



QBE Insurance (Australia) Limited

Office Package

Business Pack Insurance Policy

Contents			
About this booklet	3	Broadform liability section	21
Important Information	3	Definitions which apply to this section	21
Duty of disclosure	3	Cover	22
The General Insurance Code of Practice	3	Exclusions	23
Privacy	3	Conditions	25
Resolving complaints & disputes	4	Employee dishonesty section	26
Contacting QBE's CCU, AFCA or the OAIC	4	Definitions which apply to this section	26
Policy Wording	5	Cover	26
Our agreement	5	Additional benefits	26
Paying your premium	5	Exclusions	27
Words with special meanings	6	Condition	27
Property section	7	Tax audit section	27
Cover	7	Definitions which apply to this section	27
Basis of settlement	7	Cover	27
Additional benefits	9	Basis of settlement	28
Conditions	11	Exclusions	28
Exclusions	11	Conditions	28
Business interruption section	11	Statutory liability section	29
Definitions which apply to this section	11	Definitions which apply to this section	29
Cover	12	Cover	30
What we will pay	12	Exclusions	31
Additional benefits	12	Conditions	32
Conditions	13	Employment practices section	33
Crime section	14	Definitions which apply to this section	33
Definitions which apply to this section	14	Cover	34
Cover	14	Exclusions	34
Additional benefits	14	Conditions	35
Exclusions	15	General property section	36
Machinery breakdown section	16	Definitions which apply to this section	36
Definitions which apply to this section	16	Cover	36
Cover	16	Basis of settlement	36
Basis of settlement	16	Exclusions	36
Exclusions	17	General exclusions	37
Conditions	17	General conditions	38
Electronic equipment section	18	Claims	38
Definitions which apply to this section	18	Other terms	40
Cover	18		
Basis of settlement	18		
Optional covers	19		
Exclusions	20		
Conditions	20		

About this booklet

There are two parts to this booklet. The first part is Important Information about this Policy including information about how we'll protect your privacy and how to make a complaint or access our dispute resolution service.

The second part is your Policy Wording which sets out the detailed terms, conditions and exclusions of the Policy.

Because we don't know your own personal circumstances, you should treat any advice in this booklet as purely general in nature. It doesn't consider your objectives, financial situation or needs. You should carefully consider the information provided with regard to your personal circumstances to decide if it's right for you.

For more information or to make a claim

Please take the time to read through this booklet and if you have any questions, need more information or to confirm a transaction, please contact:

- Your financial services provider. The contact details for your financial services provider are set out in their financial services guide and other documentation given to you.

The section titled 'Claims' at the end of this booklet tells you the full details about what you need to do in the event of a claim. If you'd like to make a claim or to enquire about an existing claim please contact:

- Your financial services provider.

About QBE Australia

QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239545 is a member of the QBE Insurance Group Limited ABN 28 008 485 014 (ASX: QBE). QBE Insurance Group is Australia's largest international general insurance and reinsurance group, and one of the largest insurers and reinsurers in the world.

Important Information

In this first part of the booklet we explain important information about this Policy including how we'll protect your privacy and how to make a complaint or access our dispute resolution service.

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.

The General Insurance Code of Practice

QBE Australia is a signatory to the General Insurance Code of Practice.

The Code aims to:

- Commit us to high standards of service
- Promote better, more informed relations between us and you
- Maintain and promote trust and confidence in the general insurance industry
- Provide fair and effective mechanisms for the resolution of complaints and disputes between us and you
- Promote continuous improvement of the general insurance industry through education and training.

Privacy

We'll collect personal information when you deal with us, our agents, other companies in the QBE group or suppliers acting on our behalf. We use your personal information so we can do business with you, which includes issuing and administering our products and services and processing claims. Sometimes we might send your personal information overseas. The locations we send it to can vary but include the Philippines, India, Ireland, the UK, the US, China and countries within the European Union.

Our Privacy Policy describes in detail where and from whom we collect personal information, as well as where we store it and the full list of ways we could use it. To get a free copy of it please visit qbe.com.au/privacy or contact QBE Customer Care.

It's up to you to decide whether to give us your personal information, but without it we might not be able to do business with you, including not paying your claim.

Resolving complaints & disputes

At QBE we're committed to providing you with quality products and delivering the highest level of service.

We also do everything we can to safeguard your privacy and the confidentiality of your personal information.

Something not right?

We know sometimes there might be something you're not totally happy about, whether it be about our staff, representatives, products, services or how we've handled your personal information.

Step 1 – Talk to us

If there's something you'd like to talk to us about, or if you'd like to make a complaint, speak to one of our staff. When you make your complaint please provide as much information as possible. They're ready to help resolve your issue.

You can also contact our Customer Care Unit directly to make your complaint. Our aim is to resolve all complaints within 15 business days.

Step 2 – Escalate your complaint

If we haven't responded to your complaint within 15 days, or if you're not happy with how we've tried to resolve it, you can ask for your complaint to be escalated for an Internal Dispute Resolution (IDR) review by a Dispute Resolution Specialist.

The Dispute Resolution Specialist will provide QBE's final decision within 15 business days of your complaint being escalated, unless they've requested and you've agreed to give us more time.

Step 3 – Still not resolved?

If you're not happy with the final decision, or if we've taken more than 45 days to respond to you from the date you first made your complaint, you can contact the Australian Financial Complaints Authority (AFCA). AFCA is an ASIC approved external dispute resolution body.

AFCA resolves insurance disputes between consumers and insurers, at no cost to you. QBE is bound by AFCA decisions - but you're not. You can contact AFCA directly and they'll advise you if your dispute falls within their Rules.

Disputes not covered by the AFCA Rules

If your dispute doesn't fall within the AFCA Rules, and you're not satisfied with our decision then you may wish to seek independent legal advice.

Privacy complaints

If you're not satisfied with our final decision and it relates to your privacy or how we've handled your personal information, you can contact the Office of the Australian Information Commissioner (OAIC).

Contacting QBE's CCU, AFCA or the OAIC

How to contact QBE Customer Care

Phone	1300 650 503 (Monday to Friday from 9am to 5pm, Sydney time, except on public holidays). Calls from mobiles, public telephones or hotel rooms may attract additional charges.
Email	<ul style="list-style-type: none"> complaints@qbe.com, to make a complaint. privacy@qbe.com, to contact us about privacy or your personal information. customercare@qbe.com, to give feedback or pay a compliment.
Post	Customer Care, GPO Box 219, Parramatta NSW 2124

How to contact AFCA

Phone	1800 931 678 (free call)
Email	info@afca.org.au
Online	www.afca.org.au
Post	Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

How to contact the OAIC

Phone	1300 363 992 Calls from mobiles, public telephones or hotel rooms may attract additional charges.
Email	enquiries@oaic.gov.au
Online	www.oaic.gov.au

Policy Wording

This Policy is underwritten by QBE Insurance (Australia) Limited
ABN 78 003 191 035 AFSL 239545

Our agreement

Your Policy is an agreement between you and us, made up of:

- This Policy Wording
- Your Policy Schedule, which sets out the cover you've chosen and any terms specific to you.

The cover under this Policy is provided during the period of insurance, once you've paid us your premium. There are also:

- Conditions and exclusions which apply to specific covers or sections;
- General exclusions, which apply to any claim you make under this Policy;
- General conditions, which set out your responsibilities under this Policy;
- Claims conditions, which set out our rights and your responsibilities when you make a claim; and
- Other terms, which set out how this Policy operates.

Excesses

You must pay any excesses which apply to your claim. The excesses which you have to pay are set out in this Policy Wording or on your Policy Schedule.

How much we'll pay

The most we'll pay for a claim is the sum insured which applies to the cover or section you're claiming under, less any excess.

Paying your premium

The ways you can pay your premium, and the frequency you can pay it, are described below:

- one (1) annual payment by cash, cheque, credit card or EFTPOS; or
- instalments by direct debit from your credit card or from your account with your financial institution. These instalments may be made:
 - monthly,
 - quarterly,
 - half yearly,
 - annually.

Your premium, the date it's due and how you've chosen to pay it are shown on your Policy Schedule.

Annual premium

If you pay your premium annually, and it's not paid by the due date or if your payment is dishonoured, this Policy won't operate and there'll be no cover.

Instalment payments

If you pay your premium by instalment, your Policy Schedule will show the date and frequency of your instalments. If your direct debit details change you must tell us no later than seven days before your next instalment is due.

At renewal

If you pay by instalments, and renew your Policy, we'll continue to deduct instalments for a renewed Policy at the new premium level according to the same instalment pattern, unless you tell us to stop your direct debit.

What happens if you miss an instalment

If you miss an instalment we'll contact you to ask you to pay it or arrange to collect it from you. If you don't pay the missed instalment your Policy may be cancelled and we'll write to you to let you know when this will happen.

If you don't pay the missed instalment and a claim arises, then we may refuse to pay your claim.

If your payment details change

If your direct debit details change, such as you changing credit cards or bank accounts, you must tell us at least seven days before your next payment date.

Adjustment of premium on renewal

If we agree to renew your Policy and you claim for an incident that happened during a previous period of insurance, you must tell us about it. You agree to pay us any additional premium increase we'd have required you to pay if you'd told us about the claim before your Policy was renewed.

This condition doesn't affect any other rights we have at law or under this Policy.

Words with special meanings

The words and terms used throughout this Policy have special meanings set out below.

Where other words and terms are only used in one section of the Policy, we'll describe their special meaning in that section.

When we say	We mean
Australia	The Commonwealth of Australia, its dependencies and Territories.
Breakage	A fracture extending through the entire thickness of the glass, basin, perspex or plastic. In the case of laminated glass the fracture must extend through the entire thickness of each laminate.
Buildings	The buildings and outbuildings at the location which are owned by you or for which you are legally responsible and includes: <ol style="list-style-type: none"> fixtures, fittings and underground and overhead services, and walls, gates, fences, paths and roadways and all other structural improvements at the location.
Business hours	The office and working hours (including overtime) during which you or your employees are at the location for the purpose of your business.
Contents	The contents of the buildings which are used in the business and are owned by you or for which you are legally responsible. Contents does not include: <ol style="list-style-type: none"> mechanically or electrically propelled vehicles, caravans or trailers, watercraft or aircraft, stock-in-trade or samples other than stock-in-trade or samples: <ol style="list-style-type: none"> of medical practitioners, dental or veterinary surgeons, or kept for your own use. plants, animals, fish or birds, money.
Defined event	Fire, lightning, storm and/or rainwater, thunderbolt, explosion and/or implosion, earthquake, tsunami, aircraft and/or other aerial devices and/or articles dropped therefrom, sonic boom, subterranean fire, volcanic eruption, erosion, subsidence, landslip, collapse, impact by vehicles or animals or waterborne craft, the acts of persons taking part in riots or civil commotions or strike or lock-outs of persons taking part in labour disturbances or malicious persons or the acts of any lawfully constituted authority in connection with the foregoing acts or in connection with any conflagration or other catastrophe, water or other liquids or substances discharged,

When we say	We mean
	overflowing or leaking from apparatus, appliances, pipes or any other system at the premises or elsewhere.
Excess	The amount you have to contribute towards the cost of any loss or damage.
Family	Any member of your family who lives permanently with you, including your partner.
Flood	The covering of normally dry land by water that has escaped or been released from the normal confines of any of the following: <ol style="list-style-type: none"> a lake (whether or not it has been altered or modified); a river (whether or not it has been altered or modified); a creek (whether or not it has been altered or modified); another natural watercourse (whether or not it has been altered or modified); a reservoir; a canal; a dam.
Glass	Fixed glass or perspex in windows, doors, partitions, showcases, skylights, refrigerating cabinets, counters, shelving, showcases, affixed mirrors, fixed ceramic vitreous sanitary ware and hand basins.
Indemnity basis	The reasonable and necessary cost of rebuilding, replacing or repairing property with new materials less an allowance for depreciation and wear and tear based on the age and condition of the property at the time of the loss or damage.
Insured event	An occurrence which gives rise to a valid claim.
Location	The place(s) listed in the Policy Schedule where you carry out your business.
Market value	The retail value of items of a similar type, age and condition, with adjustment for its special features, if any. Used price guides and any other information may be used to assist in determining market value.
Money	Cash, notes, negotiable instruments, cheques, postal notes, post office money orders, negotiable securities, stamps, credit card sales vouchers, instant lottery tickets, bus or transport tickets, telephone credit cards and/or franking machine credits.
Period of insurance	The period this Policy operates for as shown on your Policy Schedule.

When we say	We mean
Policy	Includes this Policy wording, the Policy Schedule and any future documents issued to you which amend the Policy wording or Policy Schedule.
Policy Schedule	The Policy Schedule of insurance, or any future renewal Policy Schedule, or endorsement Policy Schedule.
Premium	What you pay us to insure you. It's the cost of this Policy.
Rainwater	Rain falling naturally from the sky including rainwater run-off over the surface of the land. Rainwater does not mean flood.
Records and documents	Written, printed, filmed or taped records (including computer records), deeds, plans or drawings or documents of any other type which are: <ul style="list-style-type: none"> used in the business; and in a building at the location; and owned by you or are in your custody in the ordinary course of the business.
Replacement value	The reasonable and necessary cost of replacing or repairing property to a condition substantially the same as but not better nor more extensive than it's condition when new.
Stock	Stock in trade or samples belonging to you or for which you are legally responsible that are kept for your own use.
Storm	Violent wind (including cyclones, tornadoes and thunderstorms) which may be accompanied by hail, snow or rain.
Theft	<ul style="list-style-type: none"> Theft or attempted theft consequent upon the actual forcible and violent entry into any part of the building(s) at the location; theft or attempted theft thereof by a person concealed at the location followed by his/her exit therefrom after business hours; assault or violence, violent intimidation or threat thereof to you or your employees; theft, fraud or dishonesty by any of your employees.
We, our, us	QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239545.
You, your	The person(s), companies or firms named on the current Policy Schedule as the insured.

Property section

Cover

We will indemnify you up to the sum insured specified in the Policy Schedule in respect of physical loss of or damage which occurs during the period of insurance to:

- a. buildings,
- b. contents,
- c. other interests, as defined in the Policy Schedule,

directly caused by an event not otherwise excluded.

Basis of settlement

Unless otherwise specified in the Policy Schedule, claims will be settled on the basis of reinstatement and replacement and extra costs, as follows:

1. Reinstatement and replacement
 - a. where property (excluding stock and customers' goods) is destroyed, if a building the rebuilding thereof or, if property other than a building the replacement thereof by similar property, in either case to a condition equal to but not better or more extensive than its condition when new;
 - b. where property (excluding stock and customers' goods) is damaged, the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition when new;
 - c. where stock or customers' goods are destroyed or damaged, we will, at our option:
 - i. pay the market value at the time of the loss or damage;
 - ii. replace or repair the stock with property or materials of the same or similar standard and specification of the stock or customers' goods at the time of loss or damage;
 - iii. pay the cost of repair or replacement.

The basis of settlement of any claim shall be the cost of reinstatement of the property destroyed or damaged at the time of such destruction or damage as follows:

- d. the work of rebuilding, or replacement, or repairing as the case may be (which may be carried out upon another site and in any manner suitable to your requirements but subject to our liability not being thereby increased), must be commenced and carried out with reasonable dispatch, failing which we shall effect settlement on an indemnity basis.
- e. when any property to which this clause applies is damaged or destroyed in part only, our liability shall not exceed the sum specified in the Policy Schedule.
- f. no payment beyond the amount which would have been payable under this section shall be made until a sum equal to the cost of reinstatement shall have been actually incurred.

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

2. Requirements of statutory authorities

For loss or damage to the buildings, we will also pay the cost of complying with the requirements of any statutory authority in force at the date of the loss or damage.

