

Computer Equipment

Computer Equipment means any purpose machine, commonly consisting of digital circuitry, that accepts (inputs), stores, manipulates, and generates (outputs) data as numbers, text, graphics, voice, video files, or electrical signals, in accordance with instructions called a program including but not limited to Electronic Data processing equipment comprising a central processing unit, video display units, printers, hard disks, floppy disk drives, micro diskettes including read and write heads, electro or mechanical motors and passive components but does not include software.

Computer Virus

Computer Virus means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. Computer Virus includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

Consequential Loss

Consequential Loss means 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.

Contents

Contents means 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 at the Situation:
 - (i) property owner's fixtures and fittings, window blinds, floor coverings and Glass for which You are liable under the terms of a lease or similar agreement;
 - (ii) plant, fixtures and fittings and fixed carpets and floor coverings installed by You for Your use in the Business;
 - (iii) signs and awnings at the Situation;
- (c) Money up to \$500;
- (d) plant and machinery, unregistered forklifts and hoists, communications systems, fixtures and fittings;
- (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) Electronic Data, Media, records, documents, manuscripts, plans, drawings, designs, 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 casts used in the Business but limited, unless repaired or replaced, to the value stated in Your financial records at the time of damage;
- (i) paintings, works of art, antiques or curios;
- (j) documents of title and any other documents of aesthetic, historic, scientific or social value for past, present or future generations;
- (k) property of Your welfare, sports and social clubs; or
- (l) Stock, but not if it is shown as a separate item in the Schedule;
- (m) shipping containers not owned by You but temporarily in Your possession for the delivery, unloading, loading and/or dispatch of goods and merchandise to or from the Situation, but only to the extent that You are not indemnified against loss, destruction or damage thereto under any other Section of this Policy or any other policy of insurance.

Contents does not include:

- (a) Stock, if it is shown as a separate item in the Schedule;
- (b) Buildings;
- (c) specified items;
- (d) directors' and Employees' tools of trade and personal effects;
- (e) jewellery, precious metals or stones, bullion or furs unless they are worth less than \$10,000 any one item unless such item is insured as Stock;
- (f) motor Vehicles or trailers, caravans or motorcycles all while registered or licensed to travel on a public road, provided that this exclusion will not apply to:
 - (i) mobile plant and equipment (excluding cars, sedans, panel vans and trucks) not otherwise insured;
 - (ii) motor Vehicles or trailers, caravans or motorcycles that are Stock in trade of the Business;

- (g) live Animals and any other living organism:
 - (i) unless insured as Stock of a pet shop or restaurant;
 - (ii) except laboratory cultures;
- (h) plants, shrubs, lawns, growing crops, pastures and standing timber other than pot-plants;
- (i) in the case where Contents does not include Stock, Customer's Goods other than customer's records and documents held or created by You as part of Your Business;
- (j) Watercraft, Aircraft or any accessories, equipment or spare parts whilst contained in or on these items unless they are Stock and are on Your Business premises at the Situation at the time of any loss or damage.

This definition of Contents is subject to '5. Designation of property' in the General Conditions.

Cover Section(s)

Cover Section(s) means the individual coverage that We give You that attaches to and forms part of the Policy when this is shown in the Schedule, for example Theft Cover Section or Glass Cover Section.

Customer's Goods

Customer's Goods means goods that belong to Your customers or for which You are responsible or which You have assumed responsibility to insure prior to any destruction or damage.

Electronic Data

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

Electronic Equipment

Electronic Equipment means any of the following equipment provided it is owned, leased, operated or controlled by You and used in Your Business:

- (a) any electronic machine, device or instrument used for research, diagnosis or medical treatment;
- (b) telecommunication transmission and receiving equipment;
- (c) lighting facilities, audio visual, amplification and surveillance equipment;
- (d) office machines owned by You or for which You are legally responsible;
- (e) Computer Equipment.

Employee

Employee means 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 includes:

- (a) volunteers; and
- (b) students on work experience.

Employee does not include:

- (a) any broker, factor, consignee or contractor;
- (b) any member of Your Family, unless that person is deemed an employee; or
- (c) any partner, director or trustee unless that person is also Your employee.

Endorsement

Endorsement means an individual endorsement document that We give You that attaches to and forms part of Your Policy. This document varies the terms and conditions of Your Policy.

Event(s)

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

Excess

Excess means the first amount of each claim. The amount of the Excess is shown in the Schedule.

Family

Family means:

- (a) Your spouse, Your partner or Your de facto who lives with You;
- (b) Your parents and parents-in-law who live with You;
- (c) Your children and children of Your spouse, partner or de facto (not being Your children) who live with You;
- (d) Your brothers and sisters who live with You.

Flood

Flood means 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

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

Glass

Glass means:

- (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, fixed washbasins, sinks, toilet pans and cisterns, contained within the Building.

Glass includes external glass, internal glass and specified glass as defined in the Glass Cover Section.

Hovercraft

Hovercraft means 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.

Market Value

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

Media

Media means material on which data is recorded or stored, such as magnetic tapes, hard drives, cartridges, dongles, CDs, DVDs, USBs, flash drives, memory cards or floppy disks.

Money

Money means 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.

North America

North America means:

- (a) the United States of America and the Dominion of Canada;
- (b) any State or Territory incorporated in, or administered by, the United States of America or the Dominion of Canada; and
- (c) any Country or Territory subject to the laws of the United States of America or the Dominion of Canada.

Obsolete Stock

Obsolete Stock means Stock 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 Cover

Period of Cover means the Period of Cover shown in the Schedule or any subsequent period for which We have agreed to renew or extend the cover.

Personal Injury

Personal Injury means bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and/or mental injury, including loss of consortium or services resulting therefrom.

Policy

Policy means:

- (a) the Policy wording (this document);
- (b) the Proposal;
- (c) the Schedule;
- (d) any Endorsement;
- (e) any other document We tell You forms part of the Policy which may vary or modify the above documents.

Pollutant(s)

Pollutant(s) means any solid, liquid, gaseous or thermal irritant, including but not limited to smoke, vapour, soot, fumes, acid, alkalis, chemicals or waste. Waste includes but is not limited to material to be recycled, reconditioned or reclaimed.

Premium

Premium means the amount(s) shown in the Schedule that is payable by You in respect of the Policy.

Property Insured

Property Insured means the property as described in the Schedule in respect of each Cover Section.

Proposal

Proposal means the Proposal document You complete for this insurance.

Safe or Strongroom

Safe or Strongroom means 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 or Strongroom includes an ATM.

A Safe is not:

- (a) a cash tin;
- (b) a locked drawer in a filing cabinet or desk; or
- (c) a burglary resistant container weighing less than twenty (20) kilograms that is not fixed to the wall or floor of the Situation by anchoring it using mechanical bolting, e.g. Dynabolts.

Schedule

Schedule means the Schedule document that We give to You that attaches to and forms part of the Policy.

Seasonal Increase Period

Seasonal Increase Period means any period of time during the Period of Cover that has turnover, sales or level of Stock at least twenty percent (20%) higher than the average turnover, sales or level of Stock at other times during the Period of Cover.

The total number of days We will allow as Seasonal Increase Periods is one hundred and twenty-six (126) days in total during any one Period of Cover. You do not have to tell Us what the dates of the periods are, but if You claim under a Policy section which has the seasonal increase cover, then Your financial records over at least the previous two (2) Years must substantiate the period as a Seasonal Increase Period. If the Business has been operating for less than two (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.

You can nominate different Stock 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.

Situation

Situation means the Situation at the location shown in the Schedule. The Situation includes Buildings and land within the legal boundaries. In the instance where there are multiple Situations, each Situation shall be treated as separate for the purposes of this Policy, particularly in relation to the limits of liability and any Excess.

Stock

Stock means products and materials You intend to sell, raw or consumable materials or products used by You in the Business and Your products while being made, repaired or altered.

Stock includes:

- (a) items of property at the Situation under a 'sales or return' consignment agreement;
- (b) Customer's Goods.

Under the Theft Cover Section, Stock does not include tobacco products, products containing tobacco, cigars, cigarettes or alcohol unless they are specified on the current Schedule.

Subsidiary

Subsidiary means any company in which You have a controlling interest. For the purpose of this definition the term 'controlling interest' shall mean the beneficial ownership of shares carrying more than fifty percent (50%) of votes capable of being cast at a general meeting of all shareholders of the company.

Sum Insured

Sum Insured means the Sum Insured shown in the Schedule.

Vehicle

Vehicle means any type of machine on wheels or on self-laid 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

Watercraft means anything made or intended to float or travel on or through water other than model boats.

We/Us/Our

We/Us/Our means certain Underwriters at Lloyd's ('the Underwriters').

Note: You can obtain further details of the Underwriters from Miramar upon request.

Year

Year means a period of three hundred and sixty-five (365) consecutive days or three hundred and sixty-six (366) consecutive days in a leap Year.

You, Your or Yours

You, Your or Yours means the person(s) or parties shown as the Insured in the Schedule, including all subsidiaries incorporated in Australia in which You engaged in the Business described in the Schedule and not for any other purpose or activity.

GENERAL EXCLUSIONS

The following General Exclusions apply to all Cover Sections of the Policy unless expressly stated otherwise in the Policy.

1. CONFLICT

This Policy does not cover 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; or
- (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.

2. CONSEQUENTIAL LOSS

This Policy does not cover loss of use, loss of earning capacity and any other Consequential Loss.

This exclusion does not apply to the Business Interruption Cover Section and the Public and Products Liability Cover Section.

3. NUCLEAR

This Policy does not cover any loss, damage, cost or expense directly or indirectly caused by, arising or resulting from nuclear reaction, nuclear explosion, nuclear radiation or radioactive contamination, however such reaction, explosion, radiation or contamination may have been caused.

4. NON-COMPLIANCE

This Policy does not cover loss or damage or liability caused by or as a result of Your failure to take reasonable precautions to comply with any relevant statutory obligations, by-laws, regulations, public authority requirements or safety requirements.

5. INTENTIONAL ACTS

This Policy does not cover loss or damage intentionally caused by You or another party committed with Your knowledge and consent and which You were capable of preventing.

6. KNOWN DEFECTS

This Policy does not cover loss or damage caused by faults or defects known to You or any Employee whose knowledge in law would be deemed to be Yours and not disclosed to Us at the time this insurance was arranged.

7. TERRORISM

This Policy does not cover:

- (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.

8. ELECTRONIC DATA

This Policy does not cover:

- (a) Electronic Data Exclusion
 - (i) This Policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of Electronic Data from any cause whatsoever (including but not limited to Computer Virus) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
 - (ii) However, in the event that a peril listed below results from any of the matters described in paragraph (i) above, this Policy, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.

Listed Perils:

Fire

Explosion

- (b) Electronic Data Processing Media Valuation

Should Electronic Data processing Media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost of the blank Media plus the costs of copying the Electronic Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such Electronic Data. If the Media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Media. However this Policy does not insure any amount pertaining to the value of such Electronic Data to the Insured or any other party, even if such Electronic Data cannot be recreated, gathered or assembled.

9. GEOGRAPHICAL LIMITATIONS

This Policy does not cover any loss or damage to Your Property Insured that is outside Australia at the time of its loss or damage, except as specifically stated otherwise in the appropriate Cover Section.

10. UNOCCUPANCY

This Policy does not cover any loss or damage to Your Property Insured if the loss or damage happens after the Situation has been unoccupied for more than ninety (90) consecutive days. This exclusion does not apply to damage caused by:

- (a) lightning, earthquake, volcanic eruption, tsunami and subterranean fire;
- (b) impact by road Vehicle or their loads, Animals, trees or branches, meteorite, Aircraft or other aerial devices or articles dropped from them, sonic boom or space debris, falling communication masts, towers, antennae or dishes, falling Building or structures or parts thereof which do not belong to You;
- (c) riots, civil commotions and strikes.

This exclusion will not apply if the Situation is partly occupied.

11. ACQUISITION OF COMPANIES

This Policy does not cover loss, destruction, liability or damage caused by, contributed by or arising from:

- (a) any company or other legal entity acquired during the Period of Cover; or
- (b) any property or liability associated with such acquired company;

unless You notify Us in writing within thirty (30) days of the acquisition and if the Business is of a similar occupation to that stated in the Schedule. We will provide cover subject to Your acceptance of Our terms and undertaking to pay the additional Premium We may require.

12. ELECTRONIC DATE RECOGNITION

This Policy does not cover any loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

- (a) the calculation, comparison, differentiation, sequencing or processing of data involving the date change to the year 2000, or any other date change, including leap year calculations, by any computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the insured or not; or
- (b) any change, alteration, or modification involving the date change to the year 2000, or any other date change, including leap year calculations, to any such computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the insured or not.

This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.

13. BIOLOGICAL OR CHEMICAL MATERIALS

This Policy does not cover loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

GENERAL CONDITIONS

The following General Conditions apply to all Cover Sections of the Policy unless expressly stated otherwise in the Policy. If You do not comply with the following General Conditions, We may refuse to pay a claim in whole or in part. Breach of a condition or warranty without Your knowledge or consent or error in name, description or Situation of property will not prejudice Your rights under this Policy provided notice in writing is given to Us when such breach or error comes to Your knowledge. Reasonable additional Premium shall be paid if required, from the date of such breach or error.

1. ACCOUNTANCY RECORDS

You must provide to Us all books of account, business books and other documents as may be required to investigate or verify claims.

2. BANKRUPTCY OR INSOLVENCY

In the event that You should become bankrupt or insolvent, We shall not be relieved thereby of the payment of any claims hereunder because of such bankruptcy or insolvency. In case of execution against You of any final judgment covered by this Policy being returned 'unsatisfied' by reason of such bankruptcy or insolvency, then an action may be maintained by the injured party or their representative against Us in the same manner, and to the same extent as You but not in excess of the Sum Insured or limit of liability.

3. CANCELLING THE POLICY

How You may cancel

You may cancel the Policy or a Cover Section at any time by notifying Us in writing. The cancellation will take effect from 4pm on the day We receive Your written notice of the cancellation or such time as may be otherwise agreed.

How We may cancel

We may cancel this Policy or a Cover Section for any of the reasons set out in Section 60 of the *Insurance Contracts Act 1984* (Cth). Such cancellation shall take effect at the earlier of the following times:

- (a) the time when another policy of insurance between You and Us or some other insurer, being a policy that is intended by You to replace this Policy, is entered into; or
- (b) at 4.00pm on the thirtieth (30th) business day after the day on which notification in writing was given by Us.

If this Policy is cancelled by either You or Us, We will refund the Premium for this Policy less a pro-rata proportion of the Premium to cover the period for which insurance applied less any non-refundable government charges, taxes and levies provided that no event has occurred where liability arises under this Policy.

Premium funders

If the Premium has been funded by a premium funding company which holds a legal right over the Policy by virtue of a notice of assignment and irrevocable power of attorney, the return of Premium calculated on the basis set out above will be made to the premium funding company.

4. 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 Cover, including, for example:

- (a) the nature of or type of Business carried on by You or Your tenants;
- (b) other circumstances that affect the Situation 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;

You must immediately notify Us of the above 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 Cover 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 (3) 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 (2) occupations.

If during the Period of Cover 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.

5. DESIGNATION OF PROPERTY

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

Provided always that this condition shall not apply to the Theft Cover Section with respect to tobacco, products containing tobacco, cigars, cigarettes and alcohol.

Under the Theft Cover Section, Stock does not include tobacco, products containing tobacco, cigars, cigarettes or alcohol unless they are specified in the Schedule.

6. HOW GOODS AND SERVICES TAX ('GST') AFFECTS ANY PAYMENTS WE MAKE

Good and Services Tax ('GST') Notice

This Policy has a GST provision in relation to Premium and Our payment to You for claims. It may have an impact on how You determine the amount of insurance You may need. Please read it carefully and seek professional advice if You have any queries about GST and Your insurance.

Sums insured

All monetary limits in this Policy may be increased for GST in some circumstances (see below).

Claim settlements – Where We agree to pay

When We calculate the amount payable to You, We will have regard to the items below:

Where You are liable to pay an amount for GST in respect of an acquisition relevant to Your claim (such as services to repair a damaged item insured under the Policy), We will pay for the GST amount.

We will pay the GST amount in addition to the Sum Insured/limit of liability or other limits shown in the Policy or in the Schedule.

If the Sum Insured/limit of liability is not sufficient to cover an insured loss in full, We will only pay the GST amount that relates to the claim settlement figure.

We will reduce the GST amount by the amount of any input tax credits to which You are or would be entitled.

Where We make a payment under this Policy as compensation instead of payment for a relevant acquisition, We will reduce the payment by the amount of any input tax credit that We would have been entitled to had the payment been applied to a relevant acquisition.

Where the Policy insures business interruption, We will (where relevant) settle the claim by reference to the GST exclusive amount of any supply made by Your Business that is relevant to Your claim.

Disclosure – Input tax credit entitlement

If You register, or are registered, for GST You are required to tell Us about Your entitlement to an input tax credit on the Premium. If You fail to disclose or understate Your entitlement, You may be liable for GST on a claim We may pay. This Policy does not cover You for this GST liability, or for any fine, penalty or charge for which You may be liable.

7. INSPECTIONS

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

8. JURISDICTION

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

9. NON-IMPUTATION

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

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

10. OTHER PERSONS OR ORGANISATIONS

The insurable interest of only those lessors, financiers, trustees, mortgagees, owners and all other parties having a legal interest or charge over the Property Insured shall be automatically included as third party beneficiaries without notification or specification. The nature and extent of such interest is to be disclosed to Us in the event of any claim covered by this Policy. Any other people not in this category or not named in the Schedule are not covered and cannot make a claim. All third party beneficiaries must comply with the terms and conditions of the Policy.

Where the separate interests of more than one party in the Property Insured are insured under this Policy, any act or neglect of one party will not prejudice the rights of the remaining party or parties provided that

the remaining party or parties are entirely innocent of and have no prior knowledge of any such act or neglect and shall, within a reasonable time after becoming aware of any act or neglect whereby the risk of loss, damage or destruction has increased, give notice in writing to Us and shall on demand pay such reasonable additional Premium as We may require.

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

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

11. OUR MAXIMUM LIABILITY

Except as otherwise stated elsewhere in this Policy, the maximum amount We will pay will not exceed the amount stated in the Schedule as the Sum Insured for those Cover Sections selected.

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

12. REASONABLE CARE

You must take reasonable precautions to prevent Personal Injury or property damage as if You were not covered by this Policy such as, but not limited to:

- (a) if You discover Your products may be defective and the defect may cause a claim under the Public and Products Liability Cover Section, You must, at Your expense, take reasonable steps to restrict, trace, recall, modify, replace or repair the products;
- (b) maintain and look after the other person's or organisation's property and Buildings used or occupied by You, in accordance with Your agreement with them;
- (c) if Your occupation includes digging below ground at sites away from the Situation the location of underground services must be obtained from the owners of the services by You or Your principal before the work is commenced;
- (d) comply with all laws and safety requirements imposed by any authority or by State or national legislation.

13. SANCTION LIMITATION AND EXCLUSION

No Underwriters shall be deemed to provide cover and no Underwriters shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that Underwriter to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

14. SINGLE OCCURRENCE

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

15. SUBROGATION AND RECOVERIES

Notwithstanding Section 67 of the *Insurance Contracts Act 1984* (Cth), monies recovered in subrogation proceedings will be applied net of the expense of such recovery:

- (a) firstly to You to the extent of Your uninsured loss in respect of a claim paid under a section of this Policy (disregarding the amount of any Excess applicable);
- (b) secondly to Us in reimbursement of the amount paid to You in respect of that claim under that section; and
- (c) thirdly to You in satisfaction of any Excess amount applicable.

Any other monies remaining after these allocations will be Your property. Nothing in this condition shall prevent You and Us entering into a "Subrogation Agreement" following a loss agreeing to a different basis of sharing costs and expenses and the allocation of monies recovered.

16. WAIVER OF SUBROGATION RIGHTS

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

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

17. REINSTATEMENT OF SUM INSURED

In the event of damage insured under one or more of the Property Damage, Business Interruption, Theft, Money and Glass Cover Sections of the Policy, the amount by which the Sum Insured or limit of liability is reduced as a consequence of the loss or damage will be automatically reinstated as from the date of loss or damage provided that:

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

We will not reinstate the Sum Insured in the Property Damage or Business Interruption Cover Sections if We have paid a total loss under either of these Cover Sections.