However if the cost of reinstatement of any damage is less than 50% of the cost of reinstating the whole of the property (if it had been completely destroyed), the amount we will pay for the cost of complying with the requirements of any statutory authority:

- a. will not exceed the cost of complying with the statutory requirements that relate to the part of the buildings that is damaged,
- b. will not include any such costs attributable to any part of the buildings which is not damaged, and
- c. will not exceed, in any event, the amount which we would have been required to pay if the buildings had been wholly destroyed.

3. Floor space ratio index (plot ratio)

If by reason of any legislation, regulation, or by-law of any parliament or statutory authority, reinstatement or damage to buildings is only permissible if there is a reduction of the floor space ratio index (plot ratio) of the site, we will pay the difference between:

- a. the actual cost of reinstating of the buildings with the reduced floor space ratio index (plot ratio), and
- b. the amount it would have cost to reinstate the buildings if there had been no reduction in the floor space ratio index (plot ratio).

4. Extra Cost of Reinstatement

We will also pay in respect of property (excluding stock) insured under this section the extra cost of reinstatement including demolition or dismantling of such property necessarily incurred to comply with the requirements operative at the time of reinstatement of:

- any Act of Parliament or regulation made thereunder; or
- any by-law or regulation of any Municipal or other statutory authority;

provided in either case that:

- a. the work of reinstatement (which may be carried out wholly or partially upon another site if the aforesaid Act, by-law or regulation of any Municipal or other statutory authority so necessitates subject to our liability not being thereby increased) must be commenced and carried out with reasonable dispatch failing which we shall not be liable to make any payment beyond the amount which would have been payable under this section if this clause had not been incorporated therein,
- b. the amount recoverable shall not include the additional cost incurred in complying with any such Act, regulation, by-law or requirement with which you had been required to comply prior to the happening of the damage,
- c. the co-insurance condition clause shall not be applied to the amount recoverable under this clause,
- d. if the cost of reinstatement of the damage directly caused by an insured loss is less than 50% of what would have been the cost of reinstatement of the property insured had such property been destroyed, the amount recoverable will:
 - i. be limited to the extra cost necessarily incurred in reinstating only that portion damaged; and
 - ii. not include any extra cost in relation to any portion of the property not damaged; and

- iii. not exceed, in any event, the sum which we could have been called upon to pay if such property had been wholly destroyed.

5. Undamaged foundations

If, where a building is destroyed but the foundations are not and due to the exercising of statutory powers and/or authority by any government department, local government or other statutory authority reinstatement of the building has to be carried out upon another site then the abandoned foundations will be considered as being destroyed.

Provided that if the presence of the abandoned foundations increases the resale value of the original building site then the increase in resale value shall be regarded as salvage and be payable to us.

6. Sound property

In the event of partial damage to the property described in the Policy Schedule by an insured event, we agree that the cost of demolition or destruction and reconstruction of sound property necessary for the purpose of reinstatement or replacement of the damaged property is covered under this clause.

7. Tenants clause

Should a tenant of yours or the owner of or another tenant in the building described in the Policy Schedule do or omit to do without your knowledge anything which would breach any provision of this section of the Policy it will not be breached on that account provided that you notify us of the happening or the existence of the act or omission as soon as it comes to your knowledge and you pay any reasonable extra premium which may be required.

8. Branded stock

In the event of a claim, any salvage of branded goods will not be disposed of by sale without your consent.

If the salvage is not sold, then the value of it will be agreed upon between you and us, and the agreed amount deducted from the amount of the claim as finally determined.

9. Sale condition

Our liability for goods for which you are responsible which are sold but not delivered and for which the contract of sale is cancelled under its conditions by reason of loss, destruction, or damage to the goods by an insured event will be the contract price, or in the case of partial cancellation of the contract of sale that part of the total contract price which shall have been lost to you because of the partial cancellation.

Our liability as set out in this clause shall in any case be reduced by any amount which is paid or payable to you under the Business interruption section of this Policy.

10. Works of art, etc.

We will not pay any more than \$10,000 for any curio, picture, work of art, gold or silver object, unless a different amount is shown in the Policy Schedule.

Additional benefits

1. Fusion

In the event of destruction or damage to any motor under 1.8 kilowatts (2½ horse power) forming part of the building and/or contents where the building and/or contents are insured under the property section of this Policy (excluding radio, television, amplifying or electronic equipment of any description) caused by the actual burning out of the part or parts by the electric current in them.

Limit of indemnity

The cost of replacing the damaged part/parts subject to a deduction for depreciation calculated as follows:

- a. where the age of the damaged part/parts is less than three years, no deduction shall be made for wear, tear and depreciation,
- b. where the age of the damaged part/parts is three years or more, the deduction for wear, tear and depreciation shall be 10% of the replacement or repair cost, whichever is applicable, for each complete year of age provided that the amount of deduction shall not in any event exceed 90%.

Exclusions applicable to fusion

There is no cover for loss of use, wear and tear, destruction or damage to:

- a. lighting or heating elements, fuses or protective devices;
- b. electrical contacts at which sparking or arcing occurs in ordinary working.

2. New premises temporary cover

We will temporarily extend cover provided by this section to property at any new situation first occupied by you during the period of insurance provided that:

- a. this temporary cover period is limited to the lesser of:
 - i. thirty (30) days from the date you acquire or commence using the premises; or
 - ii. the expiry date of the current period of insurance; or
 - iii. the date on which the property ceases to belong to you;
- b. the property is used for the business described in the Policy Schedule,
- c. you must provide to us full details of the new premises within thirty (30) days of the commencement of this temporary cover. If we agree to continue the cover you must pay any additional premium that we may require.

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

3. Damage to glass

Damage to glass that you are legally responsible for which is owned by your landlord, but not breakage of glass.

4. Removal of debris, temporary repairs and temporary protection

The cost of removal, storage and disposal of debris or the demolition, dismantling, shoring up, propping, underpinning or other temporary repairs and temporary protection as a direct result of an insured loss up to a maximum amount of:

- a. \$25,000, or
- b. the amount specified in the Policy Schedule, or

- c. the extent that the sum insured on buildings and contents (whichever is applicable) is not otherwise exhausted,

whichever is the greater.

When property at the location is damaged we will pay for the following costs that are incurred as a result of that damage, provided that we do not pay more in the aggregate than the sum insured for that location:

5. Directors' and employees' personal effects

Personal property of directors and employees of your business if:

- a. the personal property is used solely for business purposes, and
- b. the person to whom the personal effects belong is not named as an insured.

Cover is limited to \$5,000 any one (1) person but if any person is entitled to indemnity under any other Policy of insurance effected by him/her or by any person other than you, this cover will only apply in respect of any amount in excess of that provided by such other Policy. There is no cover for you or any person named as the insured on your Policy Schedule.

6. Contents – temporary removal

We will pay up to 30% of the sum insured for contents for loss or damage which occurs to contents (other than portable computers, mobile phones and optical or electronic surveying equipment) while they are temporarily removed from the building(s), within Australia and are either:

- a. in any building other than the building(s),
- b. on the person of you or your employees, directors or partners in the course of their employment, or
- c. in transit.

We will not pay any amount for loss or damage which occurs while the contents are in storage, being transported for sale or storage or during permanent removal from the building(s).

This benefit does not extend to contents covered under item 'Directors' and employees' personal effects'.

7. Architects, surveyors, legal and consulting engineers fees

The fees of architects, surveyors, lawyers and consulting engineers which are necessarily incurred in the reinstatement or replacement of damage to the buildings for which we have agreed to pay under this section.

8. Landscaping

Up to \$20,000 for loss or damage to landscaping, which includes trees, shrubs, plants and lawns, that are necessarily incurred in the reinstatement or replacement of damage to the buildings for which we have agreed to pay under this section.

9. Search and find – water damage

Up to \$25,000 for the reasonable costs of locating the source of loss or damage caused by bursting or leaking of any water mains, pipes, gutters, drains, tanks or fixed apparatus used to hold or carry water.

10. Records and documents

We will pay for the reasonable and necessary legal, clerical and other costs of replacing or restoring records and documents which are lost or damaged up to the greater of:

- a. 10% of the contents sum insured or \$50,000, whichever is the lesser, or
- b. the sum insured shown in the Policy Schedule.

11. Discharge of mortgage

Reasonable legal costs and fees payable by you to discharge any mortgage on buildings or contents that are considered by us to be a total loss.

We will pay:

- a. for buildings or contents, up to the balance of the sum insured for the applicable item of property where such balance is not otherwise exhausted,
- b. for buildings only and when the sum insured is exhausted, up to 10% of the sum insured for such buildings or \$30,000, whichever is the lesser.

12. Locks, keys and combinations

Following an event covered by this section we will pay up to \$5,000 any one (1) event for the necessary cost of replacing locks, keys or combinations used in your business and the cost of opening safes and strong-rooms. This additional benefit shall also apply if there are reasonable grounds to suspect that keys or combinations have been stolen or copied without your authority.

If you are also insured under the Crime section, the benefit payable for locks, keys and combinations shall not be cumulative.

13. Vandalism

Up to \$2,000 for the acts of vandals or persons of malicious intent resulting in the theft of any part of the building.

Following damage covered by this section to property at the location, we will pay in addition to the sum insured for that location the following costs that result from the cause of the damage:

14. Additional cost of working

We will pay the additional expenditure you necessarily and reasonably incur following loss or damage to insured property for the sole purpose of minimising the effect of the loss or damage to the business during the period of insurance.

We will not pay any more than \$50,000 for additional cost of working under this section.

15. Fire extinguishment costs

Fire extinguishment costs to a maximum of \$25,000 covering:

- a. wages of your employees,
- b. the cost of replenishment of fire fighting appliances or damage to materials (including employees' clothing and personal effects) unless otherwise specifically insured,
- c. the costs you are liable for under any Fire Brigade Act or similar legislation,

provided always that our liability in respect of these costs shall be limited to those necessarily and reasonably incurred in extinguishing fires at or adjoining the location of the property insured by this section or immediately threatening to involve such property.

16. Catastrophe escalation cost

If any of your buildings are damaged by any event insured against by this Policy section, and:

- a. we classify such damage as a total loss, and
- b. the event giving rise to the damage has resulted in any competent authority declaring a state of emergency affecting the area in which your damaged building is situated;

we will:

- c. increase the sum insured applicable to such buildings under this section by up to 20% provided that your building is rebuilt, and
- d. increase the amounts payable under additional benefit 'Capital additions' by 20%;

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

Provided that:

- e. We shall not pay more than the increased building costs which are actually incurred by you.
- f. We will not pay any amount under this additional benefit until you have incurred costs exceeding the sum insured applicable to such building under this cover section.

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

17. Capital additions

Capital alterations and additions which are commenced during the period of insurance if the value of such alterations and additions does not exceed 20% of the sum insured on the buildings or \$500,000 whichever is the lesser.

18. Buildings – rental

In addition to the sum insured shown in the Policy Schedule for buildings, if:

- a. the buildings are uninhabitable as a result of the loss or damage, and
- b. you rent alternative accommodation.

We will pay an amount equal to the rentable value of your buildings immediately prior to the loss or damage plus the value of outgoings normally paid by a tenant under a lease agreement, for the period which is reasonably necessary to repair or rebuild the buildings.

We will not pay more than the lesser of:

- c. the rentable value for twelve months, or
- d. 10% of the sum insured for buildings.

19. Loss of land value

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

Provided that:

- a. this shall be calculated by subtracting the land value after rebuilding or after we have agreed that rebuilding is not possible from the land value before the damage, and
- b. we will not pay more than 10% of the sum insured shown for buildings at the premises where the damage happened.

The co-insurance condition does not apply in respect of this benefit.

Conditions

1. Excess

We will not pay the following amounts:

- a. subject to the following, the excess(es) shown in the Policy Schedule for this section
- b. for loss or damage which occurs during any period of forty eight (48) consecutive hours as a result of earthquake, tsunami, subterranean fire or volcanic eruption, or fire resulting from any of those events, the lesser of:
 - i. the first \$20,000 of the loss or damage; and
 - ii. 1% of the total sum insured for all buildings and contents at the location where the loss or damage occurs.

2. Co-insurance condition

We will not pay any greater proportion of the loss or damage than the sum insured for all the property at the location bears to 80% of the value of that property at the commencement of the period of insurance.

However:

- a. we will not pay any more than the sum insured for each item which is listed in the Policy Schedule, and
- b. this condition will not apply if the amount of the loss or damage is less than 5% of the total sum insured for all the property at the location.

Exclusions

There are also general exclusions which apply to this cover section.

We do not insure you for:

- a. any additional cost of complying with the requirements of any statutory authority with which you had been required to comply before the loss or damage occurred;
- b. theft, other than as provided under additional benefit 'Vandalism';
- c. damage to property awaiting or undergoing demolition,
- d. breakage of glass unless caused by a defined event, but not breakage arising from any act of malicious damage or vandalism,
- e. damage to any electrical or electronic appliance (including wiring) caused by electric current other than provided by additional benefit 'Fusion' but this exclusion does not apply to any damage which is caused by a fire which results from any such damage,
- f. loss, destruction or damage to information on computer systems' records:
 - i. due to the presence of magnetic flux; or
 - ii. while mounted in or on any machine for use or processing unless it is caused by a defined event;
- g. loss or damage due to defects in any computer systems' records,
- h. consequential loss of any kind, except for the cover provided under additional benefit 'Buildings – rental',
- i. mechanical, electrical or electronic failure or breakdown.

Business interruption section

Definitions which apply to this section

Word or term	Meaning
Accountant	An accountant appointed by agreement between you and us or, if we cannot agree, nominated by the President of the Institute of Chartered Accountants in Australia.
Accounts receivable	The total amount owed to the business by customers as at the end of the month immediately prior to the date of the damage adjusted for: <ul style="list-style-type: none"> • bad debts; • amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of damage) to customers' accounts in the period between the date to which the customers' last statement relates and the date of the loss or damage; and • any abnormal trading conditions which had or could have materially affected the business; to reasonably represent the amount which would have been recovered at the time of the loss or damage if it had not occurred.
Gross income	The money paid or payable to you for goods sold, services rendered or for rental received in the course of your business less the cost of purchasing stock.
Indemnity period	Begins when the loss or damage occurs and ends on the earlier of the following: <ul style="list-style-type: none"> • the expiry of the period listed in the Policy Schedule; or • when the business ceases to be affected as a result of the loss or damage.
Standard income	<ul style="list-style-type: none"> • The gross income during the period immediately before the date that the loss or damage occurred which corresponds with the indemnity period; • adjusted to reflect the trend in the business and any other relevant circumstances; in order to calculate the gross income that your business would have earned had the loss or damage not occurred.
Standard weekly income	The average weekly gross income during the lesser of: <ul style="list-style-type: none"> • the fifty two (52) weeks immediately before the loss or damage occurs; or • the period your business has been in operation; adjusted to reflect the trend in the business and any other relevant circumstances in order to calculate the weekly gross income that your business would have earned had the loss or damage not occurred.
Weekly income	Average weekly gross income.

Cover

This section insures:

- loss of income during the indemnity period;
- which results directly from the effect on the business of loss or damage to any property which is insured and for which you would have been entitled to indemnity (if no excess had applied) under either:
 - the 'Property, Crime or General property' sections of this Policy (unless otherwise shown), or
 - any other Policy which provides the same insurance cover as provided under these sections of the Policy.
- for the amounts set out below.

You may choose to insure your loss of income in a number of ways:

Cover 1 is for loss of gross income,
 Cover 2 is for loss of weekly income,
 Cover 3 is for additional cost of working,
 Cover 4 is for accounts receivable.