18. FRAUDULENT CLAIMS

If any claim be in any respect fraudulent or if any fraudulent means or devices be used by You or anyone acting on Your behalf to obtain any benefit under this Policy, or if any loss hereunder be occasioned by the wilful act or with the connivance of You, We without prejudice to any other right(s) We might have under this Policy, shall be entitled to refuse to pay such claim.

19. SEVERAL LIABILITY

The subscribing Underwriters' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing Underwriters are not responsible for the subscription of any co-subscribing Underwriter who for any reason does not satisfy all or part of its obligations.

20. SERVICE OF SUIT

The Underwriters agree that:

- (a) In the event of a dispute arising under the Policy, this Policy will be subject to Australian law and practice and the Underwriters will submit to the jurisdiction of any competent court in the Commonwealth of Australia.
- (b) Any summons, notice or process to be served upon the Underwriters may be served upon:
Lloyd's Australia Ltd
Level 9, 1 O'Connell Street
Sydney NSW 2000, Australia

who has authority to accept service and to enter an appearance on Underwriters' behalf.
- (c) If a suit is instituted against one of the Underwriters, all Underwriters participating in this insurance will abide by the final decision of such court or any appellate court.

21. TERRORISM INSURANCE ACT NOTICE

The Underwriters have treated this insurance (or part of it) as an insurance to which the Australian *Terrorism Insurance Act 2003* (Cth) ('ATIA') applies.

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

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

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

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

22. CURRENCY

All amounts shown in the Policy are in Australian dollars (AUD).

23. OTHER INSURANCE

If at the time any claim arises under this Policy there is any other insurance in force covering the same liability, in part or in full, You must promptly notify Us of full details of such other insurance, including the identity of the insurer(s) and the policy number(s), and such further information as We may reasonably require.

Subject to the *Insurance Contracts Act 1984* (Cth), We reserve the right to seek a contribution from the other insurer(s).

24. RENEWAL OBLIGATIONS

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

CLAIMS CONDITIONS

To enable Us to process a claim under any Cover Section of this Policy the following Claims Conditions apply.

1. MAKING A CLAIM

Promptly contact Our claims department as soon as possible on +61 2 9307 6600 or claims@steadfastagencies.com.au

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.

2. CLAIMS SETTLEMENT

(a) Input Tax Credit ('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 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 ITC entitlement.

(c) Discharge of Our liabilities

If, at any time, We pay You the Sum Insured 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 Covers that are in addition to the Sum Insured.

3. CONDUCT OF CLAIMS

(a) We may appoint legal or other representatives to assist in the conduct of a claim;

(b) We shall have the right and full discretion to conduct claims; and

(c) We reserve the right to negotiate and settle any claim on terms We consider appropriate.

4. CO-OPERATION

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.

5. 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.

6. NOT AUTHORISE REPAIR OR REPLACEMENT

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

In the case of an 'emergency migration' where You are required to prevent further loss or damage to Your property as a direct result of that emergency and the property is covered by Your Policy We give You authority to arrange these emergency repairs on Our behalf.

7. 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;
- (c) immediately send Us any legal document or other communication You receive about the Event.

8. OUR RIGHTS OF POSSESSION

We, Our employees or Our agents are permitted 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.

9. PAYING YOUR EXCESS

You must pay the Excess that applies to claims under this Policy. The Excess that applies will depend on the circumstances of the claim. The amount of the Excesses and the circumstances that each Excess applies to are shown in the Schedule or set out in the applicable Cover Section. We will tell You how to pay Your Excess and who to pay it to.

If more than one Excess can be applied to any one Event then You will only need to pay the highest Excess that applies unless expressly stated otherwise in the Policy. This only applies to Cover Sections Property Damage, Business Interruption, Theft, Money, Glass, General Property, Machinery & Electronic Equipment Breakdown. Should there be a property & liability claim, a separate Excess shall apply to each Cover Section.

Sums Insured and sub-limits shall apply in addition to, and shall not be reduced by, the amount of any applicable Excess.

Only one Excess will apply to all damage resulting from earthquake, subterranean fire, volcanic eruption, bushfire, storm, hail or rainwater that is continuous, due to the same general conditions, and occurs within a seventy-two (72) hour period from the first happening of damage.

10. PROGRESS PAYMENTS

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

11. 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 any 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.

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

- (a) tax invoices and/or receipts for Property Insured;
- (b) photographs of the Property Insured;
- (c) copies of any relevant contracts or agreements;
- (d) statutory declaration verifying the details of Your claim and any other matters connected with it;
- (e) quotes for replacement items.

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.

13. 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) use Your best endeavours 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.

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. SALE OF SALVAGE

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

16. APPROVED CLAIM PREPARATION COSTS

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

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

17. EMERGENCY MITIGATION COSTS

In the case of an emergency where You are required to prevent further loss or damage to Your Property Insured as a direct result of that emergency, and the Property Insured is covered by Your Policy, We give You the authority to arrange these emergency repairs on Our behalf.

18. REPAIRS TO DAMAGE BY YOU

When We agree that the repair of the damage can be undertaken by You or Your Employees, We agree to pay Your labour costs and overhead expenses subject to any limitations of cover. However, We will not pay more than the amount required by a competent contractor to do the same work.

19. PAYMENT OF REWARDS

In addition to the amount of cover provided in each Cover Section, We will pay up to \$5,000 for the reimbursement of any public reward expense paid by You to recover property or to identify the offenders responsible following loss, destruction or damage to Your property for which a claim has been paid under Cover Sections: Property Damage, Theft, Money, Glass and Electronic Equipment Breakdown of Your Policy.

Provided that:

- (a) the terms of the reward are agreed by Us and approved by the relevant Authority before being offered; and
- (b) Our payment does not exceed the value of the property lost, destroyed or damaged.

We agree not to unreasonably withhold consent to the terms or the amount of any reward payable under this Policy provision nor does Our offer to pay such reward in anyway limit the amount of any reward You may wish to offer for Your own account.

PROPERTY DAMAGE COVER SECTION

INTRODUCTION

This Cover Section only forms part of the Policy when Property Damage is shown in the Schedule and is limited to the Period of Cover indicated.

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

DEFINITIONS APPLICABLE TO THIS COVER SECTION

The following Definitions shall apply to this Cover Section only. If a word or expression has a special meaning, it begins with a capital letter.

Catastrophe

Catastrophe means a large scale destructive Event, in the area in which the Situation 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.

Limit of Liability

The Limit of Liability means one hundred and twenty percent (120%) of the Total Insured Amount for a particular Situation the amount of which is also subject to any increase as specifically provided under Extra Cover '2. Catastrophe inflation protection' or any other amount for Limit of Liability agreed by Us and specified in the Schedule for the particular Situation.

Specified Item(s)

Specified Items means each item of property that is specifically described in the Schedule for this Cover Section.

Total Insured Amount

Total Insured Amount means the total of all Sums Insured for Buildings, Contents, Stock and Specified Items for a particular Situation.

COVER

Provided that Property Damage Cover Section is shown as insured in the Schedule, then subject to the provisions of this Policy We will cover You for physical loss or damage to the Property Insured at the Situation during the Period of Cover.

BASIS OF SETTLEMENT

Unless specifically stated otherwise within this Cover Section, the maximum We will pay under this Cover Section in relation to any one Event is the Limit of Liability that applies to the particular Situation affected by the Event. Provided that:

- (a) the maximum We will pay for each Specified Item is the Sum Insured shown in the Schedule for that item; and
- (b) 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 any one item and a maximum of \$50,000 any one Event, unless they are Specified Items. 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.

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

1. Building(s), Specified Items, Contents or Stock – Reinstatement or Replacement

Unless the Schedule shows You are insured for 'Indemnity' then, when Buildings, Specified Items, Contents are lost or damaged We will:

- (a) rebuild the Buildings at the Situation shown in the Schedule or, at Your option, at another site;
- (b) replace Contents, Stock or Specified Items with similar property;
- (c) pay You the amount shown on the proof of purchase for Specified Items unless the Specified Items are works of art, antiques and curios;
- (d) if the Specified Items are works of art, antiques and curios, pay You the amount of a valuation by the Auctioneers and Valuers Association of Australia; or
- (e) pay the cost of rebuilding 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 We will pay no more than the cost that would have been incurred if the work of rebuilding, replacement or reinstatement has been commenced and carried out within a reasonable period of time;
- (b) when rebuilding at another site, We will not pay more than We would pay to rebuild at the Situation;
- (c) when any Property Insured 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 Insured 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 Australia.

2. Indemnity

If the Schedule shows You are insured for 'Indemnity' then, for any loss 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, depreciation and remaining useful life of the individual item or components that are damage and depreciation.

3. Stock

If Stock is lost or damaged, We will, at Our option:

- (a) pay the Market Value of the Stock at the time of the loss or damage;
- (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 with property or materials equal to or of a similar standard and specification as the Stock at the time it was lost or damaged; or
- (d) pay the cost of repair or replacement of the lost or damaged Stock.

4. Branded Stock

We will not sell branded Stock as salvage without Your consent.

If such salvage is not disposed of by sale, then the goods may be retained by You and disposed of as You see fit provided a reasonable salvage allowance is agreed with Us for the value of the goods.

5. Extra costs of reinstatement

If You are insured under this Cover Section on a reinstatement or replacement basis, We will also pay the extra costs of reinstatement or replacement of Property Insured which are necessarily incurred to comply with the requirements of any Act of Parliament or regulations or any by-law or regulation of any Municipal or other statutory authority, other than those relating to the heritage status of a Building.

6. Extra costs of reinstatement: Heritage Building

If You are insured under this Cover Section on a reinstatement or replacement basis for loss 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 costs 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 any 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.

7. Conditions which apply to extra costs of reinstatement

The following conditions apply:

- (a) the work of reinstatement must be commenced and completed within a reasonable time failing which We will not pay more than the amount which would have been payable under the Policy if the work or reinstatement had been commenced and carried out with reasonable dispatch; 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; and
- (c) the work of reinstatement may be carried out wholly or partially upon any other site, if the requirements of the Act, regulation or by-law necessitate it, subject to Our liability not being increased.

Our total liability under '5. Extra costs of reinstatement' and '6. Extra costs of reinstatement: Heritage Building' will be limited to:

- (a) the sub-limit of liability shown in the Schedule for 'Extra costs of reinstatement' and 'Extra costs of reinstatement: Heritage Building' which shall be in addition to the Limit of Liability; or
- (b) ten percent (10%) of the Limit of Liability for this Cover Section; or
- (c) the balance of the Limit of Liability for this Cover Section;

whichever is the greater.

The Under-insurance condition of this Cover Section will not apply to the amount payable under this clause.

8. Loss of floor space

If a Building insured under this Cover 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, 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 it was damaged.

Provided that Our total liability for reinstatement or replacement value, additional costs of compliance & under this '8. Loss of floor space' Clause shall not exceed the Sum Insured in respect of Building.

9. Output replacement

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

- (a) where any Property Insured is to be replaced with any item or items which have the same or a lesser total function, capability or output, then the basis of settlement is the new installed cost of such replacement item or items as would give the same total function, capability or output as the Property Insured;
- (b) where any Property Insured is to be replaced with an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is no greater than the replacement value of that Property Insured, then the basis of settlement is the new installed cost of the item or items so replaced;
- (c) where any Property Insured is to be replaced by an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is greater than the replacement value of the Property Insured, then the basis of settlement is the lesser of the reinstatement value or that proportion of the new installed cost of the replacement item or items which the output of the damaged Property Insured bears to the output of the replacement item or items;

provided always that the amount payable shall not be of lesser value than the estimated cost which would have been payable if such damaged property could have been replaced by an item or items that would have given the same total function, capability or output as the damaged Property Insured. If the reinstatement value of the damaged Property Insured is not ascertainable then the basis of settlement is the new installed cost of the replacement item or items.

10. Undamaged portions of Buildings

When a damaged Building has to be rebuilt at a location other than the Situation because the requirements of any lawful authority prevent the reinstatement of the Building including the foundations and services, then the abandoned undamaged portion of the Building shall be deemed to be destroyed.

Provided that, if the presence of such undamaged portion of the Building increases the value of the Situation, the increased sale value shall be regarded as salvage and the amount thereof shall be payable to Us by You upon completion of the sale of the Situation or shall be deducted from the total amount otherwise payable by Us under this section, whichever shall first occur.

Should the Situation not be sold, then the increased value of the Situation, when applicable shall be agreed between You and Us.

EXTRA COVERS

When damage to Property Insured is covered by this Cover Section, We will pay for the following costs that are incurred as a result of that damage ('Extra Covers').

As well as any specific limitation(s) on payments identified in each Extra Cover, the following limitations apply to payments under the following Extra Covers clauses:

- (a) Extra Covers Clauses 1 to 5 inclusive: any amounts payable under these Extra Covers:
 - (i) do not form part of the sums paid subject to the Limit of Liability; and
 - (ii) may apply in addition to the Limit of Liability;

- (b) Extra Covers Clauses 6 to 18 inclusive: any amounts payable under these Extra Covers:
 - (i) form part of the amounts paid subject to the Limit of Liability not otherwise exhausted; and
 - (ii) do not apply in addition to the Limit of Liability.

For the sake of clarity, if the Limit of Liability is otherwise exhausted, no amount is payable under Extra Covers Clauses 6 to 18 inclusive.

1. Capital additions

If We agree to pay a claim for damage to the Buildings or Contents at a particular Situation under this Cover Section and:

- (a) Buildings, or part of them, are in the process of being constructed, erected, altered or added to; or
- (b) Contents, excluding Stock, are in the process of being installed or modified;

We will pay for loss or damage to these new additions or installations up to an additional:

- (a) \$500,000; or
- (b) twenty percent (20%) of the Sum Insured on Building and Contents;

whichever is the lesser amount.

For example: 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 (twenty percent (20%) of \$150,000), as this amount is less than \$500,000.

2. Catastrophe inflation protection

If We agree to pay a claim for damage to the Building that is a direct result of a Catastrophe under this Cover Section, We will:

- (a) pay up to an additional twenty percent (20%) of the Sum Insured for Buildings; and
- (b) increase the amounts payable under Extra Covers '1. Capital additions' (relating to Buildings only) and '14. Prevention of imminent damage' by up to twenty percent (20%) - subject to any limits of indemnity which may apply, 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 the Sum Insured for Buildings was \$1,000,000 We would pay up to an extra \$200,000 (twenty percent (20%) of \$1,000,000). However, this Extra Cover does not operate to increase the total Sum Insured for the purposes of calculating the application of any Extra Cover or Additional Benefits or the Under-insurance provision in this Cover Section.

Provided that We will not pay:

- (a) more than the increased Building costs which are actually incurred by You as a direct result of the Catastrophe;
- (b) any claim under this Extra Cover if You choose not to rebuild the Buildings (or any part of them) at the Situation shown in the Schedule. We will not increase the Sum Insured to pay for damage to any Property Insured other than Buildings;
- (c) any claim under this Extra Cover if the Schedule shows the Building as being insured for 'Indemnity'.

3. Floating Stock

If We agree to pay a claim for loss of or damage to Stock at the Situation under this Cover Section, We will pay more than the Stock Sum Insured at that Situation to account for the temporary transfer of Stock between Situations.

Provided that:

- (a) there are at least two Situations specified in the Schedule and the Sum Insured has been separately specified in the Schedule for Stock at each Situation insured under this Cover Section, including the affected Situation; and

- (b) You transfer the Stock between Situations as a usual business practice;
- (c) We will not pay a claim under this Extra Cover where Stock levels in excess of the Sum Insured at a Situation have been temporarily located at that Situation for a period exceeding ninety (90) days and where We have not agreed in writing to an extended period, during the Period of Cover;
- (d) We will not pay more than the total of the Stock Sum Insured for all Situations.

Worked Claims Example

Extra Cover '3. Floating Stock' allows You to move any value of Stock between Your Situations, for the purpose of sale, without notifying Us of the change in each individual Situation on condition that the individual Stock levels, at each of Your Situations, does not exceed the total Stock asset value during any one Period of Cover.

	Normal Stock trading records	Stock values at the time of loss
Situation A	\$100,000	\$30,000
Situation B	\$100,000	\$50,000
Situation C	\$150,000	\$270,000 [Fire damage]
Total Stock amount insured	\$350,000	\$350,000

4. Removal of debris including necessary temporary repairs

We will pay the reasonable costs of removal, storage and disposal of debris or the demolition, dismantling, cleaning up, shoring up, propping, underpinning or other temporary repairs of Property Insured by You. We will also pay for Your legal liability for the cost of removal of debris from adjoining premises, property, services, roadways and waterways as well as at the Situation.

Provided that We will not pay more than:

- (a) (i) \$100,000; or
- (ii) twenty percent (20%) of the total Sum Insured on Buildings and Contents shown in the Schedule for the damaged Situation;
- whichever is the greater; or
- (b) the amount for 'Removal of debris' shown in the Schedule;

If this is insufficient to cover the reasonable costs detailed above and You have not otherwise exhausted the Limit of Liability, We will pay You up to the remaining balance of the Limit of Liability.

5. Seasonal Increase Period

We will automatically increase the Sum Insured in respect of Stock by fifty percent (50%) during the Seasonal Increase Period. If the Sum Insured in respect of Stock is included in the Contents Sum Insured We will only apply the seasonal increase to that portion of the Contents Sum Insured which relates to Stock.

EXTRA COVERS SUBJECT TO THE LIMIT OF LIABILITY

6. Discharge of mortgages

We will pay the reasonable legal costs of discharge of a mortgage or mortgages on Buildings, Contents or Stock following settlement of a claim under this Cover Section on a total loss basis. Provided that the maximum amount We will pay for this Extra Cover is \$50,000 for any one Event.

7. Environmental upgrade

If You elect to repair or replace Property Insured using more environmentally friendly technology, products or materials that improve that energy or water efficiency of the property, We will pay up to ten percent (10%) more than the amount We would otherwise have paid to repair or replace the item that is being upgraded subject to a maximum cost of \$10,000 for any one Event.

8. Expediting expenses

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

Provided that We will not pay more than:

- (a) fifty percent (50%) of the cost of repairing, replacing or reinstating the Property Insured; or
- (b) \$25,000;

for any one Event, whichever is the lesser.

9. Government fees

If any of Your Property Insured is destroyed or damaged, We will pay any fee, contribution or other impost payable to any other Government, Local Government or other Statutory Authority where payment of the fee, contribution or impost is necessary to the obtaining of consent to reinstate any Property Insured provided that We will not be liable for payment of any fines and/or penalties imposed upon You by any such authorities. The cost of government fees is included in the Sum Insured for Buildings, Contents or Stock. If the Sum Insured is exhausted, the maximum We will pay under this Extra Cover is \$10,000 for any one Event.

10. Loss of land value

If We agree to pay for a claim for loss of or damage to the Building under this Cover Section, 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 Situation.

Provided that We will not pay more than:

- (a) twenty percent (20%) of the Building Sum Insured shown in the Schedule; or
- (b) \$100,000;

for any one Event, whichever is the lesser.

For example, if the Sum Insured for the Building is \$400,000, We will not pay more than \$80,000 (twenty percent (20%) of \$400,000), as this amount is less than \$100,000.

The Under-insurance condition does not apply to this limitation, which is in addition to the Sum Insured.

11. Loss of Stock without damage

If Stock is shown as a separate Sum Insured in the Schedule, We will cover Your perishable food stocks, which at the time of loss or damage are stored in a controlled atmosphere chamber, that cannot be processed in a timely manner, in its normal way or through alternative outsourcing arrangements as a direct result of damage to other Property Insured under this Cover Section which is critical to Your Business for the processing of perishable food Stock. However, We will not pay for loss or damage caused by gradual operating causes including but not limited to wear and tear, gradual deterioration, mould, mildew and change in flavour, atmospheric moisture or variations in temperature.

Provided that We will not pay more than:

- (a) \$10,000; or
- (b) twenty percent (20%) of Your Stock Sum Insured;

for any one Event, whichever is the lesser.

12. Metered water charges

We will pay the additional costs levied on You by a water company or authority for metered water usage arising from the escape and loss of water at the Situation following theft or attempted theft of the part of the Building when Buildings are insured. Our payment for any one loss shall not exceed the lesser of seven (7) days or \$15,000. If You are also insured under the Theft Cover Section, the benefits payable under this Extra Cover shall not be cumulative.