The cover(s) you have chosen is shown in the Policy Schedule.

We also provide some additional benefits. Depending on what cover you choose, you are automatically entitled to these benefits.

What we will pay

We will pay the amounts set out below only if you have chosen the relevant cover.

Cover 1. - Gross income

If you have chosen to insure gross income we will pay you:

- a. the difference between the standard income and the gross income earned by you during the indemnity period, and
- b. any amount that you expend with our consent for the sole purpose of minimising any reduction of gross income as a result of the loss or damage.

However we will not pay any more than the amount by which reduction in gross income is minimised less any expenses saved as a result of the loss or damage.

Cover 2. - Weekly income

If you have chosen to insure weekly income and the loss or damage affects the business for more than one (1) week, during the indemnity period we will pay you each week:

- a. the standard weekly income, less
- b. your actual weekly income earned for each week.

Cover 3. - Additional cost of working

If you have chosen to insure the additional cost of working we will pay the additional expenditure you reasonably incur to minimise the effect of the loss or damage to the business during the indemnity period.

We will not pay any more than the sum insured for additional cost of working shown in the Policy Schedule. This cover is additional to the cover provided under the Property section, additional benefit 'Additional cost of working'.

Cover 4. - Accounts receivable

If you have chosen to insure accounts receivable we will pay you the following amounts:

- a. any accounts receivable which you do not receive and are unable to trace as a result of loss or damage to your business records which were contained in the location, and
- b. any expenditure incurred with our consent in tracing and establishing those accounts receivable after the damage, provided that,

if the sum insured is less than the actual accounts receivable, we will reduce the amount we pay by the proportion that the sum insured bears to the accounts receivable.

We will not pay any more than the amount shown in the Policy Schedule for accounts receivable.

We will not pay any amount under this clause unless you:

- i. have sent duplicate records of all accounts receivable to a safe place away from the location as soon as possible after the end of each month; and
- ii. keep those records for at least twelve (12) months.

Additional benefits

1. Claim preparation costs

If you have chosen to insure gross income or weekly income under this section, in addition to the sum insured for that cover, we will pay the greater of \$20,000 or the amount shown in the Policy Schedule for the professional fees and other expenses that you reasonably and necessarily incur with our consent in the preparation of your claim under the Property section or Business interruption section of this Policy, provided those expenses are not otherwise insured by this Policy.

If you have chosen to insure gross income or weekly income under this section, we will also pay the following, provided the sum insured for that cover is not exhausted:

2. Electronic equipment

For loss of income during the indemnity period as a result of loss or damage to electronic plant for which you are entitled to indemnity under the Electronic equipment section of this Policy, up to 20% of the sum insured for gross income or weekly income.

For the purpose of this clause the indemnity period will start on the date of the loss or damage to the electronic plant.

3. Prevention of access

The indemnity under this section is extended to include interruption or interference with your business in consequence of:

- a. damage by any insured event covered by the Property section to property within a twenty (20) kilometre radius of your premises or to property forming part of or contained in a complex of which the location forms part,
- b. bomb threat,
- c. closure or evacuation of all or part of the premises by order of a competent government, public or statutory authority as a result of a human infectious or contagious diseases. However there is no cover for highly pathogenic Avian Influenza or any disease declared to be a listed human disease under the *Biosecurity Act 2015* (as amended) irrespective of whether discovered at the location of your premises, or out-breaking elsewhere,

- d. closure or evacuation of all or part of the premises by order of a competent government, public or statutory authority as a result of:
 - i. food poisoning, murder or suicide within a twenty (20) kilometre radius of your premises;
 - ii. vermin or other animal pests at the location;
 - iii. incorrect operation of drains or other sanitary arrangements at the location;

which shall prevent or hinder the use of your building or access thereto, or results in a cessation or diminution of trade due to temporary falling away of potential customers.

4. Public utilities, customers and suppliers extension

Where damage occurs within Australia at:

- a. an electricity power station or substation,
- b. a gas supplier,
- c. water or sewerage services,
- d. land based telecommunications installations,
- e. a customers' premises,
- f. computer facilities, computer installations, including ancillary equipment and data processing media, utilised by you in Australia other than at the business premises,

and these premises supply goods or services utilised by you or your supply goods or services to them, where damage is caused by and would be covered by an insured event listed in the Property section of this Policy, the consequential reduction of gross income or weekly income resulting from such interruption or interference shall be deemed to be loss resulting from loss or damage to property used by you at your premises.

Provided always that:

- 1. we shall not be liable for the first two (2) normal trading days of any loss resulting from the interruption or interference,
- 2. our total liability shall not exceed 20% of the amount insured under this Policy section as gross income or weekly income, whichever is selected.

Conditions

1. Excess

We will not pay the excess shown in the Policy Schedule for each claim made under this section.

2. Maximum amount

Other than for claims under the additional benefit 'Claim preparation costs', we will not pay more than the sum(s) insured shown in the Policy Schedule for each of the covers in this section that you have chosen.

3. When we will pay

We will pay the benefits provided by this section upon receipt of substantiated evidence of your loss.

4. Departmental provision

Subject to the following, if your business is conducted in departments with individually ascertainable trading results, we will treat each department as if it is separately insured under this section:

- a. we will not pay any more than the sum(s) insured under this section for all claims from any department, and
- b. if the sum insured is less than the total of the gross income or weekly income for all departments (whether affected by the loss or damage or not), we will reduce the amount we pay by the proportion that the sum insured bears to the total of the gross income or weekly income, whichever is selected.

5. Assistance

As soon as practicable after loss or damage occurs which results in a claim under this section you must:

- a. provide us with details of the amount of and method of calculation of your claim in writing and certified by an accountant, and
- b. make available to us all books and records (including computer records) that are reasonably necessary for us to verify your claim.

6. Interim claim payments

When a claim is payable for a loss recoverable under this section we will, if required by you and at intervals to be mutually agreed, make interim payments as calculated from any loss adjuster's report or other information and documentation supplied to us.

Crime section

Definitions which apply to this section

Word or term	Meaning
Safe or strong-room	<p>A container or structure which:</p> <ul style="list-style-type: none"> has been specifically designed for the safe storage of money or valuables; and is designed compliant with Australian standards to protect its contents against fire; and is designed to resist unauthorised opening by hand held or power operated tools.

Cover

We will pay you up to the limits specified in the Policy Schedule or as otherwise specified in this cover section for loss or damage to:

- contents, including stock,
- money belonging to you and connected with the business, up to \$5,000 or the amount shown in the Policy Schedule,
- glass,

directly caused by an event not otherwise excluded.

What we will pay

We will pay for:

- Contents (excluding stock and customers' goods):
 - the replacement value at the time of its loss or damage.
- Stock and customers' goods:
 - the market value at the time of its loss or damage.
- Money:
 - the value of money lost or damaged.
- Glass:
 - the cost of repairing or replacing the damaged glass, including any extra costs necessarily incurred to comply with the requirements operative at the time of repair or replacement of any Act of Parliament or regulation made thereunder or any by-law or regulation of any municipal or other statutory authority. However we will not pay any extra costs incurred in complying with any such Act, regulation, by-law or requirement with which you had been required to comply prior to the happening of the damage.

Additional benefits

We give the following additional benefits:

1. Theft without forcible entry

Notwithstanding Exclusion 3 - 'Theft', item (b) and subject to the sum insured not being otherwise exhausted, we will cover you for loss of or damage to contents resulting from theft without forcible and violent entry from the location up to an amount of \$25,000.

2. Locks, keys and combinations

Following a theft covered by this section we will pay up to \$5,000 any one (1) event for the necessary cost of replacing locks, keys or combinations used in your business and the cost of opening safes and strong-rooms. This additional benefit shall also apply if there are reasonable grounds to suspect that keys or combinations have been stolen or copied without your authority.

If you are also insured under the 'Property' section, the benefit payable for locks, keys and combinations shall not be cumulative.

3. Employees' tools, equipment, personal effects and clothing.

Personal property of directors and employees of your business if:

- the personal property is used solely for business purposes, and
- the person to whom the personal effects belong is not named as an insured.

Cover is limited to \$5,000 any one (1) person but if any person is entitled to indemnity under any other Policy of insurance effected by him/her or by any person other than you, this cover will only apply in respect of any amount in excess of that provided by such other Policy. There is no cover for you or any person named as the insured on your Policy Schedule.

4. Temporary protection

We will pay you for the cost of temporary protection, temporary shuttering, boarding up or other security protection necessarily incurred to secure the safety of the property insured pending repair of the damage, provided that our total liability during any one (1) period of insurance for all such costs of temporary protection shall be limited to the sum of \$10,000.

5. Building, fixtures and fittings

We will pay for:

- damage to any building owned by you or for which you are responsible under the terms of any lease where such damage is caused by forcible and violent entry or exit, or any attempt thereat,
- loss of or damage to fixtures, fittings and services to your building(s) or to buildings for which you are responsible under the terms of any lease caused by theft or attempted theft (with or without evidence of forcible entry). Provided that the fixtures, fittings or services are permanently fixed to the building and not attached only by a flexible cord or conduit to a gas, water or electricity supply point.

Our total liability during any one (1) period of insurance for all such loss or damage shall be limited to the sum of \$5,000 or the amount shown in the Policy Schedule.

6. Records and documents

We will pay the cost of rewriting or reproducing necessary written or printed records and documents, computer system records, business records, plans and designs limited to an amount not exceeding the sum of \$10,000 for any one (1) event.

7. Temporary removal

We will pay up to 30% of the sum insured for contents for loss or damage which occurs to contents (other than portable computers, mobile phones and optical or electronic surveying equipment) while they are temporarily removed from the building(s), within Australia and are either:

- in any building other than the building(s),
- on the person of you or your employees, directors or partners in the course of their employment, or
- in transit.

We will not pay any amount for loss or damage:

- which occurs while the contents are in storage, being transported for sale or storage or during permanent removal from the building(s); or
- to directors' or employees' tools, equipment, personal effects and clothing; or
- caused by theft from any vehicle unless the theft follows a collision or overturning of the vehicle or violent and forcible entry into the vehicle.

8. New premises temporary cover

We will temporarily extend cover provided by this section to property at any new situation first occupied by you during the period of insurance provided that:

- a. this temporary cover period is limited to the lesser of:
 - i. thirty (30) days from the date you acquire or commence using the premises; or
 - ii. the expiry date of the current period of insurance; or
 - iii. the date on which the property ceases to belong to you;
- b. the property is used for the business described in the Policy Schedule,
- c. the property is of similar type to that already insured under this cover section,
- d. the new premises comprise buildings of similar construction, fire and burglary protection as featured in any premises currently described in the Policy Schedule.

You must provide to us full details of the new premises within thirty (30) days of the commencement of this temporary cover. If we agree to continue the cover you must pay any additional premium that we may require.

9. Developing security film

We will pay you for the cost of replacing and developing security film exposed because of theft or attempted theft provided that our total liability during any one (1) period of insurance for all such costs shall be limited to the sum of \$5,000.

10. Peak period increases

The sum insured for money is automatically increased by 30% during the following periods (unless the Policy Schedule shows otherwise):

- a. from sixty (60) days before Christmas Day to bank closing time on the tenth banking day thereafter,
- b. from thirty (30) days before Easter Sunday to bank closing time on the tenth banking day thereafter,
- c. on gazetted public or bank holidays and any weekend adjoining the holiday until bank closing time on the tenth banking day after the holiday.

Exclusions

There are also general exclusions which apply to this cover section.

We will not cover loss of or damage as a result of:

1. any defined event, other than breakage of glass as a result of malicious damage or vandalism;
2. mechanical, electrical or electronic failure or breakdown;
3. Theft:
 - a. in which any member of your family is involved as a principal or accessory;
 - b. from any open space whether fenced or unfenced outside the walls of the building other than provided by 'Additional benefit 1. - Theft' without forcible entry;
 - c. of jewellery, furs, watches or precious or semi precious stones owned by you in excess of \$10,000;
 - d. theft, fraud or dishonesty by any of your employees if the loss is discovered more than twenty one (21) days of its occurrence and our limit of liability, during any one (1) period of insurance shall not exceed \$2,500.

4. Loss of or damage to money which:

- a. is not discovered within seven (7) working days after the loss or damage occurred
- b. is due to the fraud dishonesty of you, any member of your family or your directors or partners;
- c. occurs while the money is being carried by any carrier, whether professional or otherwise;
- d. is stolen from any unattended vehicle;
- e. is stolen from any Safe or strong-room which has been opened by:
 - » a key; or
 - » the use of a combination, the details of which have been left at the location outside business hours;
- f. is lost due to the fraud or dishonesty of any of your employees where:
 - » the loss is discovered more than twenty one (21) days after it occurred; and
 - » the employee is one of your directors or partners or a member of your family;

otherwise, the most we will pay under this benefit is \$2,500.
- g. which is not owned by you for the purpose of the business.

5. Breakage of glass, sanitary ware or sinks during installation, removal or any maintenance alteration or repair being carried out to those items or their framework or fittings.

6. Damage to:

- a. tubing or light fittings,
 - b. glass which was cracked or imperfect at the beginning of the period of insurance,
 - c. glass which has been used for a purpose for which it was not intended.
- #### 7. More than \$5,000 or the amount shown in the Policy Schedule for the reasonable cost of each of the following if they are necessary following breakage of glass insured:
- a. loss or damage to signwriting, ornamentation, reflective materials or burglary alarm tapes and connections,
 - b. loss or damage caused by external violence to window/door frames and tiled shop fronts,
 - c. loss or damage to electrically illuminated signs.

6. We will not pay the excess shown in the Policy Schedule for this section.

Machinery breakdown section

Definitions which apply to this section

Word or term	Meaning
Plant and machinery	<p>Plant and machinery means:</p> <ol style="list-style-type: none"> Boilers, pressure vessels and pressure pipe systems. Electrical and mechanical items. <p>Plant and machinery does not include:</p> <ol style="list-style-type: none"> vehicles or mobile plant; computers, electronic data processing equipment, office equipment, telecommunication transmitting and receiving equipment, audio visual amplification and surveillance equipment; research, diagnostic and electro medical equipment; televisions, videos, gambling or amusement machines; lifts or escalators.
Boilers, pressure vessels and pressure pipe systems	The permanent structure of those insured items which are subject to internal steam, gas or fluid pressure (other than atmospheric pressure) including all direct attachments connected to the permanent structure and includes with respect to boilers the rotating, reciprocating or electrical apparatus attached to them.
Electrical and mechanical items	Items driven by motors, including electronic and other integral parts of the insured items including boilers, pressure vessels and pressure pipe systems as defined above.
Insured damage	Sudden and unforeseen physical loss or damage to the insured item which occurs during the period of insurance and requires immediate repair or replacement to allow continuation of use.

Cover

If any item or items or any part of an item referred to in the Policy Schedule, suffers insured damage during the period of insurance we will indemnify you in respect of such loss or damage as provided in the basis of settlement clause.

Additional cover

We will indemnify you for loss or damage to property not insured under this section which is owned by you or if you are responsible for loss or damage to it provided:

- that loss or damage occurred within the location during the period of insurance as a direct result of impact from part of an insured item of plant and machinery, and
- the loss or damage is directly caused by insured damage and occurs in circumstances where cover is provided, and not excluded under this section.

We will not pay more than the sum insured or limit any one (1) loss as specified in the Policy Schedule for that insured item of plant and machinery as specified in the Policy Schedule for loss or damage caused to the uninsured item.

Basis of settlement

- In the event of insured damage under this section we will pay you up to the sum insured for the reasonable cost of repairs or replacement necessary to return the insured item to its former state of operation including:
 - cost of dismantling, re erection and removal of debris,
 - replacement of refrigerant lost from an insured item as a direct result of insured damage,
 - charges for overtime and work on public holidays where necessarily and reasonably incurred,
 - freight within the Commonwealth of Australia by any recognised scheduled service, and
 - hire of a temporary replacement item during the time taken to repair damage to any insured item.

Provided the total of all these costs in clauses 1 (c), (d) and (e) are limited to 50% of the normal cost of repair payable under this section.

Our liability inclusive of these additional costs shall not exceed the sum insured specified in the Policy Schedule.

- All insured damage which can be repaired must be repaired, however should the item be uneconomical to repair due solely to the nature of the insured damage, settlement will be as follows:
 - the cost of replacement of the insured item by an item of similar function, type, capacity and quality in a condition equal to, but not better than, the condition of the insured item when new, or
 - the sum insured for the insured item.

We will pay the lesser of 2 (a) and (b).

- We shall not be required to replace exactly the insured item, but only as circumstances permit.
- The value of any salvage will be subtracted from any amount payable under this section.
- The sum insured for insured items of plant and machinery specified in the Policy Schedule shall be automatically reinstated following insured damages for no extra premium.
- Where components or manufacturer's specifications are no longer available due to obsolescence, the basis of settlement will be the cost which would have been incurred if the components or specifications had still been available.

Additional benefit - Deterioration of contents in cold storage

- Scope of cover

We will indemnify you up to \$2,000 for loss of or damage to contents whilst contained in the cold storage spaces cooled by the insured items nominated in the Policy Schedule and caused by deterioration or putrefaction as a result of:

- insured damage to the refrigeration machinery;
- sudden and unforeseen failure of the public power supply;
- operation or failure to operate, of controls or protective devices within the refrigeration machinery but this does not include loss caused by the manual operation or manual setting of controls or protective devices;
- contamination of the stored contents by the accidental escape of refrigerant into the cold chamber; or
- sudden leakage of refrigerant from the refrigeration machinery or pipe system forming part of the refrigeration machinery;

occurring during the period of insurance at the location.

2. Basis of settlement

We will pay the cost of replacement of the lost or damaged contents calculated immediately prior to the loss or damage occurring.

3. Exclusions applying to this additional benefit

(There are also general exclusions which apply to this 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,
- c. penalties for delay or detention or consequential loss or damage or liability of any nature whatsoever, and
- d. loss or damage following loss of public power supply due to:
 - i. the deliberate act of any public power supply authority;
 - ii. the decision by any public power supply authority to restrict or withhold supply;
 - iii. shortage of power generation fuel or water.

Exclusions

There are also general exclusions which apply to this cover section.

We will not pay for:

1. Loss or damage caused by or arising from:
 - a. any defined event,
 - b. smoke or soot,
 - c. extinguishing a fire including subsequent demolition or repair work,
 - d. chemical explosion (other than explosion of flue gas in boilers),
 - e. landslip or subsidence,
 - f. water escaping, discharged or leaking from any source which is external to the plant and machinery insured,
 - g. theft or burglary,
 - h. intentional damage, or
 - i. the carrying out of tests involving abnormal stresses, including overloading of any insured item.
2. The cost of:
 - a. replacement of expendable items such as belts, filters, fuses, electric heating elements, electrical contacts, thermostats, thermal expansion (TX) valves, cutting blades, crushing surfaces, glass or porcelain, ceramics, chains, seals, links, dies and moulds, conveyor belting, lubricants, fuel and any transfer media,
 - b. replacement of component parts worn through normal machine operation,
 - c. adjustment, cleaning, purging or recharging of refrigeration or air conditioning equipment,
 - d. repairs to piping and other ancillary systems due to cracking of pipe work, or
 - e. replacement of refractory or brickwork forming part of an insured item,

unless necessary as part of the rectification of insured damage not otherwise excluded under this section.

- f. maintenance work including but not limited to the tightening of loose parts, recalibration or adjustments,
- g. alteration, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or as a separate operation,
- h. modification or alteration of insured plant which has suffered insured damage to enable it to operate with a more ozone friendly refrigerant gas as required by the UNEP (United Nations Environmental Protection) Montreal Protocol with respect to substances which deplete the ozone layer,
- i. replacement of lighting equipment, reticulating electrical wiring, reticulating liquid and gas piping and ducting,
- j. repair of slowly developing deformation or distortion of any part,
- k. repair of blisters, laminations, flaws or grooving even when accompanied by leakage,
- l. damage caused to insured item or items caused by any hydraulic testing,
- m. repairs to valves, fittings, glands, joints, gaskets, pipes, lines and connections which are defective or leaking,
- n. repairs to shaft keys requiring tightening, fitting renewal,
- o. damage caused by the movement of foundations, masonry or brick work, or
- p. removal of installation of underground pumps and well casings, unless specifically noted on the Policy Schedule. This exclusion does not include submersible pumps.

3. Consequential loss

Other than the cover provided under, '4. Additional benefit - Deterioration' of contents in cold storage. We do not pay for consequential loss of any kind or description whatsoever.

Conditions

1. Reasonable steps

On the happening of any occurrence which might give rise to a claim under this section you shall in addition to complying with general conditions applicable to all sections for claims:

- a. take all reasonable steps to minimise the extent of the loss;
- b. preserve any damaged or defective plant or items and make them available to us for inspection.

2. Operating damaged plant

Our liability shall cease for any plant which has sustained damage and is operated without having been repaired in a manner consistent with the generally accepted rules of engineering practice.

3. Under-insurance

The number of machine units declared on the proposal under this section must be the actual total of the machine units present at the location on the inception date of the current Policy. If at the time of loss or damage it is found that the declared total number of units is less than the number present at the inception date of the current period of insurance the amount to be recovered by you will be reduced in proportion to the under-declaration.

4. Newly installed items

At the end of each period of insurance you shall furnish us with details of any items newly installed or which have been deleted during the period of insurance. Additional or return premiums shall be calculated corresponding to the type and value of the items and the period of insurance from the time of completion of the successful commissioning of the items. Provided that our liability for all additional items will not exceed 50% of the total sum insured or limit of liability as stated in the Policy Schedule.

5. Inspection

You shall permit us or our representative at all reasonable times the right to inspect and examine any items insured by this section.

6. Commissioning

This insurance only applies after completion of successful initial commissioning.

7. Excess

The amount of each claim otherwise payable shall be reduced by the amount of the excess shown in the Policy Schedule.

Electronic equipment section

Definitions which apply to this section

Word or term	Meaning
Computer virus	An executable programme or computer code segment that is self-replicating, requires a host programme or executable disc segment in which it can be contained and which destroys or alters the host programme or other computer code or data causing undesired programme or computer system operation.
Electronic data	The information stored on the electronic data media.
Electronic data media	The discs or tapes used in the electronic plant to store the information.
Electronic plant	All computers, word processors including all ancillary equipment attached thereto, software, other electronic equipment as specified in the Policy Schedule as insured items.
Insured damage	Sudden and unforeseen physical loss or damage to the insured item which occurs during the period of insurance and requires immediate repair or replacement to allow continuation of use, caused by vibration, power surge, low voltage, mechanical, electrical and electronic breakdown.
Software	The collection of programs which cause electronic plant to perform a desired operation or series of operations.

Cover

If any insured item or items of electronic plant or any part of an item of electronic plant specified in the Policy Schedule suffers insured damage during the period of insurance, we will indemnify you as provided in the basis of settlement.

Basis of settlement

1. In the event of insured damage to the insured item of electronic plant we will pay the cost of replacement or repairs necessary to return the insured item to its former state of operation including:
 - a. cost of dismantling, re erection and removal of debris;
 - b. charges for overtime and work on public holidays where necessarily and reasonably incurred; and
 - c. freight within the Commonwealth of Australia by any recognised scheduled service;

provided that the costs in clauses 1(b) and 1(c) are limited to 50% of the normal cost of repair payable under this section.

Our liability inclusive of these additional costs shall not exceed the sum insured specified in the Policy Schedule.

2. No deduction will be made for depreciation or parts replaced except for valves, tubes (including picture and x-ray tubes) and light sources. We will deduct a proportion of the replacement cost of these items being the proportion which the period of use up to the time of failure, bears to the normal service life expected by the manufacturer or supplier.

3. All insured damage which can be repaired, must be repaired, however, should the item be uneconomical to repair due solely to the nature of the insured damage, settlement will be as follows:
- a. the sum insured for the insured item as stated in the Policy Schedule; or
 - b. for insured items less than six (6) years old the cost of replacement of the insured item by an item of similar function, type, capacity and quality and in a condition equal to but not better than, the condition of the insured item when new; or
 - c. for insured items six (6) years or older, the installed value of the insured item will be depreciated by 10% per annum for each year of service to a maximum of 70%.

Our liability will be the lesser of 3(a), 3(b) or 3(c).

4. The value of any salvage will be subtracted from the amount payable under this clause.

Optional covers

Applies where indicated on your Policy Schedule as being operative.

Electronic data and electronic data media extension

Cover

We will indemnify you for insured damage to the electronic data and electronic data media caused solely as the result of insured damage to the electronic plant which is specified in the Policy Schedule.

Basis of settlement

We will pay you for such insured damage up to the sum insured specified in the Policy Schedule including:

- a. the actual cost of replacement of lost or damaged electronic data media by new unused materials;
- b. any expenses which can be proved to have been incurred by you only for the purpose of restoring the electronic data by reproduction of data or information in a condition equivalent to that existing prior to insured damage and necessary to allow operation of the insured item to continue in the normal manner. Lost electronic data may be reproduced in an updated form if the cost of doing so is no greater than that of reinstatement in the original form,

and provided:

- c. We shall only be liable for costs and expenses incurred within a period of twelve (12) months following the insured damage within the period of insurance,
- d. this extension only applies whilst the insured electronic data media is:
 - i. at the location;
 - ii. at a media storage location; or
 - iii. temporarily at an alternative location for processing purposes or in transit between any of these locations.

Additional exclusions – applying to this extension

(The exclusions contained in this section also apply to this extension)

We will not pay for:

- a. loss or distortion of electronic data contained on the electronic data media while mounted in or on any machine for use of processing unless such loss or distortion occurs:
 - i. at the location due to insured damage to an insured item of electronic plant which is specified in the Policy Schedule; or
 - ii. at another location temporarily for processing purposes due to insured damage to the electronic plant which would be indemnifiable if the electronic plant were insured under this section;
- b. loss or distortion caused by computer virus,
- c. loss or damage caused by atmospheric conditions, moisture or changes in temperature unless directly resulting from damage to air-conditioning equipment which would be indemnifiable if the equipment were insured under this section,
- d. consequential loss of any kind or description whatsoever, except as provided in item 5. below, ('Increased cost of working extension'),
- e. work undertaken without our approval other than for minor or provisional repairs. There is no cover under this extension with respect to any insured item which has been operated without being satisfactorily repaired following insured damage.

Condition applying to electronic data and electronic media

It is a condition precedent to indemnity under this extension that you must have duplicate copies of update file media stored off site at alternative premises.

Increased cost of working extension

Cover

We will indemnify you for any additional costs of operating your business directly resulting from interruption or interference to your business as defined in the Policy Schedule but only if:

- a. the interruption or interference is as a result of insured damage to the insured electronic plant which is specified in the Policy Schedule, and
- b. the interruption or interference is caused solely as a result of insured damage.

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

Basis of settlement

- a. We will pay you for the additional expenditure incurred over and above the normal expenses which would have been incurred by you for the operation of your insured electronic plant by the use of substitute equipment to maintain normal business operation during the interruption up to the sum insured specified in the Policy Schedule, including:
 - i. the actual hire charges incurred for the rental of substitute equipment; and
 - ii. the cost of additional personnel and transport expenses incurred with the use of the substitute equipment;

- b. the indemnity period and the time excess shall commence upon the commencement of use of a substitute insured item of electronic plant,
- c. we will be liable for additional expenditure incurred during the actual period of the interruption but not exceeding the period specified in the Policy Schedule as the indemnity period,
- d. the total of all claims payable under this extension during the period of insurance shall not exceed the aggregate of the sum insured stated in the Policy Schedule,
- e. we will not be liable for loss, damage or costs incurred by you during the time excess.

Additional exclusions – applying to this extension

(The exclusions contained in this section also apply to this extension)

We will not pay for:

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

Condition applying to increased cost of working

For the purpose of this increased cost of working only, exclusion 7 of this section does not apply.

Exclusions

We will not pay for:

1. Loss or damage caused by or arising from:
 - a. any defined event,
 - b. smoke or soot,
 - c. extinguishing a fire including subsequent demolition or repair work,
 - d. chemical explosion (other than explosion of flue gas in boilers),
 - e. landslide or subsidence,
 - f. water escaping, discharged or leaking from any source which is external to the plant and machinery insured,

- g. theft or attempts thereat.

This section does not cover:

2. Insured damage to electronic data and electronic data media unless you have electronic plant insured.
3. Insured damage caused by atmospheric conditions, moisture or changes in temperature unless directly resulting from damage to or malfunction of air conditioning equipment, or
4. The cost of:
 - a. replacement of expendable items such as batteries, valves, x-ray and picture tubes, belts, chains, tapes, cards, ribbons, filters, tubes, electric heating elements or electrical contacts; or
 - b. replacement of component parts worn through normal use or operation;

unless necessary as part of the rectification of insured damage not otherwise excluded under this section.

5. The cost of:
 - a. maintenance work;
 - b. alterations, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or as a separate operation;
 - c. temporary repairs unless they constitute part of the final repairs and do not increase the total repair costs;
 - d. anything to the extent you are entitled to recover the costs of labour or parts under a maintenance agreement, warranty, guarantee or indemnity in your favour by the manufacturer of the relevant insured item or any other person.
6. Loss or damage caused by computer viruses or other disruptive programming techniques.
7. Consequential loss of any kind or description whatsoever, subject to any extension selected by you.

Conditions

1. Reasonable steps

On the happening of any occurrence which might give rise to a claim under this section you shall in addition to complying with general conditions applicable to all sections for claims:

- a. take all reasonable steps to minimise the extent of the loss;
- b. preserve any damaged or defective plant or items and make them available to us for inspection.

2. Inspection

You shall permit us or our representative at all reasonable times the right to inspect and examine any items insured by this section.

3. Excess

The amount of each claim otherwise payable shall be reduced by the amount of the excess shown in the Policy Schedule.

4. Our liability

Our liability shall cease for any plant which has sustained damage and is operated without having been repaired in a manner consistent with the generally accepted rules of engineering practice.

5. Commissioning

This insurance only applies after completion of successful initial commissioning.