13. Playing surfaces

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

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

14. Prevention of imminent damage

We will cover You for the necessary costs that You incur in the Period of Cover:

- (a) to extinguish a fire on or in the vicinity of the Situation which causes or threatens loss or damage to Your Property Insured;
- (b) to prevent or diminish imminent damage to the Property Insured;
- (c) for the temporary protection and safety of Your Property Insured, including the employment of security services; or
- (d) to remove Property Insured from the Situation if the purpose of the removal was to prevent or minimise damage insured under this Cover Section. We will also cover any damage resulting from the removal.

We will not pay for:

- (a) any fines, penalties or liability incurred by You; or
- (b) any loss or damage to the Property Insured.

Provided that We will not pay more than \$100,000 for all claims under this Extra Cover during any one Period of Cover.

15. Professional fees

We will pay the reasonable cost of surveyors', architects' and other professional fees for estimates, plans, specifications, quantities, tenders and supervision, necessarily incurred in the repair or replacement of lost or damaged Buildings.

16. Removal and disposal of trees and branches

If damage to Property Insured is caused by impact from trees or branches of trees, We will pay the reasonable costs associated with the removal and disposal of the tree or branches, which caused the damage.

We will remove a standing tree or branch that formed part of a tree that caused the insured damage if:

- (a) We agree that the remaining tree or branch is unsafe;
- (b) the remaining tree or branch became unsafe as a direct result of the Event covered under this Policy Section causing damage to the tree; and
- (c) all necessary approvals have been obtained and removal of the tree or branch would not result in a breach of any laws, by-laws, regulations or contractual obligations.

We will remove a stump that formed part of the tree that caused the insured damage only if:

- (a) all necessary approvals have been obtained and removal of the stump would not result in breach of any laws, by-laws, regulations or contractual obligations; and
- (b) not removing the stump would interfere with repairing or replacing the damaged part of the Building.

17. Rewriting of records

We will pay the reasonable costs of restoring the Electronic Data stored on Media or the cost of clerical labour actually, necessarily and reasonably incurred in rewriting, restoring or recreating the records for:

- (a) Your business books, plans, computer records, patterns and other business records that are damaged at the Situation;
- (b) business records of Your customers that are damaged at the Situation, following loss or damage to Contents covered by this Cover Section; and
- (c) damage to Your business records stored off-site, provided that the damage would have been covered under this Cover Section had the business records been insured under this Cover Section.

Provided that the maximum We will pay for this Extra Cover is:

- (a) \$50,000; or
- (b) the amount shown in the Schedule for Rewriting of Records;

whichever the greater, for any one Event.

18. Taking inventory

We will pay for the reasonable costs and expenses incurred by You in taking inventory (including unpacking, repacking and restacking) to identify, quantify and value any damaged Property Insured including examination of Property Insured not belonging to You but in Your care, custody or control.

ADDITIONAL BENEFITS

Subject to the provisions of this Policy, We will also pay for the reasonable costs necessarily incurred under the following Additional Benefits.

As well as any specific limitation(s) on payments identified in each Additional Benefits clause, the following limitations apply to payments under the following Additional Benefits clauses:

- (a) Clauses 1 to 5 inclusive: any amounts payable under these Additional Benefits do not form part of the sums paid subject to the Sum Insured;
- (b) Clauses 6 to 9 inclusive: any amounts payable under these Additional Benefits:
 - (i) form part of the amounts paid subject to the Limit of Liability not otherwise exhausted; and
 - (ii) do not apply in addition to the Sum Insured.

For the sake of clarity, if the Limit of Liability is otherwise exhausted, no amount is payable under Additional Benefits 6 to 9 inclusive.

1. Taxation audit costs

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

'Costs' means professional fees paid to accountants or registered tax agents who are not Your Employees, for work undertaken in connection with the audit or investigation.

Provided that We will not be liable under this Additional Benefit:

- (a) for the imposition of any tax, fines, penalties, court costs, penalty tax or interest;
- (b) for costs incurred after completion of the audit or investigation;
- (c) where any proceedings were initiated, threatened or started prior to the commencement of the Period of Cover;

- (d) arising from Your improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by a state or federal Commissioner of Taxation for the production of documents or the supply of information. Refusal or failure to comply will not be deemed improper, unwarranted or unjustified if You refuse or fail to comply upon the advice of Your accountant or tax agent;
- (e) for costs from audits or investigations under customs legislation;
- (f) for costs from audits or investigations of income received or earned, or where the source of income is, outside Australia or where the services giving rise to the claim are performed by persons or entities ordinarily resident outside Australia;
- (g) arising out of any fraud or fraudulent act or omission committed by You or on Your behalf;
- (h) arising from audits or investigations which result in You, or any person acting on Your behalf, becoming aware of any error or deficiency in any return of income or other documentation supplied to a state or federal Commissioner of Taxation and failing to notify the Commissioner of Taxation without delay.

Provided further that the maximum amount We will pay for this Additional Benefit is \$10,000 per Period of Cover.

Special conditions applicable to Taxation audit costs

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

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

In the event of a claim arising:

- (a) You must at all times keep Us fully and continually informed of all material developments in relation to the claim and in relation to any audit;
- (b) You must take all necessary and reasonable steps to minimise any delays and the amount of any costs incurred or likely to be incurred in connection with any audit;
- (c) We or Our duly appointed agent may make Our own investigation into any matter which is or may be the subject of a claim; and
- (d) You must ensure that Your accountants, registered tax agent and/or solicitor must co-operate with Us and where necessary, assist Us in relation to any claim and assist Us with any matter We wish to pursue with the Commissioner of Taxation which is or may be the subject of a claim.

2. Limited transit cover

We will cover loss of or damage to Stock or Contents during the Period of Cover which are in transit in any Vehicle anywhere in Australia and away from the Situation, caused by a collision or overturning of the conveying Vehicle or any of the following events:

- (a) fire or explosion;
- (b) wind;
- (c) acts of malicious persons;
- (d) escape of molten material from its intended confines at the Situation;
- (e) lightning or thunderbolt;
- (f) implosion;
- (g) earthquake, tsunami, subterranean fire or volcanic eruption, or fire resulting from any of these during any period of seventy-two (72) consecutive hours following the Event;
- (h) riot, civil commotion or labour disturbances; or
- (i) water damage.

Provided that the maximum amount We will pay for this Additional Benefit is:

- (a) \$50,000; or
- (b) twenty percent (20%) of the highest Sum Insured for Contents or Stock at any one Situation; whichever is the lesser, for any one Event.

3. Temporary cover for new premises

We will provide cover as set out under 'Cover' for loss or damage to Buildings, Contents and Stock at any new premises occurring during the Period of Cover, provided that:

- (a) You first occupy the new premises during the Period of Cover;
- (b) the Business carried on, at or from the new premises is the same as the Business shown in the Schedule;
- (c) the property at the new premises is of the same nature as the Buildings, Contents and Stock located at the Situation and would have been covered if they were located at the Situation; and
- (d) the Buildings at the new premises are constructed of the same materials as the Buildings at the Situation, and have the same or superior protection systems as those at the Situation;
- (e) the temporary cover provided by this Additional Benefit is limited to the first sixty (60) days from the date You first occupy the new premises.

Provided that the maximum amount We will pay under this Additional Benefit is fifty percent (50%) of the highest total Sum Insured for any Situation shown in the Schedule.

For example, if two existing Situations are shown in the Schedule, one which has a total Sum Insured for all Property Insured totalling \$1,000,000 and the other which has a total Sum Insured for all Property Insured totalling \$2,000,000, then any new premises will be covered for up to \$1,000,000 (fifty percent (50%) of \$2,000,000, the higher of the two total Sum(s) Insured for all Property Insured at a Situation).

4. Temporary removal of Stock and Contents

We will pay up to twenty percent (20%) of the Sum Insured for loss or damage to Stock or Contents during the Period of Cover if the Stock or Contents have been temporarily removed from the Situation or are in a temporary storage facility, self storage unit or bulk storage facility as if it were at the Situation but still within Australia.

For example, if the Sum Insured for Stock is \$100,000 and there is loss or damage to Stock that has been temporarily removed from the Situation, We will pay up to \$20,000 (twenty percent (20%) of \$100,000).

Provided that We will not pay for loss of or damage to:

- (a) motor Vehicles, or trailers, Watercraft, caravans or motor cycles unless they are the Stock of Your Business, or fork lift trucks and similar appliances that are used for hauling or conveying goods at the Situation;
- (b) Stock that You have consigned to another person for sale unless it is owned by You or is property for which You are responsible;
- (c) Stock or Contents that have been removed from the Situation in excess of ninety (90) days at the time of the loss or damage.

5. Rewriting of records

We will pay the reasonable cost for clerical and professional costs incurred by You for rewriting of Your records if they are lost, destroyed or damaged during the Period of Cover, whilst located away from the Situation anywhere in the Commonwealth of Australia. We will not pay for any financial loss caused by the loss of Your records under this Additional Benefit.

We will pay up to \$25,000 for any one Event under this Additional Benefit or the amount shown in the Schedule for Rewriting of records whichever is the greater.

ADDITIONAL BENEFITS SUBJECT TO THE LIMIT OF LIABILITY

6. Costs related to damage to Glass in vacant Buildings

If You own but do not occupy any Buildings shown as insured under this Cover Section at the Situation, We will cover You for the following costs directly related to the breakage of Glass happening during the Period of Cover 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.

We will not cover You under this Additional Benefit 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 and that You could reasonably be expected to have been aware of prior to the breakage;
 - (iv) that is not fit for the purpose intended; or
 - (v) that is in a glasshouse.
- (c) tiles on shopfronts and office fronts, other than around the broken Glass; or
- (d) plastic or perspex signs.

We will not cover any claims under this Additional Benefit if:

- (a) You have selected Glass Cover Section;
- (b) the Building is leased to a tenant; or
- (c) the Building has remained unoccupied or untenanted for a continuous period longer than sixty (60) days and We have not agreed to an extended period in writing.

The Excess that applies to this Additional Benefit is:

- (a) the Excess shown in the Schedule; or
- (b) \$500;

whichever is the higher.

Provided that the maximum amount We will pay for this Additional Benefit is \$5,000 during any one Period of Cover.

7. Directors' and Employees' tools of trade and personal effects

We will pay for loss of or damage to directors' and Employees' tools of trade and personal effects as if they were Contents.

Provided that We will not pay more than \$6,000 for any one person for any one Event. Any amount We pay for this Additional Benefit will be included in the Contents Sum Insured.

8. Fire Brigade attendance fees

We will pay for any statutory charges payable by You to a fire brigade or fire fighting authority for attendance at a fire or chemical emergency involving Property Insured and for the cost of refilling Your fire fighting appliances used in putting out a fire at or adjoining the Situation and threatening the Property Insured, during the Period of Cover.

Provided that the maximum amount We will pay under this Additional Benefit is \$100,000 for any one Event. The Excess that applies to this Additional Benefit is \$500.

9. Trace and access

We will pay the reasonable costs incurred during the Period of Cover to detect the point of bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks, fixed appliances, fixed pipes or other systems at the Situation used to hold or carry liquid provided that the bursting, leaking, discharging or overflowing has caused or may reasonably be expected to cause damage to Property Insured. We will cover the cost of reinstating parts of the property necessarily disturbed to locate the source of the problem. We will not cover the repair or replacement of such apparatus, appliances, tanks, pipes or other systems.

OPTIONAL COVERS

We will provide the following Optional Covers when requested by You, when You pay any additional Premium required and when shown on Your Schedule as applying. The Optional Covers when applying are subject to the provisions of the Policy.

1. Strata title mortgagee(s) interest

This cover applies only if You have arranged this Policy to insure only the interest of a mortgagee in a strata title unit.

This cover only applies when You own part of a Building that has been subdivided into strata, community or similar title units and You have a mortgage on that part of the Building.

We will pay the mortgagee:

- (a) the Sum Insured shown in the Schedule;
 - (b) the amount to repair the damage to a condition similar to but no better than when new;
 - (c) if the body corporate (or similar) partially covers the loss, then the difference between what the body corporate's insurance pays and the cost of the damage; or
 - (d) the amount sufficient to discharge the mortgage held by You over the unit at the date of the damage;
- whichever is the lesser.

We will pay only that part of the claim that applies to the interest of the mortgagee.

We will only pay a claim if:

- (a) a claim would be payable under this Cover Section;
- (b) the policy of the body corporate or similar does not apply or only partially covers the loss; and
- (c) the mortgagee requires You to discharge Your mortgage.

If You have arranged this Policy to insure only the interest of a mortgagee in a strata title unit no Additional Benefits are payable under this Policy.

Any amount payable under this Optional Extension of Cover is in addition to the Limit of Liability.

2. Flood

When 'Flood' is shown in the current Schedule, then subject to the provisions of this Policy, We will cover loss or damage to Property Insured caused by Flood.

LIMITATIONS OF COVER APPLICABLE TO THIS COVER SECTION

1. Earthquake

If any loss or damage is caused by earthquake, volcanic eruption, subterranean fire or tsunami, We will not pay for the first \$20,000 or one percent (1%) of the Sum Insured for the Property Insured (whichever is the lower amount) of each claim caused by earthquake, tsunami, volcanic eruption or subterranean fire.

2. Excess

The Excess that applies is shown in the Schedule.

3. Storm, rainwater, wind, hail or snow

Cover for damage to textile blinds and awnings, shade cloth, shade houses, fibreglass houses and glass houses, gates, fences, signs and retaining walls caused by or arising from storm, rainwater, wind, hail or snow is limited to a maximum of \$25,000 in total, any one Event.

EXCLUSIONS APPLICABLE TO THIS COVER SECTION

The following exclusions apply to this Cover Section.

1. We will not cover loss or damage caused by:
 - (a) wear and tear, gradual deterioration, scratching, marring, developing flaws, normal upkeep or any gradual cause provided that this exclusion shall not apply to subsequent loss, destruction of or damage to the Property Insured occasioned by a peril (not otherwise excluded) resulting from any peril referred to in this exclusion;
 - (b) mechanical, hydraulic, electrical breakdown or electronic failure or malfunction. For the purpose of this exclusion, breakdown means any sudden, unforeseen and accidental failure of, or damage to, an item of Property Insured or part thereof, resulting in physical damage to the item of insured property which requires the repair or replacement of all or part of the Property Insured 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;
 - (c) corrosion, rust, oxidation, any form of Fungus, wet or dry rot, dampness of atmosphere, variation in temperature, evaporation, disease, shrinkage;
 - (d) change in colour, flavour, texture or finish;
 - (e) inherent vice or latent defect;
 - (f) loss of weight or exposure to light;
 - (g) the actual breaking, seizing, deformation or melting of any part of the Property Insured while it is in use that is caused by mechanical, electrical or electronic defect that results in sudden and total loss of operation that requires repair or replacement before the Property Insured can resume normal operation;
 - (h) explosion or implosion of any pressure vessels (including any boilers) other than a pressure vessel used solely for domestic purposes that have a value of more than \$250,000:
 - (i) where the load on the safety valve upon the particular pressure equipment was in excess of the manufacturer's specification at the time of any damage;
 - (ii) where any safety valve limiting pressure was removed or rendered inoperative;
 - (iii) due to the failure of the supply of water, gas, electricity or fuel.

Provided that We will pay for any damage to Property Insured that is not otherwise excluded that results from damage caused directly by or arising directly from any of these causes.

2. Maintenance faults or defects

We will not cover loss or damage caused by:

- (a) faults or defects known to You or any Employee whose knowledge in law would be deemed to be Your knowledge and not disclosed to Us at the time this insurance was arranged, extended, varied or renewed;
- (b) the cessation of work (whether total or partial), interruption or retarding of any process or operation as a result of any industrial dispute;
- (c) deliberate and unauthorised corruption, amendment or erasure of Electronic Data by You or Your directors, partners, Employees, officers or any other person who has an interest in the Property Insured whether acting alone or in collusion with any other person;
- (d) any form of Computer Virus;
- (e) the gaining of unauthorised access to Your computer via any communication system by any person other than You or Your directors, partners, Employees, officers or any other person who has an interest in the property;
- (f) the operation or presence of any computer program that alters or erases Electronic Data or programs in a manner that is undesired by You;
- (g) creeping, heaving, normal settling, shrinkage, seepage, vibration, expansion in Buildings, pavements, roads, car parks and the like;
- (h) (i) error or omission in design, plan or specification or failure during testing; or
(ii) faulty materials or workmanship;
provided that this Exclusion 2 (h) shall not apply to subsequent loss or damage to Your Property Insured (not otherwise excluded) resulting from an Event referred to in this exclusion;
- (i) demolition ordered by any lawful authority as a result of failure by You to comply with any lawful requirement;
- (j) the incorrect layout or placement of Buildings as a result of error in design or specification, faulty workmanship or non-compliance with the requirements of any lawful authority;
- (k) any unexplained inventory shortage or disappearance resulting from clerical or accounting errors, or shortage in the supply or delivery of materials or goods.

3. Other matters

We will not cover loss or damage caused by:

- (a) infidelity, dishonesty, embezzlement, misappropriation, or fraud including forgery, erasure, counterfeiting by You or any Employee;
- (b) any legal liability You have other than the legal liability that is covered by Extra Cover '4. Removal of debris including necessary temporary repairs'.

4. Other risks, perils or events

We will not cover loss or damage caused by:

- (a) Theft provided that this exclusion does not apply to physical damage to Property Insured at the Situation during theft or any attempted theft and/or theft of parts of the Building when Buildings are insured or fixed plant in the open air when Buildings are insured;
- (b) erosion, subsidence, landslip or mudslide or any other earth movement but We will cover loss or damage caused by a landslide or subsidence that occurs within seventy-two (72) hours of, and directly because of, a storm, earthquake, subterranean fire, volcanic eruption, Flood or water escaping from a water main owned by a water supply authority;

- (c) the action of the sea or high-water, unless caused by or arising from a direct consequence of an earthquake or seismological disturbance;
- (d) contamination, pollution, smoke or smut except where caused directly by fire, lightning, explosion, impact by any road Vehicle or Animal, Aircraft or other aerial devices or articles dropped by them, falling communication masts, towers, antennae or dishes, falling Buildings or structures or parts thereof, meteorite, riot, civil commotion, persons taking part in an industrial dispute, persons acting maliciously, earthquake, storm, Flood, the bursting, overflowing or discharge of tanks, apparatus or pipes containing in water or liquid of any kind, or sprinkler leakage;
- (e) Flood;
- (f) Electronic Data processing or Media failure or breakdown or malfunction of a processing system including operator entry or omission;
- (g) the actions of birds, moths, termites or other insects, vermin or rodents;
- (h) the urine or excrement of birds, moths, termites or other insects, vermin or rodents.

5. We will not cover loss of or damage to:

- (a) Property Insured while it is undergoing any process where damage results from it being processed;
- (b) any Building, Contents and Stock if the Building is vacant awaiting or undergoing demolition, unless We have agreed otherwise;
- (c) Animals that are livestock (other than Stock of a restaurant or pet shop);
- (d) standing timber, plants or growing crops, land including top soil and fill, landscaping, gardens and pastures.

Provided that:

- (i) when reinstating damage to a Building, landscaping, plants and gardens are Property Insured; or
- (ii) potted plants are Property Insured when insured as Contents;

when they are used to restore landscaping, plants, potted plants and gardens to a condition similar to that immediately prior to the damage;

- (e) Glass or signs except:
 - (i) where You are a tenant of a Building and are required by the lease to insure Glass; or
 - (ii) the loss or damage is caused by fire, storm, wind, rain, hail, lightning, explosion, implosion, earthquake, impact by Vehicles or Animals, Aircraft and other aerial devices and/or articles dropped from them, riots or civil commotion or persons acting maliciously.

6. We will not cover loss or damage caused by:

- (a) a named cyclone named by the Bureau of Meteorology where the damage occurs;
- (b) a bushfire occurring;
- (c) a Flood occurring,

within seventy-two (72) hours from the original commencement of this Cover Section.

CONDITIONS APPLICABLE TO THIS COVER SECTION

The following conditions apply to this Cover Section. If You do not comply with the following conditions, We may refuse to pay a claim in whole or in part.

1. Leased Building clause

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

2. Release

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

3. Storage premises

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

4. Tenant's actions

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

- (a) You have taken all reasonable actions, as soon as You become aware of conditions causing the breach, to have the tenant comply with the terms;
- (b) You notify Us within a reasonable amount of time of becoming aware of the breach;
- (c) You agree to pay a reasonable increase in Premium for the additional risk.

5. Under-insurance

In the event of loss or damage to Property Insured covered under this Cover Section:

For claims settled on a reinstatement or replacement basis, We will be liable for no greater proportion of the loss or damage as the Sum Insured in the Schedule bears to eighty percent (80%) of the full insurable value of the Buildings, Contents, Stock and Specified Items (net of any input tax credit that You could claim) at the time of the commencement of the Period of Cover. Our liability is limited to the Sum Insured at the Situation as shown in the Schedule.

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 ten percent (10%) of the Sum Insured shown in the Schedule at the Situation.

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

BUSINESS INTERRUPTION COVER SECTION

INTRODUCTION

This Cover Section only forms part of the Policy when Business Interruption is shown in the Schedule and is limited to the Period of Cover indicated.

There are three types of cover available in this Cover Section:

- (a) Insurable Gross Profit Basis – (income);
- (b) Annual Revenue Basis;
- (c) Weekly Revenue Basis.

The Schedule indicates which cover has been selected by You.

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

DEFINITIONS APPLICABLE TO THIS COVER SECTION

The following Definitions shall apply to this Cover Section only. If a word or expression has a special meaning, it begins with a capital letter.

Annual Rent Receivable

Annual Rent Receivable means the Rent Receivable during the twelve (12) months immediately before the date of the Damage to which such adjustments will be made as may be necessary to provide for the trend of Your Business and for variations in or other circumstances affecting Your Business either before or after the Damage or which would have affected Your Business had the Damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relevant period after the Damage.

Annual Revenue

Annual Revenue means the Revenue earned during the twelve (12) months immediately before the date of the Damage to which such adjustments will be made as may be necessary to provide for the trend of Your Business and for variations in or other circumstances affecting Your Business either before or after the Damage or which would have affected Your Business had the Damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage.

Annual Turnover

Annual Turnover means the Turnover during the twelve (12) months immediately before the date of the Damage to which such adjustments will be made as may be necessary to provide for the trend of Your Business and for variations in or other circumstances affecting Your Business either before or after the Damage or which would have affected Your Business had the Damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage.

Damage

Damage means physical loss, destruction or damage occurring during the Period of Cover caused by an Event insured under the Property Damage Cover Section, Theft Cover Section, Glass Cover Section, Money Cover Section, or General Property Cover Section.

Gross Profit

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

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

Indemnity Period

Indemnity Period means the period beginning with the occurrence of the Damage during which the results of Your Business are affected by the Damage and ending at the expiration of the maximum period specified in the Schedule or, in the case of Weekly Revenue, ending at the earliest of either the expiration of the maximum period specified in the Schedule or when Weekly Revenue during that period equals or exceeds ninety-five percent (95%) of Standard Weekly Revenue.

Rate of Gross Profit

Rate of Gross Profit means the Rate of Gross Profit, expressed as a percentage, earned on the Turnover during the financial Year immediately before the date of the Damage, to which such adjustments will be made as may be necessary to provide for the trend of Your Business and for variations in or other circumstances affecting Your Business either before or after the Damage or which would have affected Your Business had the Damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relevant period after the Damage.

Rent Receivable

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

Revenue

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

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

Shortage in Turnover

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

Standard Rent Receivable

Standard Rent Receivable means the Rent Receivable during that period in the twelve (12) months immediately before the date of the Damage which corresponds with the Indemnity Period to which such adjustments will be made as may be necessary to provide for the trend of Your Business and for variations in or other circumstances affecting Your Business either before or after the Damage or which would have affected Your Business had the Damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relevant period after the Damage.

Standard Revenue

Standard Revenue means the Revenue earned within that period during the twelve (12) months immediately before the date of the Damage which corresponds with the Indemnity Period to which such adjustments will be made as may be necessary to provide for the trend of Your Business and for variations in or other circumstances affecting Your Business either before or after the Damage or which would have affected Your Business had the Damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage.

Standard Turnover

Standard Turnover means the turnover during that period in the twelve (12) months immediately before the date of the Damage which corresponds with the Indemnity Period to which such adjustments will be made as may be necessary to provide for the trend of Your Business and for variations in or other circumstances affecting Your Business either before or after the Damage or which would have affected Your Business had the Damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relevant period after the Damage.

Standard Weekly Revenue

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

Turnover

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

Uninsured Working Expenses

Uninsured Working Expenses means the working expenses of Your Business which You have elected not to insure under this Cover Section, and which are specified in the Schedule.

Weekly Benefit

Weekly Benefit means the amount shown in the Schedule.

Weekly Revenue

Weekly Revenue means the gross income received by You for goods sold, services rendered or rental received less the purchase price of Stock.

1. COVER – INSURABLE GROSS PROFIT BASIS

If 'Insurable Gross Profit' is shown as insured in the Schedule, then subject to the provisions contained in the Policy, in the event of interruption of or interference with Your Business in consequence of Damage to any Property Insured or any part thereof used by You at the Situation for the purpose of Your Business, We will pay You in respect of each item selected by You and shown in the Schedule, the amount of the loss resulting from such interruption or interference.

Provided that:

- (a) the payment is in accordance with the 'Basis of Settlement' provision for the item;
- (b) We have paid for or admitted liability in respect of such Damage to Your Property Insured under the relevant Cover Section, or another insurer has paid for or admitted liability in respect of such Damage;
- (c) We would have paid for or admitted liability in respect of such Damage under the relevant Cover Section of this Policy, or another insurer would have paid for or admitted liability in respect of such Damage and it would otherwise be covered under the relevant Cover Section of this Policy but for the application of an Excess; and
- (d) Our liability in no case will exceed in respect of each item the Sum Insured shown in the Schedule for that item.

Insurance on an Insurable Gross Profit Basis provides cover with regard to loss under:

Item 1. Gross Profit (if selected).

Item 2. Additional increase in cost of working (if selected).

Item 3. Accounts receivable (if selected).

Item 4. Claim preparation and proving expenses (if selected).

Item 5. Loss of Rent Receivable (if selected).

BASIS OF SETTLEMENT – GROSS PROFIT BASIS

Item 1. Gross Profit

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

The amount payable as indemnity under this item will be:

- (a) in respect of reduction in Turnover:
 - the sum produced by applying the rate of Gross Profit to the Shortage in Turnover during the Indemnity Period; and
- (b) in respect of the increase in cost of working:
 - the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for the additional expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of reduction thereby avoided;

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

Provided that if the Sum Insured for loss of Gross Profit at the commencement of each Period of Cover is less than the sum produced by applying the Rate of Gross Profit to eighty percent (80%) of the Annual Turnover (or its proportionately increased multiple where the Indemnity Period exceeds twelve (12) months), the amount payable for loss of Gross Profit only will be reduced so that We will be liable for no greater proportion of the loss under this item than that which the Sum Insured bears to eighty percent (80%) of the Annual Turnover (or its proportionately increased multiple, if appropriate). This provision will not apply if Your claim is for less than ten percent (10%) of the Sum Insured for this item.

Item 2. Additional increase in cost of working

See common clauses.

Item 3. Accounts receivable

See common clauses.

Item 4. Claim preparation and proving expenses

See common clauses.

Item 5. Loss of Rent Receivable

The amount payable under this item will be:

(a) in respect of loss of Rent Receivable:

the amount by which the Rent Receivable during the Indemnity Period falls short of the standard Rent Receivable, in consequence of the Damage; and

(b) in respect of additional expenditure:

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

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

Provided that if the Sum Insured for this item is less than eighty percent (80%) of the Annual Rent Receivable (or its proportionately increased multiple where the Indemnity Period exceeds twelve (12) months), the amount payable will be reduced so that We will be liable for no greater proportion of the loss under this item than that which the Sum Insured bears to eighty percent (80%) of the Annual Rent Receivable (or its proportionately increased multiple, if appropriate).

This provision will not apply if Your claim is for less than ten percent (10%) of the Sum Insured for this item.

2. COVER – ANNUAL REVENUE BASIS

If 'Annual Revenue' is shown as insured in the Schedule, then subject to the provisions contained in the Policy, in the event of interruption of or interference with Your Business in consequence of Damage to Property Insured or any other property or any part thereof used by You at the Situation for the purpose of Your Business, We will pay You in respect of each item selected by You and shown in the Schedule, the amount of the loss resulting from such interruption or interference.

Provided that:

(a) the payment is in accordance with the Basis of Settlement provision for the item;

(b) We have paid for or admitted liability in respect of such Damage under the relevant Cover Section of this Policy, or another insurer has paid for or admitted liability in respect of such Damage, unless no such payment shall have been made or liability shall not have been admitted for such Damage (by Us or another insurer) solely due to the application of an Excess; and

(c) Our liability in no case will exceed in respect of each item the Sum Insured shown in the Schedule for that item.

Insurance on an Annual Revenue Basis provides cover with regard to loss under:

Item 1. Annual Revenue (if selected).

Item 2. Additional increase in cost of working (if selected).

Item 3. Accounts receivable (if selected).

Item 4. Claim preparation expenses (if selected).

BASIS OF SETTLEMENT – ANNUAL REVENUE BASIS

Item 1. Annual Revenue

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

The amount payable as indemnity under Item 1 will be:

(a) in respect of the loss of Revenue:

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

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

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

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

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

This provision will not apply if Your claim is for less than ten percent (10%) of the Sum Insured for this item.

Item 2. Additional increase in cost of working

See common clauses.

Item 3. Accounts receivable

See common clauses.

Item 4. Claim preparation expenses

See common clauses.

3. COVER – WEEKLY REVENUE BASIS

If 'Weekly Revenue' is shown as insured in the Schedule, then subject to the provisions of the Policy, in the event of interruption of or interference with Your Business in consequence of Damage to any Property Insured or any part thereof used by You at the Situation for the purpose of Your Business, We will pay You in respect of each item selected by You and shown in the Schedule, the amount of the loss resulting from such interruption or interference.

Provided that:

(a) the payment is in accordance with the 'Basis of Settlement' provision for the item;

(b) We have paid for or admitted liability in respect of such Damage under the relevant Cover Section of this Policy, or another insurer has paid for or admitted liability in respect of such Damage;

(c) We would have paid for or admitted liability in respect of such Damage under the relevant Cover Section of this Policy, or another insurer would have paid for or admitted liability in respect of such Damage but for the application of an Excess; and

(d) Our liability in no case will exceed in respect of each item the Sum Insured shown in the current Schedule for that item.

We will not pay any claim under this Cover Section where the interference or interruption to Your Business is for a period of less than three (3) full continuous days.

Insurance on a Weekly Revenue Basis provides protection with regard to loss under:

Item 1. Weekly Revenue (if selected).

Item 2. Additional increase in cost of working (if selected).

Item 3. Accounts receivable (if selected).

Item 4. Claim preparation and proving expenses (if selected).

BASIS OF SETTLEMENT – WEEKLY REVENUE BASIS

Item 1. Weekly Revenue

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

Item 2. Additional increase in cost of working

See common clauses.

Item 3. Accounts receivable

See common clauses.

Item 4. Claim preparation and proving expenses

See common clauses.

LIMITATIONS OF COVER

1. Excess

The Excess that applies is shown in the Schedule.

COMMON CLAUSES APPLICABLE TO THIS COVER SECTION

The following clauses are applicable to Cover – Insurable Gross Profit Basis, Cover – Annual Revenue Basis and Cover – Weekly Revenue Basis:

Accumulated stocks

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

Alternative trading

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

Departmental

We will apply the cover provided by this Cover 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. For the purposes of this clause, the Rent Receivable from letting of property at the Situation will be regarded as the proceeds of one such department.

Item 2. Additional increase in cost of working

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

Provided that We will not pay more than:

- (a) \$25,000; or
 - (b) the Sum Insured for 'Additional increase in cost of working' shown in the Schedule;
- whichever is the greater for any one claim.

Item 3. Accounts receivable

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

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

Provided that We will not pay more than:

- (a) \$7,500; or
 - (b) the Sum Insured for 'Outstanding Accounts Receivable' shown in the Schedule;
- whichever is the greater for any one claim.

Item 4. Claim preparation and proving expenses

In addition to the amount payable under Claims Conditions '16. Approved claim preparation costs' provision of this Policy, We will pay You up to \$10,000 or the amount shown in the Schedule for the costs of such reasonable professional fees as may be payable by You and other such reasonable expenses necessarily incurred by You and not otherwise recoverable, for preparation and negotiation of claims under this Cover Section.

Government incentives

In calculating the amount of the reduction in Gross Profit, Revenue and Weekly Revenue under Insurance Gross Profit, Annual Revenue and Weekly Revenue cover types, We will include the loss of any Government approved incentives, subsidies or market development allowances You are or would have been entitled to in relation to Your Business.

New Business

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

'Annual Revenue' means the actual Revenue achieved during Your first Year of operations, from the commencement of Your Business to the date of the Damage, converted to a twelve (12) month equivalent figure.

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

'Payroll' means the remuneration (including but not limited to payroll tax, fringe benefits tax, holiday pay, sick pay, long service leave, workers' compensation insurance Premiums and/or accident compensation levies, superannuation and pension fund contributions and the like) paid to all Employees.

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

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

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

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

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

Salvage sale

If, following Damage giving rise to a claim under this Cover Section, You hold a salvage sale during the Indemnity Period:

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

(a) In respect of reduction in Turnover:

the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period (less the Turnover for the period of the salvage sale) shall, in consequence of the Damage, fall short of the Standard Turnover, from which shall be deducted the Gross Profit actually earned during the period of the salvage sale.

(b) The definition of Shortage in Turnover shall, for the purpose of such claim, mean:

the amount by which the Turnover during a period (less the Turnover for the period of the salvage sale) shall, in consequence of the Damage, fall short of the part of the Standard Turnover which relates to that period, from which shall be deducted the pay-roll paid out of the proceeds of the salvage sale.

Sum Insured

Our liability to You will in no case exceed in respect of each item the Sum Insured expressed against that item in the current Schedule. Extra Covers and Additional Benefits are within the total Sum Insured of this Cover Section and not additional to the total Sum Insured.

If You have chosen Weekly Revenue, We will not pay more each week for loss of Weekly Revenue than the Weekly Benefit.

Turnover output

In the event of Damage giving rise to a claim under this Cover Section, at Your option, the word 'Output' may be substituted for the term 'Turnover', provided that only one such meaning ('Turnover' or 'Output') shall be operative in connection with any one Event involving Damage.

For the purpose of this Cover Section, 'Output' shall mean the sale and/or invoice value of goods manufactured and/or processed by You in the course of Your Business at the Situation.

If You select the cover available under this clause, the Common Clause headed 'Alternative trading' shall be altered to read as follows:

If during the Indemnity Period, goods are sold, work is performed or services are rendered elsewhere than at the Situation for the benefit of Your Business either by You or by others acting on Your behalf, the Money paid or payable in respect of such sales, work or services will be brought into account in arriving at the Output during the Indemnity Period.

Under-insurance deleted

If the Sum Insured shown in the Schedule for:

- (a) Insurable Gross Profit Basis; or
- (b) Annual Revenue Basis;

has been calculated:

- (a) using a Business Interruption Calculator approved by Us; and
- (b) the calculation has been completed using Your GST exclusive sales income figures from Your most recent twelve (12) months Business Activity Statement;
- (c) a copy of the data used and the calculations are held on file; and
- (d) the calculation is completed within two (2) months of inception or renewal and the outputs of the calculations are used as the Sum Insured;

the Under-insurance provision under 'Basis of Settlement' will not apply.

EXTRA COVERS

This Cover Section is extended to include the following Extra Covers. The Extra Covers 1 to 6 inclusive are payable provided that the Sum Insured expressed against the relevant item(s) in the Schedule is not otherwise exhausted.

1. Contractual damages

Following a claim under Insurable Gross Profit, 'Item 1. Gross Profit', We will also pay:

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

The amount payable shall not exceed twenty percent (20%) of the total Sum Insured for Insurable Gross Profit.

2. Explosion of pressure vessels

We will treat the self-explosion or collapse of pressure vessels, including boilers, compressors or economisers at the Situation as Damage for the purposes of this Cover Section.

3. Extension of the Indemnity Period

When Extra Cover '2. Catastrophe inflation protection' in the Property Damage Cover Section of this Policy applies and the Indemnity Period stated in the Schedule is twelve (12) months or more, We will increase the Indemnity Period by a further three (3) months providing that You undertake the reinstatement of Your Business at the existing Situation or alternative premises.

This Extra Cover does not increase the Sum Insured applicable to the cover selected by You and shown in the Schedule.

4. Infectious disease, etc.

We will cover You for interruption to or interference with Your Business due to closure or evacuation of the whole or part of the Situation during the Period of Cover:

- (a) by order of a competent government, public or statutory authority as a result of bomb threat, vermin or pests or defects in the drains or other sanitary arrangements, occurring at the Situation;
- (b) as a result of an outbreak of an infectious or contagious human disease occurring within a 20-kilometre radius of the Situation, however there is no cover for highly pathogenic Avian Influenza or any other diseases declared to be quarantinable diseases under the *Biosecurity Act 2015* (Cth) and subsequent amendments irrespective of whether discovered at the Situation, or out-breaking elsewhere;
- (c) as a result of injury, illness or disease caused by the consumption of food or drink supplied at or from the Situation during the Period of Cover;
- (d) as a result of murder or suicide occurring at or nearby the Situation; or
- (e) as a result of shark or crocodile attack occurring within a 20-kilometre radius of the Situation during the Period of Cover.

5. Motor Vehicles owned or operated by You

We will cover You for interruption to Your Business that is caused by or results from Damage during the Period of Cover to any registered Vehicles or trailers owned or operated by You, while such Vehicles are at the Situation or at other premises in Australia but not on a public thoroughfare.

6. Prevention of access

We will cover You for interruption to Your Business that is caused by or results from damage to property within a 10-kilometre radius of the Situation which shall prevent or hinder the use of or access to the Situation provided that:

- (a) the damage would have been covered under the Property Damage Cover Section if the property in the vicinity of the Situation had been insured under that Cover Section;
- (b) the damage prevents or hinders the use of or access to the Situation;
- (c) the damage results in interruption of or interference with Your Business.

We will cover You for interruption to Your Business that is caused by an order of any legal authority which prevents or restricts access to the Situation provided that the order results from the threat of damage to property within a 50-kilometre radius of the Situation.

ADDITIONAL BENEFITS

This Cover Section is extended to include the following Additional Benefits. Additional Benefits 1 to 9 inclusive are payable provided that the Sum Insured expressed against the relevant item(s) in the Schedule is not otherwise exhausted.

1. Computer installation

We will treat damage to computer installations, including any ancillary equipment and Electronic Data processing Media, utilised by You in Your Business in Australia other than at the Situation as Damage for the purpose of this Cover Section provided that:

- (a) the damage would have been covered under Property Damage Cover Section if the computer facilities had been insured under that Cover Section;
- (b) the damage results in You being unable to utilise a computer installation or any ancillary equipment in Your Business; and
- (c) the damage results in interruption of or interference with Your Business.

2. Unspecified customers and suppliers

We will treat damage to unspecified property at the premises:

- (a) of Your suppliers, manufacturers or processors of component goods, materials or services (other than those services provided by any utilities) which supply the Business directly including their direct suppliers; or
- (b) of Your customers of goods or materials or services including their direct suppliers and customers; or
- (c) of Your property at any other premises, including construction sites, where You are engaged in the performance of work in connection with the Business;

all within Australia as Damage for the purpose of this Cover Section, provided that Our liability will not exceed twenty percent (20%) of the Sum Insured applicable to this Cover Section or the percentage shown in the Schedule whichever is the higher.

3. Documents temporarily removed

We will treat damage to Your documents or documents held in trust by You and Electronic Data files belonging to or held in trust by You as part of Your Business that are:

- (a) temporarily removed to other premises anywhere in Australia; or
- (b) while in transit to any place in Australia; if the following apply:
 - (i) the damage would have been covered under Property Damage Cover Section if the documents and Electronic Data files had been insured under that Cover Section;
 - (ii) the damage results in interruption of or interference with Your Business, as Damage for the purpose of this Cover Section.