Broadform liability section

Definitions which apply to this section

Word or term	Meaning
Advertising injury	Injury arising out of: <ol style="list-style-type: none"> libel, slander or defamation, or any infringement of copyright or passing off of title or slogan, or unfair competition, piracy, idea misappropriation contrary to an implied contract, or invasion of privacy, committed or alleged to have been committed during the period of insurance in any advertisement, publicity article, broadcast or telecast and caused by or arising out of your advertising activities.
Aircraft	Any vessel, craft or thing made or intended to fly or move in or through the atmosphere or space.
Business	The business described in the Policy Schedule including the provision and management of canteens, social, sports and welfare organisations for the benefit of your employees, first aid, fire and ambulance services and the maintenance of your premises.
Employee	Any person engaged under a contract of or for service or apprenticeship with the insured but does not include any person employed under such contract who is excluded from the definition of 'worker' under any workers' compensation legislation.
Employment practices	Any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, harassment or discrimination directly or indirectly related to employment or prospective employment of any person or persons by you.
Internet operations	<ol style="list-style-type: none"> Transfer of computer data or programs by use of electronic mail systems by you or your employees, including part-time and temporary staff, contractors and others within your organisation whether or not such data or programs contain any malicious or damaging code, including but not limited to computer virus, worm, logic bomb, or Trojan horse, access through your network to the world wide web or a public Internet site by your employees, including part-time and temporary staff, contractors and others within your organisation,

Word or term	Meaning
	<ol style="list-style-type: none"> access to your Intranet (meaning internal company information and computing resources) which is made available through the world wide web for your customers or others outside your organisation, and the operation and maintenance of your web site.
Limit of liability	The applicable limit of liability specified in the Policy Schedule.
Medical persons	Legally qualified medical practitioners, legally qualified nurses, dentists, first aid attendants and other registered medical service professional.
Occurrence	<p>An event which results in personal injury and/or property damage and/or advertising injury, neither expected nor intended from your standpoint. All personal injury or property damage, arising out of continuous or repeated exposure to substantially the same general conditions shall be construed as arising out of one (1) occurrence.</p> <p>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 (1) occurrence.</p>
Personal injury	<ol style="list-style-type: none"> Bodily injury (and this expression includes death and illness), disability, shock, fright, mental anguish, mental injury, false arrest, wrongful detention, false imprisonment or malicious prosecution, wrongful entry or eviction, a publication or utterance of a libel or slander or other defamatory or disparaging material, unless arising out of advertising injury, assault and battery not committed by you or at your direction unless reasonably committed for the purpose of preventing or eliminating danger to person or property.
Pollutant	Any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.
Property damage	<ol style="list-style-type: none"> Physical damage to, loss or destruction of tangible property including any resulting loss of use of that property, or

Word or term	Meaning
	<ul style="list-style-type: none"> b. loss of use of tangible property which has not been physically damaged, lost or destroyed provided such loss of use is caused by an occurrence.
Territorial limits	Anywhere in the world subject to 'Exclusions 12 and 13'.
Watercraft	Any vessel, craft or thing made or intended to float on or in or travel on or through or under water.
Vehicle	Any type of machine on wheels or self laid tracks made or intended to be propelled by other than manual or animal power and any trailer or other attachment made or intended to be drawn by any such machine.
You, your	<ul style="list-style-type: none"> a. The named insured specified in the Policy Schedule, b. all your subsidiary companies (now or subsequently constituted) provided their places of incorporation are within Australia or any Territory of Australia, c. every director, executive officer, employee, partner or shareholder of yours or in a company designated in paragraphs (a) or (b) but only whilst acting within the scope of their duties in such capacity, d. every principal of yours, in respect of that principal's liability caused by the performance of work for that principal, but subject always to the extent of coverage and the limit of liability provided by this section, e. every office bearer or member of social and sporting clubs, canteen and welfare organisations and first aid, fire and ambulance services formed with your consent (but not an insured designated in paragraph (d) or (f)) in respect of claims arising from their duties connected with the activities of any such club, organisation or service. This insurance shall not apply to personal injury to or property damage of any participants of any game, match or the like, f. each partner, joint venturer, co-venturer or joint lessee of yours but only:

Word or term	Meaning
	<ul style="list-style-type: none"> i. with respect to liability incurred as the partnership, joint venture, co-venture, joint lease; and ii. provided the partnership, joint venture, co-venture, joint lease has been notified to us within sixty (60) days of formation and has been endorsed on the Policy Schedule; g. any director or senior executive of yours in respect of private work undertaken by your employees for such director or senior executive. <p>You/your does not include the interest of any other person other than as described in (a) to (g) above.</p>
Your products	Any goods, products and property (after they have ceased to be in your possession or under your control), which are or is deemed to have been manufactured, grown, extracted, produced, processed, constructed, assembled erected, installed, repaired, serviced, treated, sold, supplied or distributed by you (including any container thereof other than a vehicle).

Cover

1. Liability

We will pay:

- a. all sums which you become legally liable to pay by way of compensation,
- b. all costs awarded against you,

in respect of personal injury and/or property damage and/or advertising injury happening during the period of insurance and caused by an occurrence within the Territorial limits in connection with your business.

2. Defence of claims

With respect to the indemnity provided by this section we will:

- a. defend in your name and on your behalf any claim or legal action against you seeking damages on account of personal injury and/or property damage and/or advertising injury even if the action is groundless, false or fraudulent, and we will investigate, negotiate and settle any claim or legal action as we see fit,
- b. pay all legal costs and expenses incurred by us and all interest accruing after entry of judgement until we have paid, tendered or deposited in court such part of the judgement as does not exceed the limit of liability,
- c. reimburse you for all reasonable expenses, other than loss of earnings, incurred in connection with the defence of a claim or legal action with our consent,

- d. pay reasonable expenses incurred by you for first aid to others at the time of personal injury caused by an occurrence (other than medical expenses prohibited by Section 126 of the *Health Insurance Act 1973*).

Provided that:

- e. we will not be obliged to pay any claim or judgement or to defend any claim or legal action after the limit of liability has been exhausted by payment of judgements or settlements,
- f. if a payment exceeding the limit of liability has to be made to dispose of a claim, our liability to pay any costs, expenses and interest under the section defence of claims will be limited to that proportion of those costs, expenses and interest as the limit of liability bears to the amount paid to dispose of the claim.

The amounts thus incurred, except payments in settlement of claims, suits and all costs awarded against you, are payable by us in addition to the limit of liability.

3. Limit of liability - what we will pay

- a. Our maximum liability in respect of any claim or any series of claims for personal injury and/or property damage and/or advertising injury caused by or arising out of one (1) occurrence shall not exceed the limit of liability.
- b. Our total aggregate liability during any one (1) period of insurance for all claims arising out of your products shall not exceed the limit of liability.

Exclusions

There are also general exclusions which apply to this cover section.

This section excludes loss, damage, destruction, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

1. Employment liability

Liability imposed:

- a. by any workers' compensation law,
- b. by the provision of any industrial award, 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, agreement or determination or contract of employment or workplace agreement, or
- c. for and in respect of Employment practices,

Provided that if you are:

- d. required by law to insure or otherwise fund, whether through self insurance, statutory fund or other statutory scheme, all or part of any common law liability (whether limited or not) for such personal injury, or
- e. not required to so insure or otherwise fund such liability by reason only that the personal injury is to a person who is not a worker or employee for the purposes of the relevant worker's compensation law or the personal injury is not an injury which is subject to such law,

then this section will respond to the extent that your liability would not be covered under such fund, scheme, Policy of insurance or self insurance arrangement had you complied with your obligations pursuant to such law.

2. Property in custody or control

Property damage to:

- a. property owned by or leased or rented to you, or
- b. property in your physical or legal control.

But this exclusion does not apply to liability for property damage to:

- c. premises (including landlord's fixtures and fittings) which are leased or rented to you,
- d. premises (or their contents) not owned, leased or rented by you but temporarily occupied by you for work therein,
- e. vehicles (not belonging to or used by you) in your physical or legal control where the property damage occurs while the vehicles are in a car park owned or operated by you, unless you own or operate the car park for reward,
- f. the property of an employee of yours or of one of your subsidiary companies as designated in paragraphs (a) or (b) of 'You, your',
- g. other property (excluding any vehicle which is registered or which is required under any legislation to be registered) in your physical or legal control subject to a maximum indemnity for any one (1) occurrence of \$250,000 or the amount stated in the Policy Schedule.

3. Product defect

Property damage to your products if the damage is attributed to any defect in them or to their harmful nature or unsuitability.

4. Loss of use

Loss of use of tangible property which has not been physically injured, or lost or destroyed resulting from:

- a. a delay in or lack of performance by you or on your behalf of any agreement,
- b. the failure of your products to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by you, but this exclusion does not apply to the loss of use of other tangible property resulting from the sudden and accidental physical damage to or loss or destruction of your products after they have been put to use by any person or organisation other than those designated in paragraphs (a) or (b) of 'You, your'.

5. Product recall

Claims arising out of or resulting from the withdrawal, inspection, repair, replacement or loss or use of your products or of any property of which they form a part, if such products or property are withdrawn from the market or from use because of any known or suspected defect or deficiency in them.

6. Aircraft, aircraft products and watercraft

Claims arising out of

- a. the ownership, maintenance, operation or use by you of:
 - i. any aircraft, or
 - ii. any watercraft exceeding ten (10) metres in length, except where such watercraft are owned or operated by others and used by you for business entertainment; or
- b. your products that are 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.

7. Vehicles

Personal injury or property damage arising out of the ownership, possession, operation, maintenance or use by you of any vehicle:

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

Exclusions 7(a) to 7(b) do not apply to:

- c. Personal injury where:
 - i. that compulsory liability insurance or statutory indemnity does not provide indemnity; and
 - ii. the reason or reasons why that compulsory liability insurance or statutory indemnity does not provide indemnity do not involve a breach by you of legislation relating to vehicles.
- d. Property damage arising out of and during the loading or unloading of goods to or from any vehicle.
- e. Property damage caused by or arising from the operation or use of any vehicle which is designed primarily for lifting, lowering, loading, unloading, digging or drilling whilst being operated or used by you or on your behalf within the confines of your premises.
- f. Property damage caused by the use of any tool or plant forming part of or attached to or used in connection with any vehicle (excluding whilst the vehicle is travelling, transporting or carting goods) at any work site.

8. Contractual liability

Any obligation assumed by you under any agreement or contract except to the extent that:

- a. the liability would have been implied by law,
- b. the liability arises from a provision in a contract for lease of real or personal property other than a provision which obliges you to effect insurance or provide indemnity in respect of the subject matter of that contract,
- c. the liability is assumed by you under a warranty of fitness or quality as regards to your products,
- d. the obligation is assumed under those agreements specified in the Policy Schedule.

9. Professional liability

The rendering of or failure to render professional advice or service by you or any related error or omission, but this exclusion does not apply to the rendering of or the failure to render first aid services on your premises by your employees who are not qualified medical persons.

10. Defamation

The publication or utterance of a defamatory matter:

- a. made prior to the commencement of the period of insurance, or
- b. made by you or at your direction with knowledge of its falsity, or
- c. related to advertising, broadcasting or telecasting activities conducted by you or on your behalf.

11. Pollution

- a. personal injury or property damage caused by or arising out of the discharge, dispersal, release or escape of pollutants into or upon land, the atmosphere, or any water course or body of water, but this exclusion does not apply if the discharge, dispersal, release or escape is sudden, identifiable, unexpected and unintended and takes place in its entirety at a specific time and place.
- b. any costs and expenses incurred in the prevention, removing, nullifying or clean-up of such contamination or pollution but this exclusion does not apply to clean-up, removal or nullifying expenses only, which are consequent upon a sudden, identifiable, unexpected, unintended happening taking place in its entirety at a specific time and place which results in personal injury and/or property damage.

Our liability under clauses 11(a), and 11(b) in respect of any one (1) discharge, dispersal, release, escape and for all discharges, dispersals, releases and escape of pollutants during any one (1) period of insurance shall not exceed the limit of liability.

12. Territorial limits

- a. claims made and actions instituted within the United States of America (USA) or Canada or any other territory coming within the jurisdiction of the courts of the USA or Canada,
- b. claims and actions to which the laws of the USA or Canada apply,

provided that:

- c. this exclusion does not apply to claims and actions arising from the presence outside Australia of any person who is normally resident in Australia and who is not undertaking manual work or supervision of work of any kind whilst in the USA or Canada,
- d. the limit of liability in respect of coverage provided under paragraph 12(c) is inclusive of all costs, expenses and interest as set out in the section defence of claims of this section.

13. Exports to the USA or Canada

Claims in respect of personal injury and/or property damage caused by or arising out of your products knowingly exported by you, or your agents or servants, to the USA or Canada.

14. Asbestos

Any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from, in consequence of, contributed to or aggravated by asbestos in whatever form or quantity.

15. Faulty workmanship

For the cost of performing, completing, correcting or improving any work undertaken by you.

16. Fines, penalties

Fines, penalties or liquidated damages.

17. Punitive damages

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

18. Assault and battery

Personal injury or property damage caused by or arising from assault and battery committed by you or at your direction unless reasonably necessary for the protection of persons or property.

19. Defect in design

Any defective or deficient design or error in specification or formula provided by you.

20. Inefficacy of computers, computer software and computer consulting
- property damage to computer data, or any consequential loss resulting from such property damage, resulting from your use of any computer hardware and/or software,
 - any claims based upon or arising from any act, error, or omission in the provision of computer services by you or on your behalf.

21. Treatment or dispensing

Except as provided for under 'Exclusion 9' above,

- the treatment of humans or animals for any physical or mental deficiency, injury, illness or disease, or
- the dispensing of drugs, medicines, pharmaceuticals, supplies or artificial aids.

22. Molestation

The molestation of or interference with any person by:

- you or any person comprising you,
- any of your employees, or
- any person performing any voluntary work or service for you or on your behalf.

Further, we shall not have any duty to defend any action, suit or proceedings brought against you (or any other person or body corporate who might otherwise but for the provisions of this clause be entitled to indemnity under this section) which either directly or vicariously seeks compensation in respect of such molestation or interference as above or any personal injury resultant therefrom.

23. Participants

Personal injury or property damage of any person caused by or arising out of the participation of such person or his/her property in any game, match, race, practice, trial or other sporting activity (including but not limited to swimming, gymnastics, health and fitness activities).

24. Internet operations

Personal injury and/or property damage and/or advertising injury arising, directly or indirectly, out of, or in any way involving your 'Internet operations'.

This exclusion does not apply to personal injury and/or property damage and/or advertising injury arising out of any material which is already in print by the manufacturer in support of its product, including but not limited to product use and safety instructions or warnings, and which is also reproduced on its site.

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

25. Computers

Property damage to computer data or programs and their storage media arising directly or indirectly out of or caused by, through or in connection with:

- the use of any computer hardware or software,
- the provision of computer or telecommunication services by you or on your behalf,
- the use of computer hardware or software belonging to any third party, whether authorised or unauthorised including damage caused by any computer virus.

26. Advertising injury

For advertising injury:

- resulting from statements made at your direction with knowledge that such statements are false,
- 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,
- resulting from any incorrect description of products or services,
- resulting from any mistake in advertised price of products or services,
- resulting from failure of your products or services to conform with advertised performance, quality, fitness or durability,
- incurred by any insured whose principal occupation or business is advertising, broadcasting, publishing or telecasting.

Conditions

Jurisdiction

All disputes arising out of or under this section will be subject to determination by any court of competent jurisdiction within Australia according to the law applicable to the jurisdiction.

Joint insureds

Where you comprise more than one (1) party each of the parties will be considered as a separate and distinct unit and the words you and your shall be considered as applying to each party in the same manner as if a separate Policy had been issued to each of them provided that nothing in this clause will result in an increase of our limit of liability in respect of any occurrence or period of insurance.

Notices

You must as soon as possible give to us notice in writing of:

- every occurrence, claim, writ, summons, proceeding, impending prosecution, and inquest together with all relevant information which may result in a claim under this section, whether or not you believe any claim amount might fall below the applicable excess,
- every change that comes to your knowledge which materially varies any of the facts or circumstances existing at the commencement of this Policy.

Any notice given in writing by us to the first named insured specified in the Policy Schedule will be treated as notice to each of the parties you comprise.

Service of notices by us will be effective immediately on receipt by you of a letter or electronic communication sent from us or in the case of notices by post, three business days after having been posted by us.

Subrogation

In the event of a payment under this section to or on behalf of you we will, subject to the *Insurance Contracts Act 1984*, be subrogated to all your rights of recovery against all persons and organisations and you must execute and deliver instruments and papers and do everything that is necessary to assist us in the exercise of those rights.