We will not cover You for more than twenty percent (20%) of the Sum Insured applicable to this Cover Section or the percentage or the amount shown in the Schedule whichever is the higher.

4. Loss of attraction

If Your Business is located within a multi-tenanted commercial complex, We will treat damage to property of a major tenant as being Damage for the purposes of this Cover Section provided that:

- (a) the damage to the property of the major tenant would have been covered under the Property Damage Cover Section if such damage had been to Property Insured under that Cover Section;
- (b) the damage results in a reduced pedestrian count in the commercial complex; and
- (c) the damage results in interruption of or interference with Your Business.

5. Roads, bridges and railway lines

We will treat damage to roads, bridges and/or railway lines within Australia over which raw materials, components and Stock are conveyed to or from the Situation as being Damage for the purposes of this Cover Section if the following apply:

- (a) the damage would have been covered under the Property Damage Cover Section if such damage had been to Property Insured under that Cover Section;
- (b) the damage results in not being able to convey Stock, components or materials used in Your Business to and from the Situation;
- (c) the damage results in interruption of or interference with Your Business.

6. Storage sites/temporary removal

We will cover You for interruption to Your Business that is caused by or results from damage to Your Property Insured stored or being processed at any premises in Australia not occupied by You. Our total liability under this Additional Benefit will not exceed twenty percent (20%) of the Sum Insured.

7. Transit

We will cover You for interruption to Your Business that is caused by or results from damage to Your Property Insured while in transit by road, rail, sea or air within Australia and outside of the Situation occupied by You. Our total liability under this Additional Benefit will not exceed twenty percent (20%) of the Sum Insured in respect of any one Event.

8. Utilities

We will treat damage to the following utilities:

- (a) any electricity supply system;
- (b) any gas supply system;
- (c) water supply or sewerage works; or
- (d) any telecommunications system that is land-based within Australia and supplies Your Business;

as Damage for the purposes of this Cover Section, if the following apply:

- (a) the damage would have been covered under the Property Damage Cover Section if such damage had been to Property Insured under that Cover Section;
- (b) the damage results in hindering or stopping the supply of electricity, gas, water or sewage or telecommunications to the Situation or sewage from the Situation; or
- (c) the damage results in interruption of or interference with Your Business.

We will not pay for the first forty-eight (48) hours where the utility which was damaged is not at or immediately adjacent to the Situation.

9. Deferral of Indemnity Period

If We agree that Damage during the Period of Cover is covered under this Cover Section of the Policy, commencement of the Indemnity Period may be deferred ('Deferred Indemnity Period') to a later date at Your option and with Our consent which shall not be unreasonably held.

Provided that the Deferred Indemnity Period commences within:

- (a) the number of months specified in the Schedule as the 'Indemnity Period'; or
- (b) twelve (12) months from the date the Damage occurred;

whichever is the earlier.

Provided further that:

- (a) the request for the Deferred Indemnity Period must be made by You within the period of Deferred Indemnity Period commences, as determined above; and
- (b) the Deferred Indemnity Period shall not extend the length of the Indemnity Period show in the Schedule or as varied by any Additional Benefit in this Cover Section; and
- (c) the Deferred Indemnity Period shall in no way alter, derogate or amend the coverage under this Cover Section.

OPTIONAL COVERS

We will provide the following Optional Covers when requested by You, when You pay any additional Premium required and when shown in the Schedule as applying. The Optional Covers when applying are subject to the provisions of the Policy.

1. Goodwill

Following Damage to any Building at the Situation We will pay, up to the sub-limit of liability shown in the Schedule for 'Goodwill', for the actual cost of goodwill incurred by You when purchasing a business in order to maintain Your Business activities.

Provided that:

- (a) We will only pay these goodwill costs when the Building that is damaged cannot or will not be repaired or rebuilt due to any refusal by any owner or lessor other than You to repair or rebuild and any restrictions imposed by any legal authority; and
- (b) the purchase of the business is incurred because You were unable to continue Your Business at the Situation as a result of the damage to the Buildings not being repaired; and
- (c) the cause of the damage to the Buildings would have been covered by the Property Damage Cover Section had that Building been insured under that Cover Section; and
- (d) the business that is purchased is similar to Your Business.

2. Specified customers and suppliers

We will pay for loss of Gross Profit or Weekly Revenue that results from an interruption to Your Business that is caused by damage that occurs in Australia to:

- (a) Specified suppliers

property at the premises of Your suppliers shown in the Schedule up to an amount calculated by applying the percentage shown in the Schedule to the Sum Insured for Gross Profit or Weekly Revenue;

- (b) Specified customers

property at the premises of Your customers shown in the Schedule up to an amount calculated by applying the percentage shown in the Schedule to the Sum Insured for Gross Profit or Weekly Revenue.

CONDITION APPLICABLE TO THIS COVER SECTION

The following condition applies to this Cover Section. If You do not comply with the following condition, We may refuse to pay a claim in whole or in part.

1. Books of account

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

THEFT COVER SECTION

INTRODUCTION

This Cover Section only forms part of Your Policy when Theft is shown in the Schedule and is limited to the Period of Cover indicated.

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

DEFINITIONS APPLICABLE TO THIS COVER SECTION

The following Definitions shall apply to this Cover Section only. If a word or expression has a special meaning, it begins with a capital letter.

Category or Categories

Category or Categories means the category into which property can be designated from the following:

- (a) all Contents including Stock;
- (b) all Contents excluding Stock;
- (c) Stock including goods for which You are responsible but excluding Cigarettes, Cigars and Tobacco;
- (d) Cigarettes, Cigars and Tobacco if they are Stock;
- (e) alcohol if it is Stock or Contents;
- (f) specified items listed in the Schedule which are Stock or Contents.

Cigarettes, Cigars and Tobacco

Cigarettes, Cigars and Tobacco means Cigarettes, Cigars and Tobacco used or sold by You in the Business.

COVER

Provided the Theft Cover Section is shown as insured in the Schedule, then subject to the provisions contained in the Policy, We will cover You for loss of or damage to Your Contents and Stock occurring during the Period of Cover at Your Situation caused by one or more of the following:

- (a) theft by any person who forcibly and violently enters or attempts to enter the Situation;
- (b) theft by any person unlawfully concealed at the Situation;
- (c) theft by any person who threatens or commits physical violence to You, Your Employees or other persons;
- (d) theft by armed hold-up at the Situation;
- (e) theft by any person who breaks into any locked cabinet and/or counter and/or showcase which is located at the Situation.

BASIS OF SETTLEMENT

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 Electronic Equipment or Contents:
 - (i) repair or replace the Electronic Equipment or Contents; or
 - (ii) pay You the cost of repair or replacement of the Electronic Equipment or Contents;
- (c) pay the Sum Insured for a specified item.

For each specific Category or Categories, We will not pay more than the Sum Insured shown in the Schedule for this Cover Section, except to the extent stated under the headings 'Extra Covers' and 'Additional Benefits'.

Excess

The Excess that applies is shown in the Schedule.

EXTRA COVERS

Subject to the provisions of the Policy, We will also pay or provide the Extra Covers set out below.

1. Damage to Business Situation

If You are the property owner, We will cover You for the cost to repair Your Property Insured caused by theft or attempted theft occurring during the Period of Cover.

Provided that the maximum amount We will pay for this Extra Cover is \$20,000 for any one Event. This limit is in addition to the Sum Insured.

2. Damage to rented Situation

If You are the tenant, We will cover You for damage to the Situation 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 occurring during the Period of Cover.

Provided that the maximum amount We will pay for this Extra Cover is \$20,000 for any one Event or the Sum Insured for this Extra Cover shown in the Schedule whichever is the greater. This limit is in addition to the Sum Insured.

3. Removal of debris

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

Provided that the maximum amount We will pay for this Extra Cover is \$5,000 for any one Event. This limit is in addition to the Sum Insured.

Any cover given under this Extra Cover shall not accumulate with any similar cover that may be given under the Money Cover Section.

4. Forensic investigation (Removal of debris)

We will pay the cost of removal of debris and of cleaning up any damage resulting from forensic investigation by police following theft or attempted theft of Property Insured.

Provided that the maximum amount We will pay for this Extra Cover is \$2,000 for any one Event. This limit is in addition to the Sum Insured.

Any cover given under this Extra Cover shall not accumulate with any similar cover that may be given under the Money Cover Section.

5. Seasonal Increase Period

We will automatically increase the Sum Insured in respect of Stock by fifty percent (50%) during the Seasonal Increase Period.

6. Temporary protection and security guards

We will pay for the reasonable and necessary costs of temporary protection and repairs and the employment of guards or watchman by You, for the safety and protection of the Situation pending repair of damage to the Building caused by a theft or attempted theft occurring during the Period of Cover.

Provided that the maximum amount We will pay for this Extra Cover is \$10,000 for any one Event. This limit is in addition to the Sum Insured.

Provided further that any cover given under this Extra Cover shall not accumulate with any similar cover that may be given under Extra Cover '5. Temporary protection and security guards' in the Money Cover Section of the Policy.

7. Metered water charges

We will pay the additional costs levied on You by a water company or authority for metered water usage arising from the theft of property or water at the Situation.

Provided that the maximum amount We will pay for this Extra Cover is \$10,000 for any one Event. This limit is in addition to the Sum Insured.

Any cover given under this Extra Cover shall not accumulate with any similar cover that may be given under the Property Damage Cover Section.

ADDITIONAL BENEFITS

Subject to the provisions contained in the Policy We will also provide the following Additional Benefits in this Cover Section.

1. Directors' and Employees' tools of trade and personal effects

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.

The maximum amount We will pay for this Additional Benefit is \$10,000 for any one Event. This limit is in addition to the Sum Insured.

2. Employee dishonesty

We will cover You for loss to Stock, Contents or Electronic Equipment as a direct result of Employee dishonesty during the Period of Cover which is discovered within forty-five (45) days of the Employee dishonesty occurring.

Provided that, 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 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 with Your connivance.

Provided that the maximum amount We will pay for this Additional Benefit is \$5,000 for any one Event. This limit is in addition to the Sum Insured.

Cover Section Exclusion '1.Theft by persons' does not apply to this Additional Benefit.

3. Death following assault

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

Provided that any cover under this Additional Benefit shall not accumulate with any similar cover that may be given under the Money Cover Section.

The limit contained in this Additional Benefit is in addition to the Sum Insured.

4. Illegal use of corporate financial transaction card

We will cover You for financial loss arising from the illegal use of financial transaction or credit cards by any unauthorised person if such loss is not covered by the issuer of the card. Provided that We will not cover any financial loss arising from the misuse or illegal use of financial transaction or credit cards by Your Employees or any other person acting in collusion with any of Your Employees.

The maximum amount We will pay for this Additional Benefit is \$5,000 for any one Event. This limit is in addition to the Sum Insured.

5. Illegal electronic funds transfer

If the Policy covers Contents and following entry into Your Situation arising from one of the events listed under the heading 'Cover', We will pay any financial loss sustained by You arising from the illegal electronic transfer of funds from Your bank account to a bank account not controlled by You.

We will not pay:

- (a) any financial loss arising from the misuse or illegal use of corporate credit cards or financial transaction cards by any of Your Employees or any other person acting in collusion with any of Your Employee or by any member of Your Family;
- (b) transfer of Money via electronic funds transfer which was enabled by:
 - (i) a key; or
 - (ii) use of details of a combination, code or password, that are left in the Building outside Business Hours.

Provided that the maximum amount We will pay for this Additional Benefit is \$5,000 for any one Event. This limit is in addition to the Sum Insured.

6. Replacement of locks and keys

We will pay the reasonable cost of replacing locks, keys, magnetic keys, cards or similar devices and combinations used in the Business if:

- (a) as a result of theft covered under this Cover Section, keys or combinations are stolen or there are reasonable grounds to believe that keys have been duplicated;

- (b) keys, magnetic keys or cards or similar devices are accidentally lost;
- (c) the sequence of numbers or letters become known by any unauthorised person or are accidentally lost;
- (d) circumstances have allowed the unauthorised duplication of keys, magnetic keys or cards or similar devices.

We will also pay the reasonable cost of:

- (a) opening Safes and Strongrooms because of the theft of or loss of keys or combinations during a theft;
- (b) replacing and developing security film exposed because of theft or attempted theft;
- (c) restoring the security system to its former functionality following a theft or attempted theft that is covered by this Cover Section.

The maximum amount We will pay for this Additional Benefit is \$10,000 for any one Event. This limit is in addition to the Sum Insured.

Provided that any cover given under this Additional Benefit '6. Replacement of locks and keys', shall not accumulate with any similar cover that may be given under Additional Benefits within the Money Cover Section.

7. Rewriting of documents

We will pay for any reasonable labour costs incurred in reproducing or making good Your business records if they are lost, stolen or damaged while located at Your Situation or offsite anywhere in Australia.

The maximum amount We will pay for this Additional Benefit \$25,000 during any one Period of Cover. This limit is in addition to the Sum Insured.

8. Temporary cover for new premises

We will provide cover as set out under 'Cover' above for loss or damage to Stock or Contents at any new premises which You first occupy during the Period of Cover provided that:

- (a) cover is limited to a period of ninety (90) consecutive days from the day that You first use the new premises;
- (b) cover is not available to property that cannot be correctly designated to one of the Categories that are shown as insured in the Schedule;
- (c) cover is only available to Contents or Stock that is of a similar type to that insured by this Cover Section;
- (d) for each specific Category of property shown in the Schedule cover is limited to fifty percent (50%) of the Sum Insured for that Category; or
- (e) if more than one Situation is shown in the Schedule then this fifty percent (50%) limitation will apply to the lowest Sum Insured that applies to the specific Category of property; and
- (f) the new premises have Building and security features that are similar to those at one of the Situations shown in the Schedule having the same occupation.

You must provide Us with full details of the new premises.

If We agree to cover Stock or Contents at the new premises beyond the ninety (90) consecutive day period, You must pay any additional Premium We ask for.

9. Temporary removal

We will cover Your Property Insured while temporarily removed to any other premises within Australia.

Provided that:

- (a) We will not cover Cigarettes, Cigars and Tobacco products or alcoholic beverages;
- (b) We will not cover Stock that is on consignment to other parties unless it is owned by You or is property for which You are responsible;

- (c) the maximum amount We will pay for this Additional Benefit will be twenty percent (20%) of the Sum Insured;
- (d) this Additional Benefit will not apply to any Property Insured, which has been removed for a period greater than ninety (90) days without Our prior written consent.

10. Theft of fixed external property

We will cover You for loss or damage as a result of theft or any attempt at theft occurring during the Period of Cover to Contents that are securely and permanently affixed (by means other than the connection to a power point) to the outside of the Building.

Provided that We will not pay more than:

- (a) \$25,000; or
- (b) the Contents Sum Insured shown in the Schedule;

whichever is the lesser during the Period of Cover. This limit is in addition to the Sum Insured.

Any cover given under this Additional Benefit '10. Theft of fixed external property' shall not accumulate with the cover given under Additional Benefit '12. Theft of Property Insured in the open air'.

11. Theft without forcible and violent entry (not property in the open air)

We will cover You for loss or damage occurring during the Period of Cover to Contents in the Building as a result of a theft where there are no signs of forcible and violent entry to or exit from the Building.

Provided that We will not cover:

- (a) theft or attempted theft from any open-sided structure such as, but not limited to, verandas or yards or other open spaces even if they are partially or fully enclosed;
- (b) loss as a result of unexplained disappearance, shoplifting, unexplained or inventory shortage, clerical or accounting errors or shortage in supply or delivery to or from the Business Situation.

The maximum amount We will pay for this Additional Benefit is \$20,000 or the amount shown in the Schedule, whichever is the greater, for any one Event. This limit is in addition to the Sum Insured.

12. Theft of Property Insured in the open air

We will cover You for theft without forcible and violent entry of Property Insured in the open air but within the legal boundaries of the Situation or contained in an unlocked Building.

We will not cover You for the theft of property in the open air unless the Situation after hours is fully enclosed by a locked cyclone fence with padlocks with a security rating under AS 4145.4 (or any subsequent amendment) of six (6) or above.

The maximum amount We will pay for this Additional Benefit is \$5,000 or the Sum Insured shown in the Schedule, whichever is the greater, for any one Event. This limit is in addition to the Sum Insured.

EXCLUSIONS APPLICABLE TO THIS COVER SECTION

The following exclusions apply to this Cover Section.

We will not cover:

1. Theft by persons

loss of or damage to property committed by:

- (a) You, Your directors, partners, Employees or any member of Your Family other than following forcible and violent entry by Your Employees or a member of Your Family;
- (b) any person or persons while lawfully at the Situation, excluding tradesmen, and the like, that are at the Situation for the purposes of making minor alterations or servicing equipment.

2. Property

loss of or damage to:

- (a) Money and negotiable instruments in excess of \$500;
- (b) jewellery, precious metals or stones, property made of gold or silver, bullion or furs exceeding \$10,000 any one loss and \$2,000 any one item unless these items form part of Your Stock;
- (c) Vehicles, unless they are:
 - (i) Stock; or
 - (ii) fork lift trucks and similar appliances that are used for hauling or conveying goods at the Situation;
- (d) live Animals unless they are insured as Stock; or
- (e) plants, shrubs, landscaping materials or growing crops, pastures or standing timber.

3. Glass

the breakage of Glass (including washbasins, sinks, toilet pans or cisterns, or the cost of replacing sign writing, ornamentation, reflective materials and burglar alarm tapes attached to broken Glass) unless it is Stock.

4. Open air

loss of or damage to Property Insured from any open space, whether fenced or unfenced, outside the walls of the Building except as expressly provided in the Additional Benefit '10. Theft of fixed external property' and Additional Benefit '12. Theft of Property Insured in the open air'.

5. Access

loss of or damage to Property Insured if entry is gained to the Building:

- (a) by use of a key or security code; or
- (b) through an unlocked door or window, except as provided for under:
 - (i) Additional Benefit '2. Employee dishonesty';
 - (ii) Additional Benefit '11. Theft without forcible and violent entry (not property in the open air)'; and
 - (iii) Additional Benefit '12. Theft of Property Insured in the open air'.

CONDITIONS APPLICABLE TO THE COVER SECTION

The following conditions apply to this Cover Section. If You do not comply with the following conditions, We may refuse to pay a claim in whole or in part.

1. 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 outside Business Hours.

2. Reinstatement

If We pay an amount for a claim under this Cover Section We will automatically reinstate the Sum Insured to the amount shown in the Schedule. You will not have to pay any additional Premium.

MONEY COVER SECTION

INTRODUCTION

This Cover Section only forms part of the Policy when Money is shown in the Schedule and is limited to the Period of Cover indicated.

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

DEFINITIONS APPLICABLE TO THIS COVER SECTION

The following Definitions shall apply to this Cover Section only. If a word or expression has a special meaning, it begins with a capital letter.

Financial Services Provider

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

In Custody

In Custody means Money 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 Money can be deposited in the bank.

In Transit

In Transit means Money in Your personal custody or in the custody of persons authorised by You whilst In Transit within Australia. Transit is deemed to commence when the Safe or Strongroom is unlocked for the removal and immediate transport of the Money from the Building. Money In Transit includes Money while contained in the night safe, night depository chute or Automatic Teller Machine of any Financial Services Provider. Our liability ceases at the time Your Financial Services Provider ceases trading on the next business day following the deposit therein.

Wages and salaries collected from the bank but not paid to Employees is 'In Transit' until it is physically in the control of Your Employees.

Money

For the purposes of this Cover Section only, Money has the meaning in the General Definitions Section and also includes funds held in electronic form in a bank account.

COVER

1. Blanket Cover

When Blanket Cover is shown in the Schedule, then subject to the provisions contained in the Policy We will cover You for loss of or damage to Money which occurs during the Period of Cover for all the Specified Covers described below, as if all of the Specified Covers were shown in the Schedule.

2. Specified Cover

When Specified Cover is shown in the Schedule, then subject to the provisions contained in the Policy We will cover You for loss of or damage to Money which occurs during the Period of Cover for the Specified Covers shown in the Schedule. The Specified Covers are:

- (a) Money In Transit;

- (b) Money in the Building during Business Hours;
- (c) Money in the Building at any time while contained in a locked Safe or Strongroom;
- (d) Money in the Building outside of Business Hours; or
- (e) Money In Custody.