Discharge of liabilities

We may at any time pay to you in respect of all claims against you arising from an occurrence the balance of the limit of liability or any smaller sum for which the claim or claims can be settled and upon that payment we will relinquish conduct or control of and be under no further liability under this Policy section in connection with those claims except for costs, charges and expenses:

- a. recoverable from you for all or part of the period prior to the date of such payment,
- b. incurred by us,
- c. incurred by you with our written consent of prior to the date of such payment.

Reasonable care

You must:

- a. exercise reasonable care that only competent employees are employed and take reasonable measures to maintain all premises, fittings and plant in sound condition,
- b. take all reasonable precautions to prevent personal injury and/or property damage and/or advertising injury, and prevent the manufacture, sale or supply of defective products, and comply with and ensure that your employees, servants and agents comply with all statutory obligations, by-laws or regulations imposed by all relevant public authorities:
 - i. for safety of persons or property;
 - ii. for the disposal of waste products;
 - iii. for the handling, storage or use of flammable liquids or substances, gases or toxic chemicals;
- c. at your own expense take reasonable action to trace recall or modify any of your products containing any defect or deficiency of which you have knowledge or have reason to suspect, including (but not limited to) any of your products subject to governmental or statutory ban.

Inspection of property

- a. We will be permitted but not obligated to inspect your property and operations at any time.
- b. Neither our right to inspect nor our failure to inspect, nor the making of any inspection nor any report of an inspection may be used by you or others in any action or proceeding involving us.
- c. We may examine and audit your books and records at any time during the period of insurance and within three years thereafter but that examination and audit will be restricted to matters which in our opinion are relevant to the Policy.

Employee dishonesty section

Definitions which apply to this section

Word or term	Meaning
Employee(s)	<p>Any person employed by you under a contract of service or apprenticeship but does not include:</p> <ul style="list-style-type: none"> • any director, partner, trustee or principal except when performing acts within the scope of the usual duties of an employee; • any broker, factor, commission agent, consignee, contractor or other agent of the same general character.

Cover

We will pay you for loss of money or contents, caused by theft, fraud or dishonesty by any of your employees provided that the loss:

- a. occurs during the period of insurance,
- b. is discovered no later than twelve (12) months after expiry of the period of insurance or termination of employment of the employee, whichever occurs first.

The maximum amount we will pay for all claims during the period of insurance is the amount specified on the Policy Schedule.

Additional benefits

Auditors Fees

With our prior approval, we will pay up to \$5,000 towards the reasonable and necessary fees payable by you to internal and/or external auditors and for other expenses which you incur in preparation of a claim under this benefit.

Unidentified employees

If a loss is alleged to have occurred as the result of the fraud or dishonesty of any one (1) or more of your employees and you are unable to positively identify them we will pay for the loss provided that you are able to provide evidence that the loss was due to the fraud or dishonesty of one (1) or more employees.

Retroactive cover

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

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

Exclusions

We will not pay for any loss of money or contents:

- a. resulting from any further act of fraud or dishonesty after you first discover that the employee has previously engaged in provable dishonest conduct or has previous convictions for dishonest acts,
- b. discovered more than twelve (12) months after the period of insurance has expired or more than twelve (12) months after the termination of employment of the employee concerned,
- c. that is not reported to us within 28 days of the discovery of any act of fraud or dishonesty on the part of any employee or any other matter in respect of which a claim may arise,
- d. beyond the limit of cover stated in this additional benefit in respect of any one (1) employee and all employees, even if the dishonest conduct continued during more than one (1) period of insurance.

Excess

The amount of each claim otherwise payable shall be reduced by the amount of the excess shown in the Policy Schedule.

Condition

To the extent permitted by law you must agree to withhold any salary, commission, moneys or assets that are the property of any employee whose dishonesty has caused a claim under this cover section. Any such sum shall be deducted from the amount of the loss before any claim is made under this benefit.

In the event of the sum insured being reduced by the amount of any claim payable under this additional benefit, the sum insured may be reinstated by payment of appropriate additional premium, provided that the amount by which the sum insured is reinstated shall be available only in respect of acts of fraud or dishonesty committed after such reinstatement.

Tax audit section

Definitions which apply to this section

Word or term	Meaning
Accountants fees	Fees, charges, expenses and disbursements rendered by any accountant, assessor, consultant, investigator or by any mediator appointed by any alternative dispute resolution centre which are reasonably and properly incurred in relation to any statutory tax audit.
Business	The business of the insured as described in the Policy Schedule, including personal taxation returns of the insured and spouse.
Culpability component	A determination by a relevant statutory authority signifying circumstances consequent to which the insured incurs a culpability component signifying, or which has been imposed on the basis of, reckless or deliberate tax evasion or similar offence by the insured.
Inception date	The date on which continuous cover under this Policy commenced being the date specified in the Policy Schedule.
Occurrence	Any occurrence which may give rise to a statutory tax audit.
Statutory tax audit	An official examination and verification of accounts and records from a relevant statutory body, pursuant to the: <ol style="list-style-type: none"> 1. Income Tax Assessment Act (Australia) 1936, 2. The Fringe Benefits Tax Assessment Act (Australia) 1986 and Fringe Benefits Tax Acts 1986 3. Section 10 of the Crimes Act (Australia) 1914, 4. Payroll Tax Act (Relevant State Act), 5. Sales Tax Assessment Act 1992 (Relevant State Act), 6. Taxation Administration Act 1953, or 7. Superannuation Guarantee Charge Act 1992, 8. A New Tax System (Goods and Services Tax) Act 1999, or any other legislation intended to replace such legislation, related to statutory tax audits which incur accounting costs arising in the course of and in the normal conduct of its business.

Cover

Subject to the terms, conditions, limitations and exclusions of this Policy, we agree to indemnify you up to the sum insured in respect of your liability to pay the fees of an accountant engaged by you in connection with an audit of your business conducted pursuant to a Statutory tax audit, where:

- a. notification of the audit occurred during the period of insurance, and
- b. notification of the audit is given to us during the period of insurance.

Basis of settlement

Limit of liability

Our aggregate limit of liability in any one (1) period of insurance for all claims arising out of the one (1) occurrence will not exceed the sum insured specified in the Policy Schedule.

Our consent

We shall be under no liability to make any payment in relation to accountants fees incurred unless our prior written consent has been obtained in accordance with the terms and conditions of this Policy.

We shall be entitled at any time to withdraw the indemnity granted under this Policy if it appears to us that you no longer have reasonable grounds for defending the tax audit whereupon we will not be liable in respect of any accountants fees incurred thereafter.

Our agreement to make any payment in relation to statutory tax audit and accountants fees and our approval of your accountant, do not constitute any acknowledgement that all accountants fees charged by your accountant are reasonable and are to be reimbursed in accordance with the terms of this Policy.

Substantiation of claim

Subject to the terms, conditions, limitations and exclusions of this Policy, we agree to indemnify you up to a maximum of \$1,000 any one (1) claim for substantiation of a claim and for which documentary evidence only is required.

Exclusions

We will not pay accountants' fees:

- a. unless we are satisfied that the applicable culpability component has not been or is not likely to be imposed in excess of 50% assessable related to the culpability scale imposed pursuant to the relevant culpability scale applicable to those Acts set out in the definition of Statutory tax audit above of the appropriate State,
- b. incurred in the defence of any statutory tax audit arising out of any directorship or the holding of any other position or office with any corporation,
- c. arising out of an audit commenced outside the period of insurance,
- d. in respect of work undertaken by you or income derived by you outside Australia,
- e. arising out of any delay in the submission of an income tax return,
- f. in circumstances where you, in respect of a final assessment of taxable income and/or income tax payable, incur a culpability component signifying, or which has been imposed on the basis of, recklessness or deliberate tax evasion or similar offence by you,
- g. arising out of the failure of a third party to submit an income tax return,
- h. in respect of an audit where the returns for the period in question were not prepared by or approved by an independent accountant or registered tax agent prior to lodgement with the Australian Taxation Office.

Notwithstanding anything to the contrary in this Policy, we will not pay accountants fees incurred in the defence of any statutory tax audit in circumstances where you:

- i. are or become bankrupt or commit an act of bankruptcy;
- ii. make or enter into a scheme of arrangement or compromise with creditors;

- iii. being a corporation, are in liquidation or come under the control of a receiver or receiver and manager or an agent for a mortgagee in possession.

Conditions

The following conditions apply to this section of the Policy.

(There are also general conditions which apply to all sections of this Policy)

1. Your obligations

You must at all times exercise care and take all necessary precautions to avoid incurring any liability which might give rise to a claim under this Policy and must not recklessly pursue a course of action which will inevitably result in a claim under this Policy.

2. Notification of Occurrences and claims

- a. If, during the period of insurance, you become aware of any occurrence which may give rise to a claim under this Policy you must give us immediate notice in writing. Any subsequent tax audit arising out of such occurrence shall be deemed to have been commenced during the period of insurance.

- b. You must, upon receipt of any notice, whether written or oral, of any intention to make a claim or demand or issue a writ or summons against you or upon becoming aware of any allegation which may give rise to any such claim, demand, writ or summons or upon the discovery of any occurrence, immediately notify us in writing as soon as practicable during the period of insurance and shall provide full information in respect thereof.

Notwithstanding anything to the contrary in this Policy, the accountant shall be appointed by and on your behalf and you shall be primarily liable for the payment of accountants' fees incurred by that accountant.

- c. You must authorise and instruct the accountant:
 - i. to disclose to us all such information and documentation as we may require from time to time;
 - ii. to keep us fully and continually informed of all material developments in the tax audit and of the completion of the statutory tax audit;
 - iii. to advise us immediately of any offers or compromise proposals or recommendations to make offers or compromise proposals; and
 - iv. to advise us if, in the accountant's opinion, there is no longer any reasonable prospect of success or if the prospects for success materially alter.

- d. You must not unreasonably refuse to follow the advice of the accountant as to the conduct of the statutory tax audit including advice relating to the making or accepting of any offer to settle or the discontinuance of the statutory tax audit.

- e. You must afford the accountant full co-operation in the pursuit or defence of the statutory tax audit.

3. Taxation of costs

- a. You must forward copies of all accounts for accountants' fees, and any correspondence relating to them to us upon receipt and must not pay or otherwise compromise or settle such account without giving us at least fourteen (14) days prior notice.

- b. If instructed by us, you must direct any accountant or other person retained on your behalf in the conduct of the statutory tax audit to have any account or charge referred to any relevant authority to be taxed, assessed or audited.

4. Recovery of costs

- a. You must pay to us any and all costs, up to the amount of the accountants' fees incurred by us, which are recovered by you in connection with the statutory tax audit and you will take at our expense every measure to recover such accountants' fees from any third party.
- b. We shall not exercise any rights of subrogation that may accrue as a consequence of any payment made under this Policy against any director, partner or subcontractor of yours, unless such payment has been brought about or contributed to by the dishonest, fraudulent or criminal act of such director, partner or subcontractor.
- c. We may limit or exclude our liability in relation to any accountants' fees if you, without our prior written consent which consent may be withheld in our absolute discretion, enter into any agreement or other arrangement of understanding which has the effect of limiting or denying our rights of subrogation in relation to such accountants' fees.

5. Failure to comply with conditions

If you fail to comply with any of the terms or conditions of this Policy, we may reduce our liability in relation to any accountants' fees by an amount that fairly represents the extent to which our interests have been prejudiced as a result of that failure or omission. If the act or omission giving rise to such failure could reasonably be regarded as being capable of or causing or contributing to a loss in respect of which cover is provided under this Policy, we may refuse to indemnify you in respect of the claim.

6. Recovery

In the event that any statutory tax audit results in you receiving an award of damages, you will pay a pro-rata proportion of those damages to us calculated on the basis of our contribution to accountants' fees, up to but not exceeding the amount expended by us on such accountants' fees.

7. Excess

The amount of each claim otherwise payable shall be reduced by the amount of the excess shown in the Policy Schedule.

Statutory liability section

Definitions which apply to this section

Word or term	Meaning
Claim	A written or other notice by a regulatory authority in connection with any claim, official investigation or inquiry, or penalty proceedings.
Defence costs	Reasonable costs, charges, and expenses (other than regular or overtime wages, salaries or fees of any insured person) incurred by us or by you with our prior written consent (and such consent will not be unreasonably withheld) in defending, investigating or monitoring any claim, or proceedings and appeals from them, together with costs of the proceedings and appeal. Where you are not indemnified under this section, only those costs, charges and expenses incurred solely and exclusively for the benefit, and on behalf, of an insured person will constitute defence costs. Defence costs in this section are part of, and not in addition to, the aggregate limit of liability applicable to this section and payment by us of defence costs reduces the aggregate limit of liability by the amount of any such payment.
Employee	Any person employed by you under a contract of service or apprenticeship during the period of insurance, but does not include any person employed under such contract who is excluded from the definition of 'worker' under any workers' compensation legislation.
Environmental legislation	Any Commonwealth, State or Territory statute, regulation, by-law or local law prohibiting, controlling or regulating the discharge, release, escape or disposal of pollutants into or upon land, the atmosphere or any watercourse or body of water.
Insured person	Includes only: <ol style="list-style-type: none"> a. the named insured specified in the Policy Schedule, and b. every, past, present or future director, partner, proprietor, officer, executive or employee of the named insured while such persons are acting for or on behalf of the named insured and/or within the scope of their duties in such capacities.
Investigation costs and expenses	Reasonable legal costs and other expenses incurred by you or on your behalf with our consent, or by us, resulting from any legally compellable attendance by you at any official investigation or inquiry. But 'investigation costs and expenses' does not include any fine, penalty or order for the payment of monetary compensation.

Word or term	Meaning
Joint venture	Any enterprise undertaken jointly by you with a third party or parties.
Official investigation or inquiry	<p>an official investigation, examination or inquiry in relation to the conduct of your business where such official investigation or inquiry may lead to a recommendation in respect of civil or criminal liability, or civil or criminal proceedings, and which would be the subject of a claim or defence costs covered by this section, including an investigation, examination or inquiry by way of royal commission or Coronial Inquiry or conducted by a regulatory authority.</p> <p>However, 'official investigation or inquiry' does not include any investigation, examination or inquiry conducted by a parliament, or any committee of a parliament, or any disciplinary committee of any association or professional body of which you are a member.</p>
Penalty	<p>Any monetary sum payable by you to any regulatory authority pursuant to a wrongful breach by you but excluding:</p> <ol style="list-style-type: none"> any amounts payable as compensation, any compliance, remedial, reparation or restitution costs, any damages, including but not limited to any exemplary or punitive damages, any consequential economic loss, any amounts uninsurable under the law pursuant to which this Policy is construed, any legal costs and associated expenses of the regulatory authority.
Regulatory authority	A person or entity appointed, constituted or acting under a delegation pursuant to any Act for the purposes of enforcement of such Act or another Act.
Senior Counsel	Entitled to use the letters 'QC' or 'SC' in any one (1) or more superior court in Australia or New Zealand.
Territorial limits	Anywhere in the Commonwealth of Australia and its protectorates and Territories.
Wrongful breach	<p>Any conduct by you which results in a contravention of:</p> <ol style="list-style-type: none"> any occupational, health, or safety legislation enacted by the Commonwealth of Australia or any State or Territory of Australia, any environmental legislation.

Cover

Basis of cover - Claims made

The cover provided operates on a 'claims made and notified' basis. This means that we cover you for claims made against you and notified to us during the period of insurance.

We do not provide cover in relation to:

- acts, errors or omissions actually or allegedly committed prior to the retroactive date applicable to this section,
- claims made, threatened or intimated against you prior to the commencement of the period of insurance,
- facts or circumstances of which you first became aware prior to the period of insurance, and which you knew or ought reasonably to have known had the potential to give rise to a claim under this section.