BASIS OF SETTLEMENT

If the Schedule shows Blanket Cover, the maximum amount We will pay for loss of or damage to Money is the Sum Insured shown in the Schedule.

If the Schedule shows Specified Covers, the maximum amount We will pay, in respect of loss of or damage to:

- (a) Money In Transit is the Sum Insured shown in the Schedule for Money In Transit;
- (b) Money in the Building during Business Hours is the Sum Insured shown in the Schedule for Money in the Building during Business Hours. The maximum amount We will pay for Money in the Building during Business Hours is \$1,000, unless the Money is contained in (c) below;
- (c) Money in the Building at any time while contained in a locked Safe or Strongroom is the Sum Insured shown in the Schedule for Money in the Building at any time while contained in a locked Safe or Strongroom; or
- (d) Money in the Building outside of Business Hours is the Sum Insured shown in the Schedule for Money in the Building outside of Business Hours; or
- (e) Money In Custody is the Sum Insured shown in the Schedule for Money In Custody.

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 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 destruction of the securities; or
 - (iii) 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.

Excess

The Excess that applies is shown in the Schedule.

EXTRA COVERS

If We agree to pay a claim under this Cover Section for loss of or damage to Money, We will also pay or provide these Extra Covers set out below.

Any amounts payable under these Extra Covers apply in addition to the Sum Insured.

1. Reinstatement of Sum Insured

When a Sum Insured is reduced following a loss We will automatically increase this reduced Sum Insured to its value immediately before the loss.

However:

- (a) the maximum amount We will pay during the Period of Cover is limited to twice the Sum Insured; and
- (b) You pay or agree to pay any additional Premium We require.

2. Seasonal Increase Period

We will automatically increase the Sum Insured in respect of Money by fifty percent (50%) during the Seasonal Increase Period.

3. Removal of debris

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

Provided that the maximum amount We will pay for this Extra Cover is \$2,000 for any one Event.

Provided further that any cover given under this Extra Cover shall not accumulate with any similar cover that may be given under the Theft Cover Section.

4. Forensic investigation

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

Provided that the maximum amount We will pay for this Extra Cover is \$2,000 for any one Event.

Provided further that any cover given under this Extra Cover shall not accumulate with any similar cover that may be given under the Theft Cover Section.

5. Temporary protection and security guards

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 Situation as a result of theft or attempted theft of Money occurring during the Period of Cover and that is covered under this Cover Section.

Provided that the maximum amount We will pay for this Extra Cover is \$10,000 for any one Event.

Provided further that any cover given under this Extra Cover '5. Temporary protection and security guards' shall not accumulate with any similar cover that may be given under Extra Cover '6. Temporary protection and security guards' within the Theft Cover Section.

ADDITIONAL BENEFITS

Subject to the provisions of the Policy, We also provide the following Additional Benefits in this Cover Section.

Unless stated otherwise below, any amounts payable under these Additional Benefits apply in addition to the Sum Insured.

1. Bank and public holidays extension

The Sum Insured for Money is automatically increased by one hundred percent (100%) or \$75,000 whichever is the lesser on days that are gazetted bank or public holidays. This increase shall apply up until bank closing time on the next business day after such holiday.

This Additional Benefit does not apply to Safes or Strongrooms and to Extra Cover '2. Seasonal Increase Period'.

2. Counterfeit currency

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

3. Directors' and Employees' personal effects

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 Cover Section.

Provided that the maximum amount We will pay is \$5,000 for any one person's clothes or personal effects, and \$10,000 for any one Event.

Provided further that any cover given under this Additional Benefit shall not accumulate with any similar cover that may be given under the Theft Cover Section.

4. Employee dishonesty

We will cover You for loss of Money as a direct result of Employee dishonesty during the Period of Cover if discovered within forty-five (45) days of the Employee dishonesty occurring.

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 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.

Provided that the maximum amount We will pay for this Additional Benefit is \$5,000 for any one Event.

Provided further that any cover given under this Additional Benefit shall not accumulate with any similar cover that may be given under the Theft Cover Section.

5. Death following assault

If any director, Employee, officer or business partner sustains a fatal injury and:

- (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 Cover; and

(b) the death occurs within twelve (12) months of the assault;

We will pay \$10,000 to the estate of each person.

Provided that any cover given under this Additional Benefit shall not accumulate with any similar cover that may be given under the Theft Cover Section.

6. Illegal use of financial transaction or credit cards

We will cover You for financial loss arising from the illegal use of financial transaction or credit cards by any unauthorised person if such loss is not covered by the issuer of the card. We will not cover any financial loss arising from the misuse or illegal use of financial transaction cards by Your Employees or any other person acting in collusion with Your Employees.

Provided that the maximum amount We will pay for this Additional Benefit is \$5,000 for any one Event.

Provided further that any cover given under this Additional Benefit shall not accumulate with the benefits payable for Additional Benefit '4. Illegal use of corporate financial transaction card' under the Theft Cover Section.

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

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

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

Provided that the maximum amount We will pay for this Additional Benefit is \$10,000 for any one Event.

8. Replacement of locks and keys

We will pay the reasonable cost of replacing locks, keys, magnetic keys or cards or similar devices or to change the sequence of numbers or letters used in a Safe or Strongroom during the Period of Cover if:

- (a) as a result of theft of Money covered under this Cover Section, keys or combinations are stolen, or if there are reasonable grounds to believe that keys have been duplicated;
- (b) keys, magnetic keys or cards or similar devices are accidentally lost;
- (c) the sequence of numbers or letters become known by any unauthorised person or are accidentally lost;
- (d) circumstances have allowed the unauthorised duplication of keys, magnetic keys or cards or similar devices.

We will also pay the reasonable cost of:

- (a) opening Safes or Strongrooms because of the theft of keys or combinations during a theft of Money covered under this Cover Section;
- (b) developing images stored on Media from security camera following a theft or attempted theft of Money covered under this Cover Section.

Provided that the maximum amount We will pay for this Additional Benefit is \$10,000 for any one Event.

Provided further that any cover given under this Additional Benefit '8. Replacement of locks and keys', shall not accumulate with any similar cover that may be given under Additional Benefit '6. Replacement of locks and keys' within the Theft Cover Section.

9. Temporary cover for new premises

We will provide cover as set out in the Cover clause above to include Money at, or In Transit to or from any new premises occupied by You after the commencement of the Period of Cover, within Australia, for sixty (60) days from first being used by You (unless the Period of Cover or Your occupancy of such premises ends sooner, whichever shall first occur), but the cover is limited to:

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

Our maximum liability under this Additional Benefit is limited to twenty percent (20%) of the Sum Insured shown in the Schedule in relation to each item of Money covered under this Cover Section.

Full details of such additional premises are to be supplied to Us within sixty (60) days of Your commencement to use the premises. If We agree to cover Money at the additional premises beyond this sixty (60) day period, We may require payment of an additional Premium.

10. Traveller's Money

We will pay You for loss of Money in Your custody, or in the custody of Your Employee, while You are travelling for Your Business anywhere in the world.

Provided that the maximum amount We will pay for this Additional Benefit is \$10,000 for any one Event.

EXCLUSIONS APPLICABLE TO THIS COVER SECTION

The following exclusions apply to this Cover Section.

We will not cover:

1. ATMs

loss of or damage to Money that does not belong to You in or from an Automatic Teller Machine.

2. Consequential Loss

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

3. Key or combination in Building

loss of or damage of 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.

4. Loss outside the Commonwealth of Australia

loss of or damage to Money occurring outside Australia except as provided under Additional Benefit '10. Traveller's Money'.

5. Missing Money

loss of or damage to Money:

- (a) due to shortages resulting from clerical or accounting errors, 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 other than as covered by Additional Benefit '4. Employee dishonesty'; or
- (c) by any fraudulent or dishonest acts committed by You, Your Family members or any of Your Employees acting alone or in collusion with others other than as covered by Additional Benefit '4. Employee dishonesty'.

6. Professional carrier

loss of or damage to Money while professional Money carriers, professional carriers or common carriers are carrying it.

7. Unattended

loss of or damage to Money in or from an unattended Vehicle that is not locked.

MACHINERY BREAKDOWN COVER SECTION

INTRODUCTION

This Cover Section only forms part of the Policy when Machinery Breakdown is shown in the Schedule and is limited to the Period of Cover indicated.

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

DEFINITIONS APPLICABLE TO THIS COVER SECTION

The following Definitions shall apply to this Cover Section only. If a word or expression has a special meaning, it begins with a capital letter.

Boilers and Pressure Plant and Pressure Pipe Systems

Boilers and Pressure Plant and Pressure Pipe Systems means the permanent structure of Machinery which is subject to internal steam, gas or fluid pressure (other than atmospheric pressure) including all direct attachments connected to the permanent structure and includes with respect to boilers the rotating, reciprocating or electrical apparatus attached to them.

Breakdown

Breakdown means a sudden and accidental failure of Machinery resulting in physical damage to the equipment which requires the repair or replacement of the equipment or a part of the equipment.

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.

Expendable Items

Expendable Items means:

- (a) electrical and electronic glass bulbs, tubes, x-ray tubes, contacts, fuses and heating elements;
- (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

Hazardous Substance means:

- (a) any Pollutant, contaminant or other substance declared by a government authority to be hazardous to health or the environment; or
- (b) any mould, yeast, Fungus or mildew including any spores or toxins created or produced by or emanating from such mould, yeast, Fungus or mildew, whether or not allergenic, pathogenic or toxigenic.

Machinery

Machinery means any of the following equipment provided it is owned, leased, operated or controlled by You and used in Your Business:

- (a) any boiler, fired or unfired pressure vessel normally subject to vacuum or internal pressure (other than static pressure of contents) any refrigerating or air conditioning vessels and piping or any other piping and its accessory equipment, but not including:
 - (i) any boiler foundation, any refractory or insulating material;
 - (ii) any part of a boiler or fired pressure vessel that does not contain steam or water; or
 - (iii) any buried piping, any drainage piping, any sprinkler piping and its accessory equipment;
- (b) any mechanical or electrical equipment that generates, transmits or utilises mechanical or electrical power, but not including:
 - (i) any Vehicle, or mobile equipment;
 - (ii) any Watercraft or Aircraft; or
 - (iii) any elevator or escalator.

COVER

Provided the Machinery Cover Section is shown as insured in the Schedule, then subject to the provisions of the Policy, We will cover You up to the Sum Insured shown in the Schedule for:

- (a) Breakdown of Machinery which occurs at the Situation; and
 - (b) direct loss of or damage to other Property Insured as a result of that Breakdown;
- provided that the Breakdown of Machinery occurs during the Period of Cover.

BASIS OF SETTLEMENT

If We agree to pay a claim for Breakdown of Machinery, 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 Situation 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, which is greater than the cost of repairing or replacing the entire piece of such Machinery.

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.

In the event of Breakdown We will at Our option pay to You, up to the Sum Insured less the applicable Excess, the reasonable cost of repair or replacement necessary to return the Machinery to their former state of operation including:

- (a) cost of dismantling, re-erection, cleaning up and removal of debris;
- (b) replacement of refrigerant or lubricating or insulating oil lost from Machinery as a direct result of Breakdown;
- (c) charges for overtime work on public holidays where necessarily and reasonably incurred;
- (d) freight within Australia by any recognised scheduled service;
- (e) overseas air freight by any recognised scheduled service and/or overseas labour;
- (f) the cost of temporary repairs and/or hire of a temporary replacement item during the time taken to repair damage to any Property Insured;
- (g) any customs duties and dues.

Provided that the total of all of these extra costs in Clauses (c), (d), (e) and (f) are limited to fifty percent (50%) of the normal cost of repair payable under this part and shall be payable in addition to the Sum Insured.

Where You incur extra expense, in complying with the requirements of any Act of Parliament or Regulation made thereunder or any By-law or Regulation of any Municipal or other Statutory Authority, in the course of effecting repair or replacement of the Machinery, We will indemnify You for such extra expense.

Provided that the amount so recoverable hereunder shall not include the additional cost in complying with any such Act, Regulation, By-law or requirement with which You had been required to comply prior to the Breakdown.

All Machinery which can be repaired must be repaired. However should the item be uneconomical to repair due solely to the nature of the Breakdown, settlement will be as follows:

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

We shall not be required to replace the Machinery exactly, but only as circumstances permit.

Where component's or manufacturer's specifications are no longer available due to obsolescence, the basis of settlement will be the cost which would have been incurred if the components or specifications had still been available.

Provided that the maximum amount We will pay is the Sum Insured shown in the Schedule for any one Event.

Excess

You must pay the amount of any Excess shown in the Schedule. The Excess applies to each and every claim made under this Cover Section.

EXTRA COVERS

If We agree to pay a claim under this Cover Section for Breakdown of Machinery, We will also pay or provide the Extra Covers set out below.

Any amounts payable under these Extra Covers apply in addition to the Sum Insured, unless otherwise indicated below.

1. Hazardous Substances

If a Hazardous Substance is involved in or released by a Breakdown of Machinery, We cover You for the increase in cost to repair, replace, clean up or dispose of, damaged Property Insured.

Provided that the maximum amount We will pay for this Extra Cover is \$25,000 for each claim.

2. Inflation protection

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

3. Repair costs

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

4. Increase in cost of working

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

Provided that:

- (a) these costs are additional to Your normal operating costs;
- (b) these costs are incurred because of an interruption of Your normal operations that directly results from Breakdown of Machinery that is covered by this Cover Section;
- (c) You receive Our prior written approval to incur these costs;
- (d) the maximum amount We will pay for this Extra Cover is \$2,500 for each claim; and
- (e) We will not pay for any costs that are incurred during the first forty-eight (48) hours following the Breakdown of Machinery.

ADDITIONAL BENEFIT

Subject to the provisions of the Policy, We will also provide the following Additional Benefit in this Cover Section.

1. Additional items

If You hire or purchase and commission at the Situation any items similar to items already insured under this Cover Section, We will consider these items to be added to the insurance by this Cover Section, giving the same cover as for similar items already insured.

Provided that:

- (a) cover for additional items shall not exceed the total Sum Insured for the items already insured under this Cover Section;
- (b) You give Us written notice within ninety (90) days of the hire or purchase and commissioning of the items and pay the appropriate extra Premium on a pro rata basis together with any applicable statutory charges;
- (c) the items are as far as You are aware, suitable for service, free from material defect and in sound working condition;
- (d) the items shall not be insured until successfully commissioned and all relevant statutory provisions for inspections and certification have been fulfilled;
- (e) the limits and Excess as shown in the Schedule shall be the same as for similar items already insured.

OPTIONAL COVER

We will provide the following Optional Cover when requested by You, when You pay any additional Premium required and when shown in the Schedule as applying. The Optional Cover, when applying, is subject to the provisions of the Policy.

Deterioration of Stock

Cover

Provided that 'Deterioration of Stock' is shown as insured in the Schedule then We will cover You up to the Sum Insured shown in the Schedule for loss of perishable Stock that spoils during the Period of Cover due to a change in temperature of the refrigeration or freezer unit as a result of:

- (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 this Cover Section for the Breakdown of such Machinery;
- (b) malfunctioning or failure of the thermostats, controls, fuses, circuit breakers or overload devices which are owned by You and are protecting a refrigeration chamber, but not including loss or damage due to the manual operation or setting of switches;
- (c) contamination of the refrigerated Stock by leakage of refrigerant;
- (d) sudden and unforeseen failure of the public power supply;
- (e) accidental failure of supply services which directly affects the refrigeration or freezer unit;
- (f) 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
- (g) sudden leakage of refrigerant from the Machinery or pressure pipe systems.

Basis of Settlement

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 refrigerated Stock by any of the Defined events specified above, We will also pay the reasonable costs incurred by You to prevent or minimise the loss of or damage to refrigerated Stock.

We will not pay more than the Sum Insured shown in the Schedule for this Optional Cover, except as provided under Extra Cover '2. Seasonal Increase Period' shown below.

Extra Covers

If We agree to pay a claim under this Optional Cover – Deterioration of Stock, We will also pay or provide the Extra Covers set out below.

1. Loss minimisation

If deterioration occurs or is likely to occur to such Stock by any of the above causes, We will pay any reasonable expenses incurred by You to prevent or minimise the loss of refrigerated Stock.

2. Seasonal Increase Period

We will automatically increase the Sum Insured in respect of Stock by fifty percent (50%) during the Seasonal Increase Period.

Exclusions

In addition to the exclusions for this Cover Section, We will not pay for:

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

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.

EXCLUSIONS APPLICABLE TO THIS COVER SECTION

The following exclusions apply to this Cover Section.

We will not cover:

1. the cost of repair or replacement of Expendable Items other than Expendable Items which are necessary for the repair.
2. 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.
3. the cost of:
 - (a) carrying out of normal maintenance, such as the tightening of loose parts, recalibration or adjustments;
 - (b) alteration, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or at a separate operation;
 - (c) modification or alteration of insured plant to enable replacement or repair, caused by gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);
 - (d) replacement of lighting equipment, reticulated electrical wiring, reticulated liquid and gas piping and ducting;
 - (e) repair of scratches, chipping or discolouration to painted or polished surfaces, unless resulting from insured damage;
 - (f) repair of a slowly developing deformation, distortion or fatigue of any part;

- (g) repair of blisters, laminations, flaws or grooving even when accompanied by leakage;
 - (h) repairs to valves, fittings, glands, joints, gaskets, pipes, lines and connections which are defective or leaking;
 - (i) repairs to shaft keys requiring tightening, fitting or renewal;
 - (j) damage caused by the movement of foundations, masonry or brick work unless this results from Breakdown of any Machinery or any part of Machinery; or
 - (k) removal or installation of underground pumps and well casings. Unless specifically noted in the Schedule, this exclusion does not apply to submersible pumps.
4. Breakdown of Machinery which You knew or reasonably should have known to be defective before the Breakdown occurred.
 5. any loss of use or Consequential Loss of any kind.
 6. loss or damage caused by or arising out of:
 - (a) earthquake, landslide, mud flow, subsidence, subterranean fire, or volcanic eruption;
 - (b) cyclone, storm, hail, lightning, thunder, wind, rainwater;
 - (c) the sea, including tidal wave, tsunami, storm surge or high-water;
 - (d) fire, smoke or soot;
 - (e) water seeping or percolating the Building from outside;
 - (f) water, liquids or substances discharged or other means used to extinguish a fire;
 - (g) vandalism or malicious damage;
 - (h) Flood;
 - (i) asbestos.
 7. Breakdown, loss of or damage caused by explosion, 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.
 8. Breakdown, loss of or damage caused during the course of maintenance, inspection, repair, alteration, modification or overhaul.
 9. Breakdown, loss of or damage caused during installation, erection or relocation.
 10. damage to foundations, brickwork, and refractory materials other than as a result of Breakdown.
 11. Breakdown, loss of or damage arising out of plant being subjected to tests involving abnormal stresses or arising out of plant being deliberately overloaded. The checking of the correct working of any insured item or of its safety installations is not considered to be testing or overloading within the context of this exclusion.
 12. Breakdown, loss of or damage caused by a deliberate act, neglect or omission on Your part.
 13. Breakdown, loss of or damage for which the manufacturer or supplier or other parties are responsible under a maintenance or warranty agreement provided that We shall be liable for Breakdown insured by this Cover Section and not recoverable under such maintenance agreement or warranty by reason of a specific exclusion contained therein or by reason of any dispute concerning the interpretation of that agreement or warranty (as the case may be).

14. the cost of alterations, improvements or overhauls unless it is required for the repair or replacement.
15. the costs associated with modifying the Machinery so that it operates with a more ozone friendly refrigerant gas as required by the United Nations Environment Programme ('UNEP').
16. Breakdown, loss or damage as a result of dual lifting.
17. Breakdown of Machinery which is useless or obsolete to Your Business.
18. loss or damage caused by or arising out of pollution, contamination or a Hazardous Substance, however caused, except as provided for in Extra Cover '1. Hazardous Substances'.

CONDITIONS APPLICABLE TO THIS COVER SECTION

The following conditions apply to this Cover Section. If You do not comply with the following conditions, We may refuse to pay a claim in whole or in part.

1. Adherence to statutory requirements

If any Machinery must be licensed under statutory obligations, by-laws, regulations, public authority requirements or safety requirements, You must obtain any licences as required and use the Machinery as specified in the licence.

2. Inspection

We or Our authorised representatives have the right to conduct inspections of Machinery at any reasonable time.

Neither this right to conduct inspections nor making them is an undertaking to You or others that the insured equipment is safe and not hazardous or injurious to health.

3. Obligation to prevent loss

If We or Our authorised representative discover Machinery 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 thirty (30) days of receiving the direction, We may refuse to pay a claim and cancel the Policy.

4. One Breakdown

If either:

- (a) a Breakdown of Machinery causes the Breakdown of other Property Insured; 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 relevant Sum Insured and any other limit or sub-limit in this Cover Section.

ELECTRONIC EQUIPMENT BREAKDOWN COVER SECTION

INTRODUCTION

This Cover Section only forms part of the Policy when Electronic Equipment Breakdown is shown in the Schedule and is limited to the Period of Cover indicated.

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

DEFINITIONS APPLICABLE TO THIS COVER SECTION

The following Definitions shall apply to this Cover Section only. If a word or expression has a special meaning, it begins with a capital letter.

Breakdown

Breakdown means a sudden and accidental failure of Electronic Equipment resulting in physical damage to the equipment which requires the repair or replacement of the equipment or a part of the equipment.

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.

Expendable Items

Expendable Items means:

- (a) electrical and electronic glass bulbs, tubes, x-ray tubes, contacts, fuses and heating elements;
- (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

Hazardous Substance means:

- (a) any Pollutant, contaminant or other substance declared by a government authority to be hazardous to health or the environment; or
- (b) any mould, yeast, Fungus or mildew including any spores or toxins created or produced by or emanating from such mould, yeast, Fungus or mildew, whether or not allergenic, pathogenic or toxigenic.

COVER

We will cover You up to the Sum Insured shown in the Schedule for Breakdown of Electronic Equipment which occurs at the Situation provided that the Breakdown of Electronic Equipment occurs during the Period of Cover.

BASIS OF SETTLEMENT

If We agree to pay a claim for Breakdown of Property Insured, 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 Situation 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 Electronic Equipment which is greater than the cost of repairing or replacing the entire piece of such 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 component or part of Electronic Equipment, We will not pay more than the cost of repairing or replacing that component or part plus the cost of dismantling and erecting Electronic Equipment.

1. In the event of Breakdown We will at Our option pay to You, up to the Sum Insured less the applicable Excess, the reasonable cost of repair or replacement necessary to return the Electronic Equipment to their former state of operation including:
 - (a) cost of dismantling, re-erection, cleaning up and removal of debris;
 - (b) charges for overtime work on public holidays where necessarily and reasonably incurred;
 - (c) freight within Australia by any recognised scheduled service;
 - (d) overseas air freight by any recognised scheduled service and/or overseas labour;
 - (e) the cost of temporary repairs and/or hire of a temporary replacement item during the time taken to repair damage to any Property Insured;
 - (f) any customs duties and dues.

Provided that the total of all of these extra costs in Clauses 1(b), 1(c), 1(d) and 1(e) are limited to fifty percent (50%) of the normal cost of repair payable under this part and shall be payable in addition to the Sum Insured.

Where You incur extra expense, in complying with the requirements of any Act of Parliament or Regulation made thereunder or any By-Law or Regulation of any Municipal or other Statutory Authority, in the course of effecting repair or replacement of the Electronic Equipment, We will indemnify You for such extra expense.

Provided that the amount so recoverable hereunder shall not include the additional cost in complying with any such Act, Regulation, By-law or requirement with which You had been required to comply prior to the Breakdown.

All Electronic Equipment which can be repaired must be repaired. However should the item be uneconomical to repair due solely to the nature of the Breakdown, settlement will be as follows:

- (a) the cost of replacement of the Electronic Equipment by an item of similar function, type, capacity and quality in a condition equal to, but not better than, the condition of the Electronic Equipment when new; or
 - (b) the Sum Insured for the Electronic Equipment.
2. We shall not be required to replace the Electronic Equipment exactly, but only as circumstances permit.
 3. Where component's or manufacturer's specifications are no longer available due to obsolescence, the basis of settlement will be the cost which would have been incurred if the components or specifications had still been available.

The maximum We will pay is the Sum Insured for any one Event shown in the Schedule.

EXTRA COVERS

If We agree to pay a claim under this Cover Section for Breakdown of Electronic Equipment, We will also pay or provide the Extra Covers set out below.

Any amounts payable under these Extra Covers apply in addition to the Sum Insured unless otherwise indicated below.

1. Hazardous Substances

If a Hazardous Substance is involved in or released by a Breakdown of the Electronic Equipment, We cover You for the increase in cost to repair, replace, clean up or dispose of, damaged Property Insured.

Provided that the maximum amount We will pay under this Extra Cover is \$25,000 for each claim.

2. Inflation protection

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

3. Repair costs

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

ADDITIONAL BENEFITS

Subject to the provisions of the Policy, We will also provide the following Additional Benefits in this Cover Section.

1. Additional items

If You hire or purchase and commission at the Situation any items similar to items already insured under this Cover Section, We will consider these items to be added to the insurance by this Cover Section, giving the same cover as for similar items already insured.

Provided that:

- (a) cover for additional items shall not exceed the total Sum Insured for the Property Insured under this Cover Section;
- (b) You give Us written notice within ninety (90) days of the hire or purchase and commissioning of the items and pay the appropriate extra Premium on a pro rata basis together with any applicable statutory charges;
- (c) the items are as far as You are aware, suitable for service, free from material defect and in sound working condition;

- (d) the items shall not be insured until successfully commissioned and all relevant statutory provisions for inspections and certification have been fulfilled;
- (e) the limits and Excess as shown in the Schedule shall be the same as for similar items already insured.

2. Electronic Equipment away from the Situation

Cover is extended to:

- (a) loss or damage occurring during the Period of Cover to laptop computers, notebooks, or mobile electronic equipment away from the Situation;
- (b) Breakdown of Your laptop computer equipment or mobile electronic equipment anywhere in Australia and the laptop computer equipment or mobile electronic equipment is specified in the Schedule under Property Insured within this Cover Section.

3. Restoration of computer data

We will cover You for the costs of restoring Electronic Data stored on Media if:

- (a) We have agreed to pay a claim under this Cover Section for repair or replacement of the Computer Equipment;
- (b) the Electronic Data is lost or distorted during the Period of Cover as a direct result of the Breakdown covered under this Cover Section; and
- (c) the Media which contains the Electronic Data is at the Situation, is at a location away from the Situation where copies of Media are stored, is temporarily at an alternative location for processing purposes or is in transit between any of these locations.

We will not cover You for:

- (a) loss or distortion of Electronic Data due to defects in the Media;
- (b) any Consequential Loss;
- (c) restoration of Electronic Data other than that which is lost or distorted after the most recent functional back-up;
- (d) expenses or costs incurred in connection with the loss or distortion of Electronic Data if they are not incurred within twelve (12) months of the Breakdown;
- (e) loss or damage of, or distortion to, Electronic Data caused by a Computer Virus;
- (f) loss or damage of, or distortion to, Electronic 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 Electronic Data;
 - (ii) any error in creating, amending, entering, deleting or using Electronic Data;
 - (iii) the inability to receive, transmit or use Electronic 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 this Cover Section.

If We agree to pay a claim, We will pay the costs incurred in restoring the lost or distorted Electronic Data in a condition equivalent to that existing prior to the Breakdown. Electronic 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.

Provided that the maximum amount We will pay for this Additional Benefit is \$15,000 for each Event.

4. Computers – increased costs

We will cover You for 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 Electronic Equipment Breakdown Cover Section.

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 Electronic Equipment Breakdown Cover Section for repair or replacement of Computer Equipment;
- (b) the increased costs of working occur during the Period of Cover and are a direct result of the Breakdown covered under Electronic Equipment Breakdown Cover Section; and
- (c) We agree in advance to pay the increased costs.

Provided that We will not cover You for:

- (a) costs incurred in respect of the first two (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 ninety (90) days or the number of days shown in the Schedule from the date of loss or damage or Breakdown;
- (f) expenses that are incurred in the replacement of the Media;
- (g) the cost of reinstating the Electronic Data contained on the Media.

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.

Provided that the maximum amount We will pay for this Additional Benefit is \$15,000 for each claim.

LIMITATIONS OF COVER

1. Depreciation

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 ten percent (10%) per annum for each Year from the date of manufacture, subject to a maximum reduction of eighty percent (80%) of the installed current replacement cost.

2. Excess

You must pay the amount of any Excess shown in the Schedule. The Excess applies to each and every claim made under this Cover Section.

EXCLUSIONS APPLICABLE TO THIS COVER SECTION

The following exclusions apply to this Cover Section.

We will not cover:

1. the cost of repair or replacement of Expendable Items other than Expendable Items which are necessary for the repair.
2. 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.
3. the cost of:
 - (a) carrying out of normal maintenance, such as the tightening of loose parts, recalibration or adjustments;
 - (b) alteration, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or at a separate operation;
 - (c) modification or alteration of insured plant to enable replacement or repair, caused by gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);
 - (d) replacement of lighting equipment, reticulated electrical wiring, reticulated liquid and gas piping and ducting;
 - (e) repair of scratches, chipping or discolouration to painted or polished surfaces, unless resulting from insured damage;
 - (f) repair of a slowly developing deformation, distortion or fatigue of any part;
 - (g) damage caused by the movement of foundations, masonry or brick work unless this results from Breakdown of any Electronic Equipment or any part of Electronic Equipment.
4. Breakdown of Electronic Equipment which You knew or reasonably should have known to be defective before the Breakdown occurred.
5. any loss of use or Consequential Loss of any kind.
6. loss or damage caused by or arising out of:
 - (a) earthquake, landslide, mud flow, subsidence, subterranean fire, or volcanic eruption;
 - (b) cyclone, storm, hail, lightning, thunder, wind, rainwater;
 - (c) the sea, including tidal wave, tsunami, storm surge or high-water;
 - (d) fire, smoke or soot;
 - (e) water seeping or percolating the Building from outside;
 - (f) water, liquids or substances discharged or other means used to extinguish a fire;
 - (g) vandalism or malicious damage;
 - (h) Flood;
 - (i) asbestos.

7. Breakdown, loss or damage caused by explosion.
8. Breakdown, loss or damage caused during the course of maintenance, inspection, repair, alteration, modification or overhaul.
9. Breakdown, loss or damage caused during installation, erection or relocation.
10. damage to foundations, brickwork, and refractory materials other than as a result of Breakdown.
11. Breakdown, loss or damage arising out of plant being subjected to tests involving abnormal stresses or arising out of plant being deliberately overloaded. The checking of the correct working of any insured item or of its safety installations is not considered to be testing or overloading within the context of this exclusion.
12. Breakdown, loss or damage caused by a deliberate act, neglect or omission on Your part.
13. Breakdown, loss or damage for which the manufacturer or supplier or other parties are responsible under a maintenance or warranty agreement provided that We shall be liable for Breakdown insured by this Cover Section and not recoverable under such maintenance agreement or warranty by reason of a specific exclusion contained therein or by reason of any dispute concerning the interpretation of that agreement or warranty (as the case may be).
14. the cost of alterations, improvements or overhauls unless it is required for the repair or replacement.
15. Breakdown, loss or damage as a result of dual lifting.
16. Breakdown of Electronic Equipment which is useless or obsolete to Your Business.
17. loss or damage caused by or arising out of pollution, contamination or a Hazardous Substance, however caused, except as provided for in Extra Cover '1. Hazardous Substances'.

CONDITIONS APPLICABLE TO THIS COVER SECTION

The following conditions apply to this Cover Section. If You do not comply with the following conditions, We may refuse to pay a claim in whole or in part.

1. Adherence to statutory requirements

If any Electronic Equipment must be licensed under statutory obligations, by-laws, regulations, public authority requirements or safety requirements, You must obtain any licences as required and use the Electronic Equipment as specified in the licence.

2. Inspection

We or Our authorised representatives have the right to conduct inspections of Electronic Equipment at any reasonable time. Neither this right to make inspections nor making them is an undertaking to You or others that the insured equipment is safe and not hazardous or injurious to health.

3. Obligation to prevent loss

If We or Our authorised representative discover 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 thirty (30) days of receiving the direction, We may refuse to pay a claim and cancel the Policy.

4. One Breakdown

If either:

- (a) a Breakdown of Electronic Equipment causes the Breakdown of other Property Insured; 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 relevant Sum Insured and any other limit or sub-limit in this Cover Section.

PUBLIC AND PRODUCTS LIABILITY COVER SECTION

INTRODUCTION

This Cover Section only forms part of the Policy when Public and Products Liability is shown in the Schedule and is limited to the Period of Cover indicated.

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

DEFINITIONS APPLICABLE TO THIS COVER SECTION

The following Definitions shall apply to this Cover Section only. If a word or expression has a special meaning, it begins with a capital letter.

Advertising Injury

Advertising Injury means injury arising out of:

- (a) defamation; or
- (b) any breach of the misleading or deceptive conduct provisions of the *Competition and Consumer Act 2010* (Cth) or Schedule 2 to the *Competition and Consumer Act 2010* (Cth) (the Australian Consumer Law) or any Fair Trading or similar legislation of any country, state or territory; or
- (c) any infringement of copyright or passing off of title or slogan; or
- (d) unfair competition, piracy, misappropriation of advertising ideas style of doing business; or
- (e) an invasion of privacy;

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

Business

Business for the purpose of this Cover Section only, means the Business as described in the Schedule (or as further described in any more specific underwriting information or Proposal provided to Us at the time when this insurance was proposed to Us or at the time of any renewal of this Policy) and shall also include:

- (a) the ownership of Situation and/or the tenancy thereof by You;
- (b) participation in any exhibition by You or on Your behalf;
- (c) the hire or loan of plant and/or equipment to other parties;
- (d) conducted tours of Your Situation;
- (e) the provision of any sponsorships, charities, galas, first aid, medical, ambulance or fire fighting service by You or on Your behalf;
- (f) private work undertaken by Your Employees for any of Your directors, partners, proprietors, officers or executives;
- (g) the provision of any canteen, social and/or sporting clubs or welfare and/or child care facilities by You or on Your behalf, which are primarily for the benefit of Your Employees.

Compensation

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

Employment Practices

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

Excess

Excess for the purpose of this Cover Section only, means the first amount of each claim or series of claims, arising out of any one Occurrence, for which You are responsible. The Excess applicable to this Cover Section appears in the Schedule.

The Excess applies to all amounts for which We will be liable, including the indemnity provided for defence costs and supplementary payments.

General Liability

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

Geographical Limits

Geographical Limits means:

- (a) anywhere in the world except North America;
- (b) North America but only with respect to:
 - (i) overseas Business visits by any of Your directors, partners, officers, executives or Employees, who are non-resident in North America but not where they perform manual work in North America; and
 - (ii) Products exported to North America without Your knowledge.

Incidental Contracts

Incidental Contracts means:

- (a) any written rental agreement and/or lease of real and/or personal property other than with respect to any term or condition contained in such rental, lease and/or hiring agreement that requires You to insure such property;
- (b) any written contract with any authority or entity responsible for the supply of electricity, fuel, gas, natural gas, air, steam, water, sewerage reticulation control systems, waste disposal facilities, telephone and communication services or other essential services, except those contracts in connection with work performed by You or on Your behalf for such authorities or entities;
- (c) any written contract with any railway authority for the loading, unloading and/or transport of Products, including contracts relating to the operation of railway sidings;
- (d) those contracts designated in the Schedule.

Limit of Liability

Limit of Liability means the limits specified in the Schedule.

Medical Persons

Medical Persons includes but is not limited to medical practitioners, medical nurses, dentists and first aid attendants.

Named Insured

Named Insured means:

- (a) the person(s), corporations and/or other organisations specified in the Schedule;
- (b) all existing Subsidiary and/or controlled corporations (including subsidiaries thereof) of the specified insured incorporated in Australia and/or any other organisations under the control of the Named Insured;
- (c) all Subsidiary and/or controlled corporations (including subsidiaries thereof) of the Named Insured and/or any other organisations under the control of the Named Insured incorporated in Australia, which are constituted or acquired by the Named Insured after the commencement of the Period of Cover and notified to Us as per the requirements of General Exclusion '11. Acquisition of companies';
- (d) every Subsidiary and/or controlled corporation and/or other organisation of the Named Insured which is divested during the Period of Cover, but only in respect of claims made against such divested Subsidiary, related or controlled corporation or organisation caused by or arising out of Occurrences insured against by this Policy, which occurred prior to the divestment.

Occurrence

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

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

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

Personal Injury

Personal Injury for the purpose of this Cover Section only, means:

- (a) bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and/or mental injury, including loss of consortium or services resulting therefrom;
- (b) false arrest, false imprisonment, wrongful detention, malicious prosecution or humiliation;
- (c) wrongful entry or wrongful eviction;
- (d) defamation or invasion of privacy, unless arising out of Advertising Injury;
- (e) assault and battery not committed by You or at Your direction, unless committed for the purpose of preventing or eliminating danger to persons or property;
- (f) discrimination as a result of race, religion, sex, marital status, age, intellectual impairment, disability or otherwise (unless insurance thereof is prohibited by law) not committed by You or at Your direction, but only with respect to liability other than fines and penalties imposed by law.

Products

Products means anything manufactured, constructed, erected, assembled, installed, grown, extracted, produced or processed, treated, altered, modified, repaired, serviced, bottled, labelled, handled, sold, supplied, re-supplied or distributed, imported or exported, by You or on Your behalf (including Your predecessors) in the course of Your Business, including any packaging or containers thereof, including the design, formula or specification, directions, markings, instructions, advice or warnings given or omitted to be given in connection with such Products and anything which, by law or otherwise, You are deemed to have manufactured in the course of Your Business including discontinued Products.

Provided always that for the purpose of this insurance the term 'Products' does not include:

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

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

Products Liability

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

Property Damage

Property Damage means:

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

Tool of Trade

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

Work Site

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

You/Your/Insured

You/Your/Insured for the purpose of this Cover Section only, means each of the following to the extent specified below:

- (a) the Named Insured;
- (b) every past, present or future director, stockholder or shareholder, partner, proprietor, officer, executive or Employee of the Named Insured (including the spouse or any Family member of any such person while accompanying such person on any commercial trip or function in connection with the Business), while such persons are acting for or on behalf of the Named Insured in the conduct of the Business and/or within the scope of their duties in such capacities;

- (c) any Employee superannuation fund or pension scheme managed by or on behalf of the Named Insured, and the trustees and the directors of the trustee of any such Employee superannuation fund or pension scheme which is not administered by corporate fund managers;
- (d) any principal with whom the Insured has entered into an agreement but only to the extent that liability arises out of work performed for the principal by or on behalf of the Insured provided that:
 - (i) the Insured would have been entitled to indemnity under this Cover Section had the claim been made against the Insured; and
 - (ii) the principal shall not be indemnified under any other insurance or in any other way; and
 - (iii) the principal shall be subject to the terms of this Policy in so far as they can apply;
- (e) every person, corporation, organisation, trustee or estate to whom or to which the Named Insured is obligated by reason of law, (whether written or implied) to provide insurance such as is afforded by this Policy, but only to the extent required by such law, and in any event only for such coverage and Limits of Liability as are provided by this Policy;
- (f) every officer, member, Employee or voluntary helper of the Named Insured's canteen, social and/or sporting clubs, first aid, medical, ambulance or fire fighting services, charities, educational, welfare and/or child care facilities, while acting in their respective capacities as such;
- (g) any director, partner, proprietor, officer or executive of the Named Insured in respect of private work undertaken by the Named Insured's Employees for such person and any Employee whilst actually undertaking such work;
- (h) the estates, legal representatives, heirs or assigns of:
 - (i) any deceased or insolvent persons; or
 - (ii) persons who are unable to manage their own affairs by reason of mental disorder or incapacity, who would otherwise be indemnified by this Policy, but only in respect of liability incurred by such persons as described in Clauses (h) (i) and (h) (ii) above;
- (i) every party including joint venture companies and partnerships to whom the Named Insured is obligated by virtue of any contract or agreement to provide insurance such as is afforded by this Policy; but only to the extent required by such contract or agreement and in any event only for such coverage and Limits of Liability as are provided by this Policy.