We will cover you in accordance with the terms of this section, for coverage items:

- Official investigations and inquiries – Costs and expenses.
- Fines and penalties.
- Pollution liability defence costs.

Limit of liability

The maximum amount payable by us under this section of the Policy inclusive of Investigation costs and expenses and defence costs for any one (1) claim and in the aggregate during the period of insurance, irrespective of the number of:

- claims, and/or
- locations, premises, situations, and/or
- persons/entities insured,

shall be the amount set out in the Policy Schedule.

Coverage items

A. Official investigations and inquiries – Costs and expenses

We agree to pay investigation costs and expenses in relation to any official investigation or inquiry commenced during the period of insurance and which is notified to us during the period of insurance.

In relation to any cover afforded under this section:

- we will be entitled, at our discretion, to appoint legal representation to represent you in the official investigation or inquiry, and
- in the event that a claim for payment of investigation costs and expenses is subsequently withdrawn or denied, we will cease to advance investigation costs and expenses and you or any person named as an insured (for your respective rights and interests) will refund any investigation costs and expenses advanced by us, unless we agree in writing to waive recovery of the investigation costs and expenses.

B. Fines and Penalties

We will indemnify you against any penalty and defence costs resulting from a claim by a regulatory authority for a wrongful breach which would otherwise be excluded by reason of exclusion 'Fines and penalties' where the claim is first made on you and notified in writing to us in the period of insurance. Provided always that we will not be liable to indemnify you in respect of any penalty or defence costs in respect of any such claim arising directly or indirectly from or which is based upon, attributable to, or in consequence of any:

- dishonest, wilful, intentional or deliberate wrongful breach; or

- b. wilful, intentional or deliberate failure to comply with any lawful notice, direction, enforcement action or proceeding under any Act; or
- c. your gross negligence or recklessness; or
- d. requirement to pay taxes, rates, duties, levies, charges, fees or any other revenue or impost.

C. Pollution liability defence costs

We will indemnify you for defence costs in respect of any claim brought or maintained by a regulatory authority, which would otherwise be excluded by reason of exclusion 'Pollutants' where the claim alleges a breach of environmental legislation.

Provided that we will not be liable to indemnify you for defence costs relating to any claim brought by a regulatory authority on behalf of, in the name of or as a representative of any other person(s), corporation or other entity.

Retroactive date

We will only provide indemnity in relation to conduct and wrongful acts committed or alleged to have been committed after the earliest commencement date of uninterrupted statutory liability insurance cover that you have held with us.

Extended reporting period – claims or facts and circumstances

Where you become aware of a claim, fact or circumstance during the period of insurance and with reasonable cause cannot provide notice to us before expiry of the period of insurance, you may provide this notice in an extended period of insurance of forty five (45) days immediately following the period of insurance. Such notice is deemed to have been provided during the period of insurance.

Continuous cover

If you knew or ought reasonably to have known prior to the commencement date of the period of insurance of any claim, fact or circumstance ('circumstance') that might give rise to a claim and had not notified us of such circumstance prior to expiration of the 'Extended reporting period – claims or facts and circumstances' attaching to the relevant period of insurance during which that knowledge was or should have been acquired, exclusions (b) and (c) of clause 'Basis of cover – Claims made' will not apply to the notification of a circumstance.

Provided always that:

- a. your failure to notify was not fraudulent, and
- b. we have continued as the insurer of your Statutory liability Policy in uninterrupted succession between the date when the circumstance should have been notified and the date the claim was actually notified, and
- c. any such indemnity shall be subject to the terms, conditions, limits of indemnity and excess applicable to the period of insurance during which the circumstance should have been notified.

Exclusions

There are also general exclusions which apply to all sections of this Policy.

This section does not cover loss arising from any claim against you:

1. Aircraft, watercraft and vehicles

any claim arising out of a wrongful breach relating to the regulation of air, marine or motor traffic.

2. Asbestos

any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from, in consequence of, contributed to or aggravated by asbestos in whatever form or quantity.

3. Bodily injury

directly or indirectly based upon, attributable to or in consequence of bodily injury. However, this exclusion will not apply to:

- a. penalties and defence costs resulting from a claim by a regulatory authority, or
- b. investigation costs and expenses,

as a result of an alleged contravention of any Commonwealth, State or Territory occupational or workplace health and safety legislation, provided always that cover will not extend to defence costs incurred in relation to any civil proceeding or claim seeking damages or compensation in connection with such alleged contravention.

4. Fines and penalties

punitive, aggravated, exemplary damages or fines or penalties imposed by law other than provided under coverage 'Item B – Fines and penalties'.

5. Fraud and dishonesty

any claims made against you which are directly or indirectly based upon, attributable to or in consequence of:

- a. your actual or alleged dishonest, fraudulent, criminal or malicious act or omission or those of your consultants, sub-contractors or agents, or
- b. your actual or alleged act or omission or those of your consultants, sub-contractors or agents with a reckless disregard for the consequences of the acts or omissions, or
- c. wilful violation or wilful breach of any statute or regulation, or any wilful breach of any contract.

6. Joint venture

arising from or attributable to any joint venture partners of your business.

7. Pollutants

other than as provided under coverage item (C) – Pollution liability defence costs, directly or indirectly based upon, attributable to or in consequence of:

- a. the actual, alleged or threatened discharge, release, escape, containment or disposal of pollutants into or upon land, the atmosphere, or any watercourse or body of water, or
- b. any enforcement action or proceeding in connection with the containment, clean up, removal, or treatment of such pollutants, or
- c. asbestos or asbestos products in any form or quantity.

8. Prior or pending

Arising directly or indirectly from or in consequence of a claim:

- a. made, threatened or intimated against you prior to the period of insurance, or
- b. directly or indirectly based upon, attributable to or in consequence of any fact or circumstance:
 - i. of which written notice has been given, or ought reasonably to have been given, under any previous policy; or
 - ii. of which you first became aware prior to the period of insurance, and which you knew or ought reasonably to have known had potential to give rise to a claim.

9. Property damage

directly or indirectly based upon, attributable to or in consequence of physical loss of, damage to or destruction of any tangible property, including loss of use of the tangible property or any consequential loss.

10. Territorial limits

any claim made against you:

- a. pursuant to the law of any country, state or territory outside the territorial limits, or
- b. committed or allegedly committed outside the territorial limits applicable to this cover section.

11. Unrelated proceedings

any defence costs in respect of that part of any proceedings which do not directly relate to the coverage items insured by this Policy section.

Conditions

There are also general conditions which apply to all sections of this Policy.

1. Allocation

- a. if both loss covered by this Policy and loss not covered by this Policy are incurred, either because:
 - i. a claim against you includes both covered and uncovered matters; or
 - ii. a claim is made against you and there are others who are party to the proceedings or demand to which the claim relates but who are not insured under the Policy; then we will use our best efforts to agree with you upon a fair and proper allocation of such amount between covered loss and uncovered loss, having regard to the relative legal and financial exposures attributable to covered and uncovered matters and parties. We are only liable under this Policy for amounts attributable to covered matters and parties, and our liability for loss, including defence costs, otherwise payable by us will be reduced to reflect such fair and proper allocation,
- b. if we cannot agree with you on an allocation of defence costs then we will advance defence costs which we believe to be covered under this Policy until a different allocation is negotiated, arbitrated or judicially or otherwise determined,

- c. we will, if requested by you, submit the dispute to a senior counsel to be mutually agreed or, in default of agreement, to be appointed by the President of the Bar Association in the relevant State or Territory, on the basis that the senior counsel will determine the allocation of loss according to his view of the fair and proper allocation, but having regard to the relative legal and financial exposures attributable to covered and uncovered matters and parties, and the overriding intention in (a) above,
- d. any negotiated, arbitrated or judicially or otherwise determined allocation of defence costs on account of a claim will be applied retrospectively to all defence costs on account of such claim.

2. Jurisdiction

All disputes arising out of or under this section will be subject to determination by any court of competent jurisdiction within Australia according to the law applicable to the jurisdiction.

3. Your right to contest

If we recommend a settlement in respect of any claim and you do not agree that the claim should be settled, then you may elect to contest the claim. Our liability in connection with that claim will not exceed the amount for which we believe the claim could have been settled, plus the defence costs incurred with our written consent up to the date of your election.

4. Senior Counsel

We will not require you to contest any claim unless a senior counsel (to be mutually agreed upon by you and us) advises that the claim should be contested.

In formulating their advice, senior counsel will take into consideration the economics of the matter, the damages and costs which are likely to be recovered by the plaintiff, the likely defence costs and your prospects of successfully defending the claim.

The cost of the senior counsel's opinion will be regarded as part of the defence costs.

5. Excess

You will have to pay an excess for each and every claim under this section of the Policy. The amount of excess is shown on your Policy Schedule and applies to all amounts for which we will be liable, including defence costs.

All causally connected or interrelated claims shall jointly constitute a single claim under this Policy section.

Employment practices section

Definitions which apply to this section

Word or term	Meaning
Bodily injury	Physical injury, sickness, disease, or death of any person but does not include mental injury, mental anguish, nervous shock, or emotional distress not associated with bodily injury.
Back pay	Back pay arising from an order of reinstatement or re-employment but shall be limited to the amount you are legally obliged to pay a claimant for the period between the time of termination of employment and the time such claimant is reinstated or re-employed.
Claim	A written demand for compensation or non-pecuniary relief, a criminal charge, a written or other notice or demand by a regulatory authority in connection with any investigation or penalty proceedings, arbitration, mediation or other dispute resolution process.
Defence costs	<p>Reasonable costs, charges, and expenses (other than regular or overtime wages, salaries or fees of any insured person) incurred by us or by you with our prior written consent (and such consent will not be unreasonably withheld) in defending, investigating or monitoring any claim, or proceedings and appeals from them, together with costs of the proceedings and appeal. Where you are not indemnified under this section, only those costs, charges and expenses incurred solely and exclusively for the benefit, and on behalf, of an insured person will constitute defence costs.</p> <p>Defence costs in this section are part of, and not in addition to, the aggregate limit of liability applicable to this section and payment by us of defence costs reduces the aggregate limit of liability by the amount of any such payment.</p>
Employee	Any person employed by you under a contract of service or apprenticeship during the period of insurance, but does not include any person employed under such contract who is excluded from the definition of 'Worker' under any workers' compensation legislation.
Insured person	Includes only: <ul style="list-style-type: none"> a. the named insured specified in the Policy Schedule, and b. every, past, present or future director, partner, proprietor, officer, executive or employee of the named insured while such persons are acting for or on behalf of the named insured and/or within the scope of their duties in such capacities.
Loss	The total amount which you become legally obligated to pay in respect of a claim made against you and will include damages, judgements, settlements, legal costs and expenses awarded against you to any claimant and defence costs.

Word or term	Meaning
Penalty	<p>Any monetary sum payable by you to any regulatory authority pursuant to a wrongful breach by you but excluding:</p> <ul style="list-style-type: none"> a. any amounts payable as compensation, b. any compliance, remedial, reparation or restitution costs, c. any damages, including but not limited to any exemplary or punitive damages, d. any consequential economic loss, e. any amounts uninsurable under the law pursuant to which this Policy is construed, f. any legal costs and associated expenses of the regulatory authority.
Senior Counsel	Entitled to use the letters 'QC' or 'SC' in any one (1) or more superior court in Australia or New Zealand.
Wrongful act	<p>Means any of the following actual or alleged conduct by an insured person in the course of their duties to you, or by you:</p> <ul style="list-style-type: none"> a. discharge or termination, either actual or constructive, of an employment relationship, b. breach of any oral or written, express or implied, employment contract or quasi-employment contract, c. misleading representation or advertising relating to employment, d. failure to employ or promote, e. unfair deprivation of a career opportunity, f. unfair discipline, g. failure to grant tenure, h. negligent employee evaluation, i. workplace harassment of any kind (whether sexual or otherwise), including the alleged creation or permission of a harassing workplace environment, j. employment-related: <ul style="list-style-type: none"> i. denial of natural justice; ii. invasion of privacy; iii. defamation; iv. infliction of emotional distress; v. discrimination on any legally prohibited basis.

Cover

Basis of cover - Claims made

This section operates on a 'claims made and notified' basis. This means that we cover you for claims made against you and notified to us during the period of insurance.

We do not provide cover in relation to:

- a. acts, errors or omissions actually or allegedly committed prior to the retroactive date applicable to this section,
- b. claims made, threatened or intimated against you prior to the commencement of the period of insurance,
- c. facts or circumstances of which you first became aware prior to the period of insurance, and which you knew or ought reasonably to have known had the potential to give rise to a claim under this section.

We will cover you in accordance with the terms of this section, for Employment practices subject also to the general exclusions and general conditions.

We agree to pay all loss arising from a claim against you alleging a wrongful act where the claim is first made and notified to us during the period of insurance.

Limit of liability

The maximum amount payable by us under this section of the Policy inclusive of defence costs for any one (1) claim and in the aggregate during the period of insurance, irrespective of the number of:

- claims; and/or
- locations, premises, situations; and/or
- insured persons;

shall be the amount set out in the Policy Schedule.

Retroactive date

We will only provide indemnity in relation to conduct and wrongful acts committed or alleged to have been committed after the earliest commencement date of uninterrupted 'Employment practices insurance' cover that you have held with us.

Extended reporting period – claims or facts and circumstances

Where you become aware of a claim, fact or circumstance during the period of insurance and with reasonable cause cannot provide notice to us before expiry of the period of insurance, you may provide this notice in an extended period of insurance of forty five (45) days immediately following the period of insurance. Such notice is deemed to have been provided during the period of insurance.

Continuous cover

If you knew or ought reasonably to have known prior to the commencement date of the period of insurance of any claim, fact or circumstance ('circumstance') that might give rise to a claim and had not notified us of such circumstance prior to expiration of the 'Extended reporting period – claims or facts and circumstances' attaching to the relevant period of insurance during which that knowledge was or should have been acquired, 'Exclusions (b) and (c) of clause - 'Basis of cover – Claims made' will not apply to the notification of a circumstance.

Provided always that:

- a. your failure to notify was not fraudulent, and
- b. we have continued as the insurer of your Employment practices Policy in uninterrupted succession between the date when the circumstance should have been notified and the date the claim was actually notified, and

- c. any such indemnity shall be subject to the terms, conditions, limits of indemnity and excess applicable to the period of insurance during which the circumstance should have been notified.

Exclusions

They are also general exclusions which apply to all sections of this Policy.

We do not cover loss arising from any claim against you directly or indirectly based upon, attributable to or in consequence of any:

1. Benefits

your actual or alleged obligation:

- a. pursuant to any workers' compensation, disability benefits, redundancy or unemployment benefits or compensation, unemployment insurance, superannuation, retirement benefits, social security benefits, or similar law,
- b. for or in respect of employment entitlement's such as but not limited to employee share or equity plans, bonuses or incentives of any kind, leave or similar entitlement's, severance or redundancy, superannuation contributions and similar alleged entitlement's or amounts.

2. Bodily injury

directly or indirectly based upon, attributable to or in consequence of bodily injury.

3. Building modifications

costs incurred by you to modify any building or property in order to make such building or property more accessible or accommodating to any disabled person.

4. Continuity of employment benefits

employment-related benefits (other than back pay) to which the claimant would have been entitled as an employee had you provided the claimant with a continuance, reinstatement or commencement of employment. This exclusion does not apply to defence costs.

5. Criminal proceedings

criminal, administrative or other disciplinary proceeding against you.