COVER

Provided that Public and Products Liability Cover Section is shown as insured in the Schedule, then subject to the provisions contained in the Policy We agree to pay to You or on Your behalf all amounts which You shall become legally liable to pay as Compensation in respect of:

- (a) Personal Injury; and/or
- (b) Property Damage; and/or
- (c) Advertising Injury;

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

Defence costs and supplementary payments

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

1. defend, in Your name and on Your behalf, any claim or suit against You alleging such Personal Injury, Property Damage or Advertising Injury and seeking damages on account thereof even if any of the allegations of such claim or suit is groundless, false or fraudulent;

2. pay all charges, expenses and legal costs incurred by Us and/or by You with Our written consent (which consent shall not be unreasonably withheld):
 - (a) in the investigation, defence or settlement of such claim or suit, including loss of salaries or wages because of Your attendance at hearings or trials at Our request; or
 - (b) in bringing or defending appeals in connection with such claim or suit;
3. pay:
 - (a) all charges, expenses and legal costs recoverable from or awarded against You in any such claim or suit;
 - (b) pre-judgment interest awarded against You on that part of the judgment payable by Us; and
 - (c) all interest accruing on Our portion of any judgment until We have paid, tendered or deposited in court that part of such judgment which does not exceed the limit of Our liability thereon;
4. pay premiums on:
 - (a) bonds to release attachments for amounts not exceeding the applicable Limit of Liability of this Policy but We shall have no obligation to apply for or furnish any such bond;
 - (b) appeal bonds and/or security for costs required in any suit but We shall have no obligation to apply for or furnish any such bonds and/or security for costs;
5. pay expenses incurred by You for:
 - (a) rendering first aid and/or surgical and/or medical and/or therapeutic relief to others at the time of any Personal Injury (other than any medical expenses, which We are prevented from paying by any law);
 - (b) temporary protection of damaged or undamaged property of any person or party, including temporary repairs, shoring up and/or unpinning thereof;
 - (c) purchasing and/or hiring and/or erection and dismantling of hoarding, barriers, fences and any other form of temporary protection, including such protection which You must provide in compliance with the requirements of any Government, Local Government or other Statutory Authority;
6. pay all legal costs incurred by You with Our consent for representation of You at:
 - (a) any coronial inquest or inquiry;
 - (b) any proceedings in any court or tribunal in connection with liability insured against by this Cover Section;
 - (c) any Royal Commission or Government Enquiry arising out of any alleged breach of statute, or other similar judicial enquiry into circumstances relating to any Occurrence, claim or potential claim which would be the subject of indemnity under this insurance;
 - (d) any enquiry, prosecution or hearing of a disciplinary nature held before a legally constituted enquiry board, committee, licensing authority or the like.

Provided that Our liability under Clauses 6 (c) and 6 (d) shall not exceed \$250,000 in respect of any one claim or series of claims arising out of any one Occurrence.

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

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

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

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

Limits of Liability and Excess

Subject to:

1. the '16. Approved claim preparation costs' provision under Claims Conditions Section;
2. the 'Defence costs and supplementary payments' Clause above;
3. sub-paragraph (e) of Additional Benefit '1. Property in Your physical and legal control' below:
 - (a) for General Liability the Limit of Liability shown in the Schedule for General Liability represents the maximum amount which We shall be liable to pay in respect of any one claim or series of claims arising out of any one Occurrence;
 - (b) for Products Liability the Limit of Liability shown in the Schedule represents the maximum amount which We shall be liable to pay in respect of any one claim or series of claims for all Situations, and in the aggregate for all Situations during any one Period of Cover.

The applicable Limit of Liability will not be reduced by the amount of any Excess payable by You.

ADDITIONAL BENEFIT

We also provide the following Additional Benefit in respect to this Cover Section.

1. Property in Your physical or legal control

Cover Section Exclusion '16. Property in Your physical or legal control' shall not apply with regard to:

- (a) the personal property, tools and effects of any of Your directors, partners, proprietors, officers, executives or Employees, or the clothing and personal effects of any of Your visitors;
- (b) Situation or part(s) of Situation (including its Contents) leased or rented, or temporarily occupied by, You for the purpose of the Business, but no cover is provided by this Policy if You have assumed the responsibility to insure such Situation;
- (c)
 - (i) Situation (and/or) its Contents temporarily occupied by You for the purpose of carrying out work in connection with Your Business; or
 - (ii) any other property temporarily in Your possession for the purpose of being worked upon; but no indemnity is granted for damage to that part of any property upon which You are or have been working if the damage arises solely out of such work;
- (d) any Vehicle (including its Contents, spare parts and accessories while they are in or on such Vehicle) not belonging to or used by You, whilst any such Vehicle is in a car park owned or operated by You provided that You do not operate the car park for reward, as a principal part of Your Business;
- (e) notwithstanding Cover Section Exclusion '5. Contractual liability', any property (except property that You own) not mentioned in paragraphs 1 (a) to 1 (d) above whilst in Your physical or legal care, custody or control whether or not You have accepted or assumed legal liability for such property, provided that Our liability under this Additional Benefit shall not exceed \$250,000, or the amount specified in the Schedule whichever is the greater in respect of any one claim or series of claims arising out of any one Occurrence.

EXCLUSIONS APPLICABLE TO THIS COVER SECTION

The following exclusions apply to this Cover Section.

We will not cover any liability:

1. Advertising Injury

in respect of Advertising Injury:

- (a) resulting from statements made at Your direction with knowledge that such statements are false;

- (b) resulting from failure of performance of contract but this exclusion shall not apply to claims for unauthorised appropriation of advertising ideas contrary to an implied contract;
- (c) resulting from any incorrect description of Products or services;
- (d) resulting from any mistake in advertised price of Products or services;
- (e) resulting from failure of Your Products or services to conform with advertised performance, quality, fitness or durability;
- (f) incurred by any insured whose principal occupation or Business is advertising, broadcasting, publishing or telecasting.

2. Aircraft, Hovercraft or Watercraft

for Personal Injury and/or Property Damage arising from:

- (a) the ownership, maintenance, operation, or use by You of any Aircraft;
- (b) the ownership, operation or use by You of any Watercraft or Hovercraft exceeding ten (10) metres in length, whilst such Watercraft or Hovercraft is on, in or under water;

provided that this exclusion shall not apply to claims arising out of:

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

3. Aircraft products

arising out of Your Products that are Aircraft or Aircraft component parts used for maintaining an Aircraft in flight or moving upon the ground or used in the construction of an Aircraft hull or machinery which to Your knowledge are incorporated in an Aircraft.

4. Breach of professional duty

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

- (a) arising out of advice which is given by You for no fee;
- (b) arising out of advice given in respect of the use or storage of Your Products.

5. Contractual liability

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

- (a) effect insurance over property, either real or personal;
- (b) assume liability for Personal Injury and/or Property Damage regardless of fault;

provided that this exclusion shall not apply with regard to:

- (a) liabilities which would have been implied by law in the absence of such contract or agreement; or
- (b) liabilities assumed under Incidental Contracts; or
- (c) terms regarding merchantability, quality, fitness or care of Your Product which are implied by law or statute;
- (d) liabilities assumed under the contracts specifically designated in the Schedule or in any Endorsement(s) to this Policy.

6. Damage to Products

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

7. Data

arising out of:

- (a) the communication, display, distribution or publication of data; provided that this exclusion does not apply to Personal Injury and/or Advertising Injury arising therefrom;
- (b) the total or partial destruction, distortion, erasure, corruption, alteration, misrepresentation or misappropriation of data;
- (c) error in creating, amending, entering, deleting or using data;
- (d) the total or partial inability 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.

8. Defamation

for defamation:

- (a) resulting from statements made prior to the commencement of the Period of Cover;
- (b) resulting from statements made at Your direction with knowledge that such statements are false;
- (c) if Your Business is advertising, broadcasting, publishing or telecasting.

9. Employers liability

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

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

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

For the purpose of Exclusions 9 (a) and 9 (b):

- (a) the term 'Worker' means any person deemed to be employed by You pursuant to any Workers' Compensation Law;

Voluntary workers, secondees and work experience students (if any) shall not be deemed to be Your Employees.

- (b) the term 'Bodily Injury' means bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and/or mental injury, including loss of consortium or services resulting therefrom.

10. Faulty workmanship

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

11. Fines, penalties, punitive, exemplary or aggravated damages

for any fines, penalties, punitive, exemplary or aggravated damages.

12. Liquidated damages

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

13. Loss of use

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

- (a) a delay in or lack of performance by You or on Your behalf of any contract or agreement; or
- (b) failure of any Products or work performed by You or on Your behalf to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by You; but this Exclusion 13 (b) shall not apply to Your liability for loss of use of other tangible property resulting from sudden and accidental physical loss, destruction of or damage to any Products or work performed by You or on Your behalf after such Products or work have been put to use by any person or organisation other than You.

14. Pollution

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

Provided that, with respect to any such liability which may be incurred anywhere other than North America, Exclusions 14 (a) and 14 (b) shall not apply where such discharge, dispersal, release, seepage, migration, or escape is caused by a sudden, identifiable, unintended and unexpected Event from Your standpoint which takes place in its entirety at a specific time and place.

15. Product guarantee

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

16. Property in Your physical or legal control

for loss of or damage to:

- (a) property leased or rented to You;
- (b) property not belonging to You but in Your physical or legal control other than the property described in Additional Benefit '1. Property in Your physical or legal control'.

17. Property owned by You

for Property Damage to property owned by You.

18. Product recall

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

19. Vehicles

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

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

provided that Exclusions 19 (a) and 19 (b) shall not apply to:

- (a) Personal Injury where:
 - (i) that compulsory liability insurance or statutory indemnity does not provide indemnity; and
 - (ii) the reason or reasons why that compulsory liability or statutory indemnity does not provide indemnity do not involve a breach by You of legislation relating to Vehicles;
- (b) any Vehicle (including any tool or plant forming part of or attached to or used in connection with such Vehicle) whilst being operated or used by You or on Your behalf as a Tool of Trade at Your Business Situation or on any Work Site;
- (c) the delivery or collection of goods to or from any Vehicle;
- (d) the loading or unloading of any Vehicle;
- (e) any Vehicle temporarily in Your custody or control for the purpose of parking;
- (f) Property Damage caused by or arising out of the movement of any Vehicle (which is required to be Conditionally Registered in accordance with the law of any State or Territory in Australia) in the event of Your inadvertent and unintentional failure to effect Conditional Registration;
- (g) Property Damage arising out of the movement or removal by You or by an Employee(s) of Yours of any Vehicle or trailer not belonging to You with the owner's consent which is interfering with access to or from Your Situation or any site where You are carrying out work, provided that the maximum amount which We shall be liable to pay in respect of any one claim or series of claims arising out of any one Occurrence will be \$10,000.

20. Asbestos

directly or indirectly arising out of, resulting from, in consequence of, contributed to or aggravated by asbestos in whatever form or quantity.

CONDITIONS APPLICABLE TO THIS COVER SECTION

The following conditions apply to this Cover Section. If You do not comply with the following conditions, We may refuse to pay a claim in whole or in part.

1. Notification of Occurrence, claim or suit

You shall give:

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

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

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

3. Our rights regarding claims

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

4. Cross liabilities

This insurance extends to indemnify:

- (a) each of the parties comprising the Named Insured; and
- (b) each of the insureds hereunder;

separately in the same manner and to a like extent as though policies had been issued in their separate names.

In particular, but without limiting the foregoing, this insurance shall indemnify each of the parties described in Clauses 4 (a) and 4 (b) in respect of claims made by any other of such parties.

Provided always that:

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

5. Inspection and audit

We shall be permitted, but not obligated, to inspect Your Business Situation and operations at any reasonable time.

Neither Our right to make inspections, nor Our failure to make inspections, nor the making of any inspections, nor any report of an inspection shall constitute an undertaking, on behalf of or for the benefit of You or others, to determine or warrant that such Situation or operations are safe or healthful or are in compliance with any law, rule or regulation.

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

6. Premium – adjustment of Premium

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

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

7. Release

Where You are required by contractual agreement to release any government or public or local authority or other statutory authority or any landlord from liability for loss, destruction or damage or legal liability covered under this Policy, such release is allowed without prejudice to this insurance.

Notwithstanding General Condition '16. Waiver of Subrogation Rights' of this Policy, We agree to waive all Our rights of subrogation against any such authority or persons or parties in the event of any Occurrence for which a claim for indemnity may be made under this Cover Section of the Policy.

GLASS COVER SECTION

INTRODUCTION

This Cover Section only forms part of the Policy when Glass is shown in the Schedule and is limited to the Period of Cover indicated.

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

DEFINITIONS APPLICABLE TO THIS COVER SECTION

The following Definitions shall apply to this Cover Section only. If a word or expression has a special meaning, it begins with a capital letter.

Breakage

Breakage means:

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

External Glass

External Glass means glass or plastic material used as glass fixed in external windows, doors, showcases or skylights forming part of the Building.

Glass

Glass means External Glass, Internal Glass, and Specified Glass.

Internal Glass

Internal Glass means:

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

Sign

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

Specified Glass

Specified Glass means glass specifically designated in the Schedule under Specified Glass.

COVER

Provided the Glass Cover Section is shown as insured in the Schedule, then subject to the provisions of the Policy, We will pay You for the cost of the replacement of Breakage of Glass which You own or for which You are legally responsible, occurring during the Period of Cover at the Situation.

BASIS OF SETTLEMENT

We will pay for the cost of replacement of broken Glass with Glass of similar manufacture and quality including the reasonable costs for after-hours service by repairers, express delivery and overtime charges to repair or replace broken Glass. We will also pay the extra cost necessarily incurred to comply with the minimum requirements of any statutory authority when replacing the Glass.

Excess

The Excess that applies is shown in the Schedule.

EXTRA COVERS

If We agree to pay a claim under this Cover Section for loss of or damage to Glass, We will also pay or provide the Extra Covers set out below.

1. Costs

We will pay for the following costs provided they are reasonably incurred by You and are directly related to Breakage of the Glass covered under this Cover 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 broken Glass;
- (c) the cost incurred in repairing or replacing damage to window, door or showcase frames and their fittings;
- (d) the cost incurred in repairing or replacing tiles on shop and office fronts and around the broken Glass. We will not cover You for the cost of repairing or replacing bars, grilles or shutters.

Provided that the maximum amount We will pay under this Extra Cover is \$10,000 during any one Period of Cover.

2. Destruction of Stock or Contents

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

Provided that the maximum amount We will pay under this Extra Cover during any one Period of Cover is:

- (a) the cost value (excluding profit of any kind) of Your Stock or Contents destroyed or damaged, less any amount realised from the sale or salvage; or

- (b) the sum of \$10,000;

whichever is the lesser.

ADDITIONAL BENEFITS

Subject to the provision of the Policy, We will also provide the following Additional Benefits in this Cover Section.

1. Malicious damage

If You are a tenant and responsible under the terms of a rental agreement for insuring Glass, We will pay for the cost of replacement of External Glass which has suffered malicious damage. This Additional Benefit is payable even where there is no Breakage of External Glass.

2. Signs

We will cover You for loss of or damage to Signs at the Situation during the Period of Cover.

Provided that We will not pay more than:

- (a) \$10,000; or
- (b) the Sum Insured shown in the Schedule for Signs;

whichever is the greater for any one Event.

The admissibility of claims for damage to Signs shall not be contingent upon other damage to Glass.

EXCLUSIONS APPLICABLE TO THIS COVER SECTION

The following exclusions apply to this Cover Section.

We will not cover damage to Glass:

- (a) when in transit or whilst being fitted into position or removed from its fitting;
- (b) forming part of Stock;
- (c) in light fittings;
- (d) that is cracked or imperfect prior to Breakage and You could reasonably have been expected to be aware of these defects prior to the claim;
- (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 items such as a vase, picture, crystal, china ware or Glass in a photo frame.

GENERAL PROPERTY COVER SECTION

INTRODUCTION

This Cover Section only forms part of the Policy when General Property is shown in the Schedule and is limited to the Period of Cover indicated.

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

DEFINITIONS APPLICABLE TO THIS COVER SECTION

The following Definitions shall apply to this Cover Section only. If a word or expression has a special meaning, it begins with a capital letter.

Accidental

Accidental means unexpected and unintended from Your standpoint.

Specified Items

Specified Items means each item of property that is specifically described in the Schedule.

Unspecified Items

Unspecified Items means each item of property which is not a Specified Item but which is part of a group or class of property described generally in the Schedule. The group or class described may include hand tools and hand held power tools.

COVER

Provided the General Property Cover Section is shown as insured in the Schedule, then subject to the provisions of the Policy, We will cover You up to the Sum Insured shown in the Schedule for Accidental loss of or damage to Your Property Insured occurring anywhere in the world during the Period of Cover.

BASIS OF SETTLEMENT

At Our option, We will:

- (a) repair or replace the item of Property Insured (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 You the cost to repair or replace the Property Insured; or
- (c) replace the Property Insured with a new item that has the same features or features that are nearly the same as (but not less than) the item being replaced.

When the loss or damage is confined to a part or component of the Property Insured, 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 Insured, You no longer have any cover for that item or the replacement item.

The maximum amount We will pay in respect of each Specified Item is the Sum Insured for that item. The maximum amount We will pay in respect of any one Unspecified Item is \$2,500.

The maximum We will pay during the Period of Cover for all claims in respect of any particular group or class of Unspecified Items is the Sum Insured for that group or class of Unspecified Items set out in the Schedule.

Excess

The Excess that applies is shown in the Schedule.

EXTRA COVER

If We agree to pay a claim under this Cover Section for loss of or damage to Your Property Insured, We will also pay or provide this Extra Cover set out below.

1. Reinstatement

If We pay an amount for a claim under this Cover Section We will automatically reinstate the Sum Insured to the amount shown in the Schedule. You will not have to pay any additional Premium.

ADDITIONAL BENEFIT

Subject to the provisions of the Policy, We will also provide the following Additional Benefit in this Cover Section.

Any amount payable under this Additional Benefit shall apply in addition to the Sum Insured shown in the Schedule.

1. Theft of other equipment

We will cover You for theft of any property not belonging to You but in Your physical or legal control for the purposes of Your Business occurring during the Period of Cover anywhere in the world.

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 the Situation.

We will not cover You under this Additional Benefit unless the Property Insured 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 the theft is consequent upon forcible and violent removal of the Property Insured;
- (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 has been authorised by You to have the custody and control of the Property Insured. However We will not cover any theft by a tenant;
- (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.

Further, We will not cover any theft:

- (a) committed by any person while lawfully in the Building;
- (b) of Property Insured which is unattended in areas of the Building; or
- (c) stolen as a consequence of armed hold-up or the threat of physical violence.

Provided that the maximum amount We will pay under this Additional Benefit is \$2,000 in any one Period of Cover.

EXCLUSIONS APPLICABLE TO THIS COVER SECTION

The following exclusions apply to this Cover Section.

We will not cover:

- (a) loss of or damage to any Unspecified Item of property unless the Schedule shows that You have cover for Unspecified Items;
- (b) loss of or damage caused by or arising out of:
 - (i) wear and tear, fading, gradual deterioration or developing flaws, normal upkeep or making good, or any gradual cause;
 - (ii) moths, termites or other insects or vermin;
 - (iii) scratching, biting or chewing by any Animal;
 - (iv) chipping, scratching, denting or marring that does not materially affect the use or operation of the Property Insured;
 - (v) change in colour, loss of weight, change in flavour, texture or finish;
 - (vi) 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;
 - (vii) mechanical, hydraulic, electrical or electronic breakdown, burn-out, failure, malfunction or derangement of any equipment or device;
 - (viii) smut or smoke from industrial operations (other than sudden and unforeseen resultant damage);
 - (ix) any faults or defects in any item of Property Insured that You or any of Your Employees knew about before taking out this Cover Section;
 - (x) faulty materials or faulty workmanship;
- (c) loss of or damage to Money or documents of any kind;
- (d) loss of use, loss of earning capacity and any other Consequential Loss;
- (e) loss of or damage to property as a result of:
 - (i) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data;
 - (ii) breakdown or malfunction of the processing system including operator error or omission in creating, amending, loading, deleting or using Electronic Data;
 - (iii) total or partial inability or failure to receive, send, access or use Electronic Data for any time or at all;
 - (iv) an act committed by any member of Your Family or by any Employee of Yours or committed by any person whilst lawfully at the Situation;
- (f) Property Insured not being used by You in accordance with the manufacturer's instructions;
- (g) any legal liability of whatsoever nature.

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