6. Fraud and dishonesty

any claims made against you which are directly or indirectly based upon, attributable to or in consequence of:

- a. your actual or alleged dishonest, fraudulent, criminal or malicious act or omission or those of your consultants, sub-contractors or agents, or
- b. your actual or alleged act or omission or those of your consultants, sub-contractors or agents with a reckless disregard for the consequences of the acts or omissions, or
- c. wilful violation or wilful breach of any statute or regulation, or any wilful breach of any contract.

7. Non-Pecuniary Relief

cost of compliance with any order for, grant of, or agreement to provide injunctive or non pecuniary relief. This exclusion does not apply to defence costs.

8. Prior or pending

Arising directly or indirectly from or in consequence of a claim:

- a. made, threatened or intimated against you prior to the period of insurance, or
- b. directly or indirectly based upon, attributable to or in consequence of any fact or circumstance:

- c. of which written notice has been given, or ought reasonably to have been given, under any previous policy; or
- d. of which you first became aware prior to the period of insurance, and which you knew or ought reasonably to have known had potential to give rise to a claim.

9. Property damage

directly or indirectly based upon, attributable to or in consequence of physical loss of, damage to or destruction of any tangible property, including loss of use of the tangible property or any consequential loss.

10. Territorial limits

any claim made against you:

- a. pursuant to the law of any country, state or territory outside the territorial limits, or
- b. committed or allegedly committed outside the territorial limits applicable to this cover section.

11. Unfair contract

actual or alleged unfair contract of employment, including but not limited to any claim or proceeding brought under Section 106 of the *Industrial Relations Act (NSW) 1996* or Section 276 of the *Industrial Relations Act (Queensland) 1999* or similar legislation in any other state, territory, or jurisdiction.

12. Unrelated proceedings

any defence costs in respect of that part of any proceedings which do not directly relate to the coverage items insured by this Policy section.

Conditions

There are also general conditions which apply to all sections of this Policy.

1. Allocation

- a. if both loss covered by this Policy and loss not covered by this Policy are incurred, either because:
 - i. a claim against you includes both covered and uncovered matters; or
 - ii. a claim is made against you and there are others who are party to the proceedings or demand to which the claim relates but who are not insured under the Policy;

then we will use our best efforts to agree with you upon a fair and proper allocation of such amount between covered loss and uncovered loss, having regard to the relative legal and financial exposures attributable to covered and uncovered matters and parties. We are only liable under this Policy for amounts attributable to covered matters and parties, and our liability for loss, including defence costs, otherwise payable by us will be reduced to reflect such fair and proper allocation.

- b. if we cannot agree with you on an allocation of defence costs then we will advance defence costs which we believe to be covered under this Policy until a different allocation is negotiated, arbitrated or judicially or otherwise determined,
- c. we will, if requested by you, submit the dispute to a senior counsel to be mutually agreed or, in default of agreement, to be appointed by the President of the Bar Association in the relevant State or Territory, on the basis that the senior counsel will determine the allocation of loss according to his view of the fair and proper allocation, but having regard to the relative legal and financial exposures attributable to covered and uncovered matters and parties, and the overriding intention in (a) above,

- d. any negotiated, arbitrated or judicially or otherwise determined allocation of defence costs on account of a claim will be applied retrospectively to all defence costs on account of such claim.

2. Jurisdiction

All disputes arising out of or under this section will be subject to determination by any court of competent jurisdiction within Australia according to the law applicable to the jurisdiction.

3. Your right to contest

If we recommend a settlement in respect of any claim and you do not agree that the claim should be settled, then you may elect to contest the claim. Our liability in connection with that claim will not exceed the amount for which we believe the claim could have been settled, plus the defence costs incurred with our written consent up to the date of your election.

4. Senior Counsel

We will not require you to contest any claim unless a senior counsel (to be mutually agreed upon by you and us) advises that the claim should be contested.

In formulating their advice, senior counsel will take into consideration the economics of the matter, the damages and costs which are likely to be recovered by the plaintiff, the likely defence costs and your prospects of successfully defending the claim.

The cost of the senior counsel's opinion will be regarded as part of the defence costs.

5. Excess

You will have to pay an excess for each and every claim under this section of the Policy. The amount of excess is shown on your Policy Schedule and applies to all amounts for which we will be liable, including defence costs.

All causally connected or interrelated claims shall jointly constitute a single claim under this Policy section.

General property section

Definitions which apply to this section

Word or term	Meaning
Insured item	<p>The items which are specified in the Policy Schedule including carrying case and usual accessories and which are owned by you or for which you are legally responsible.</p> <p>Any item of insured property which is:</p> <ol style="list-style-type: none"> electronic equipment, including computers, diaries, GPS units, photographic or video equipment, mobile communication equipment, including telephones and radios, <p>must be individually identified, described and valued and shown in the Policy Schedule, otherwise the maximum amount we will pay for any such individual item is \$1,000.</p>
Insured loss	Loss or damage arising from a sudden and unforeseen accident.

Cover

We will indemnify you on the replacement value basis up to the limit specified in the Policy Schedule in respect of physical loss of or damage which occurs during the period of insurance to insured items directly caused by an event not otherwise excluded.

You may choose to insure loss or damage in the following ways.

1. Accidental damage (standard cover)

We will cover the insured items for loss not otherwise excluded, or

2. Fire, theft, collision and other expressed perils (cover option A)

When cover 'Option A' is stated on the Policy Schedule, we will insure the items described in the Policy Schedule under this section for loss or damage caused by:

- fire, lightning, explosion, malicious damage or vandalism,
- theft following forcible and violent entry which causes visible damage to a locked vehicle or building,
- theft of equipment securely attached to a vehicle through use of locks or padlocks, which results in visible damage to the securing devices,
- collision or overturning of the conveying vehicle.

Basis of settlement

- at our option, repair or replace any lost or damaged insured item to a condition equal to but not better or more extensive than its condition when new, or pay the amount of the loss or damage up to the market value or the limit of the sum insured stated in the Policy Schedule, whichever is the lesser,
- we will not be responsible for the cost of any alterations, improvements or overhauls carried out on the occasion of repair or replacement resulting from an insured loss,
- in the case of a claim where your loss is confined to part of an insured item, we will cover you in respect of that part only plus the cost of any necessary dismantling and reassembling.

Exclusions

There are also general exclusions which apply to this cover section.

- We will not cover any loss or damage directly or indirectly caused by:
 - mechanical, electronic or electrical breakdown,
 - dishonesty by you or others to whom any insured item may be delivered, entrusted, loaned or rented,
 - theft by employees,
 - theft, other than theft resulting from forcible and violent entry evidenced by visible damage to the securely locked portion of any building or vehicle containing any insured item,
 - theft from any yard or other open space, or any veranda, pergola, carport or other open sided structure which cannot be fully enclosed by the use of doors and/or windows.

Parts (c), (d) and (e) do not apply where theft is consequent upon assault or violence, violent intimidation or threat thereof to you or your employees.

- We will not cover loss or damage to any sporting equipment whilst in use.
- We will not cover any consequential loss or damage.
- We will not cover any insured loss occurring outside Australia.
- Excess

The amount of each claim otherwise payable shall be reduced by the amount of the excess shown in the Policy Schedule.

General exclusions

These general exclusions apply to all sections of this Policy.

1. War

War, invasion, acts of foreign enemies, hostilities or war-like operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, or

2. Any act(s) of terrorism

For the purpose of this exclusion, an act of terrorism includes any act, or preparation in respect of action, or threat of action designed to influence the Government of the day or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or Government(s) of the day or de facto, and which:

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

3. Radioactivity

Radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion.

This Policy also excludes any loss, destruction, damage, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any action taken in controlling, preventing, suppressing, retaliating against, or responding to or in any way relating to 1, 2 or 3 above.

4. Electronic data

Electronic data or the cost of rewriting records as a result of loss of electronic data.

However, we will provide cover for losses to electronic data and rewriting of records as provided by 'Additional benefit 3 - of the Property' section arising out of the following perils:

fire, lightning, thunderbolt, explosion, implosion, earthquake, subterranean fire, volcanic eruption, impact, aircraft and/or other aerial device, breakage of glass, the acts of persons taking part in riots or civil commotions or of strikers or of locked out workers or of persons taking part in labour disturbances which do not assume the proportions of or amount to an uprising, storm and/or tempest and/or rainwater and/or wind and/or hail, water and/or other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or appliance and/or pipes.

If the 'Crime' section of the Policy is current we will also provide cover for losses to electronic data arising out of theft of any computer and/or computer hardware and/or firmware and/or microchip and/or integrated circuit and/or and/ device containing such electronic data.

If the 'Electronic equipment' section of the Policy is current and cover extension 'Electronic data and electronic data media extension' is insured we will also provide cover for losses to electronic data arising out of vibration, power surge, low voltage, mechanical, electrical and electronic breakdown, but not breakdown occurring as a result of any virus, worm, Trojan horse, hacking, or any unauthorised access.

For the purposes of this exclusion 'electronic data' means any facts, concepts and/or information converted to a form usable for communications and/or displays and/or distribution and or processing by electronic and/or electromechanical data processing and/or electronically controlled equipment which includes but is not limited to programs and/or software and/or other coded instructions for such equipment.

5. Claims made or actions instituted within any Country, State or Territory (outside Australia) that require insurance to be issued or secured with an Insurer or Organisation licensed in that Country, State or Territory to grant such insurance.

Sanctions limitation and exclusion clause

We will not be liable to provide any cover, pay any claim or provide any benefit under this Policy, to the extent that to do so may expose us to any sanction, prohibition, or restriction under United Nations resolutions or any applicable trade or economic sanctions, laws or regulations of any country.

General exclusions applicable to:

- Property section
- Business Interruption section
- Crime section
- Machinery breakdown section
- Electronic Equipment section
- General property section

1. Unoccupancy

Loss, damage or liability during any period in excess of sixty (60) consecutive days during which the business premises are left unoccupied, unless with our written consent.

To have been occupied, the business premises must have been used for business purposes for at least two (2) consecutive days.

2. Intentional damage

Damage or liability intentionally caused or incurred by:

- i. You, or
- ii. a member of your Family, or
- iii. a person acting with your express or implied consent or that of a member of your Family.

3. loss or damage caused by atmospheric moisture, rust, corrosion, oxidation, scale formation, temperature, action of light, mildew, mould or rot, erosion
4. loss or damage caused by wear and tear, wasting or wearing away or wearing out caused by or naturally resulting from ordinary use or working or gradual deterioration
5. loss or damage caused by Flood, the sea, tidal wave, high water, seepage, or other earth movement or normal structural movement provided that this exclusion will not apply if loss, destruction or damage is caused by or arises out of an earthquake or seismological disturbance
6. loss or damage caused by faulty materials or workmanship or error in design or latent defect, but this exclusion applies only to the part of the machine or structure which is directly damaged by the faulty materials or workmanship or error in design or latent defect
7. loss or damage caused by spontaneous combustion or spontaneous fermentation, heating or any process involving the application of heat but this exclusion only applies to the property which is undergoing the spontaneous fermentation, heating or application of heat
8. loss or damage caused by cleaning, dyeing, change of colour, or any process of alteration to any insured item
9. unexplained or inventory shortage, clerical or accounting error or book debts or errors in receiving or paying out if the only

proof of loss is revealed by accounting records or inventory stock-take

10. scratching of painted or polished surfaces.

General conditions

There are conditions set out in this General conditions section, in the Claims section and under each particular cover and section. If any of these conditions aren't met, we may refuse a claim, reduce the amount we pay or in some circumstances we may cancel your Policy. When making a claim, you must have met and then continue to comply with the conditions of your Policy. Any person covered by your Policy, or claiming under it, must also comply with these conditions.

If you, or someone covered under your Policy, don't meet these conditions or make a fraudulent claim we may:

- Refuse to pay your claim or reduce what we pay for your claim
- Cancel your Policy.

Alteration

Unless our written consent is obtained, we will not cover loss, damage or liability caused or contributed to by any alteration after the commencement of this Policy:

- a. in the trade or manufacture carried on, or whereby the nature of the occupation or other circumstances affecting the building insured or containing the property insured is changed in such a way as to increase the risk of damage or the likelihood of liability losses;
- b. whereby your interest ceases by will or operation of law;
- c. whereby the business is wound up or carried on by an insolvency practitioner or permanently discontinued.

If you alter the risk in any of these ways we may cancel your Policy.

Assistance and co-operation

At all times when you deal with us you must:

- Provide us with all reasonable assistance we may need
- Be truthful and frank
- Not behave in a way that's abusive, dangerous, hostile, improper or threatening
- Co-operate fully with us, even after we've paid a claim.

Care and maintenance

You must take reasonable care to prevent damage, injury or loss. We won't pay for damage, injury, loss or your liability to which your failure to take reasonable care is a contributing factor. At all times, you must:

- Prevent damage to property insured, as well as to others and their property
- Minimise the cost of any claim under your Policy
- Comply with all laws.

Misrepresentation and non-disclosure

If:

- a. you failed to disclose any matter which you were under a duty to disclose to us, or
- b. you made a misrepresentation to us before the contract of insurance was entered into, and
- c. as a consequence we would not have entered into the contract for the same premium and on the same terms and conditions expressed in this Policy, then:

- i. our liability in respect of any claim shall be reduced to an amount to place us in the same position in which we would have been placed if the failure to disclose had not occurred or the misrepresentation had not been made; or
- ii. if the non-disclosure or misrepresentation was fraudulent, we may avoid this Policy.

Other interests

You must not transfer any interests in your Policy without our written consent.

Any person whose interests you've told us about and we've noted on your Policy Schedule is bound by the terms of your Policy.

Other party's interests

You must tell us of the interest of all parties (eg financiers, lessors or owners) who'll be covered by your Policy. We'll protect their interests only if you've told us about them and we've noted them on your Policy Schedule.

Your obligations

You are to:

- a. take all reasonable precautions to avoid or minimise loss, damage, disablement or liability;
- b. maintain all business premises, fittings, appliances and equipment in sound condition;
- c. comply with all statutory obligations, by-laws and regulations imposed by any public authority, for the safety of persons or property; and
- d. obtain certificates of inspection for all equipment required by any statute or regulation to be so certified.

Claims

This section describes what you must do, as well as conditions that apply when you make a claim and at the time loss or damage occurs which is likely to give rise to a claim.

What you must do if you want to claim under this Policy

You must follow these procedures if something happens which causes loss or damage or injury which may lead to a claim. If you do not, we may refuse your claim or reduce the amount we pay you.

When loss or damage occurs you must:

- a. take all reasonable steps to reduce the loss or damage and to prevent further damage;
- b. immediately make a full report to the police if:
 - i. you know or suspect that property has been stolen;
 - ii. someone has broken into your premises; or
 - iii. someone has caused malicious damage to your property;
- c. not make any admission of liability, offer, promise or payment in connection with any event;
- d. promptly inform us by telephone or in person;
- e. preserve any damaged property and make it available for inspection by our representative or agent (including a loss adjuster);
- f. not authorise the repair or replacement of anything without our agreement.

If you want to make a claim you must:

- a. fill in our claim form;
- b. return it to us within thirty (30) days of the event that gave rise to the claim;
- c. give us all the information and documentation which we request. If we ask for it, you must provide us with a statutory declaration verifying the truth of your claim and any matters connected with it; and
- d. immediately send us any court document or other communication you receive about the claim. Do not take any action yourself or ask anyone else to do so, on your behalf.

Automatic reinstatement

After we have admitted liability for loss or damage, other than for:

- a. a total loss under the Property section,
- b. claims in respect of Products liability,
- c. claims under the Employee dishonest section,
- d. claims under the Tax audit section,
- e. claims under the Statutory liability section,
- f. claims under the Employment practices section.

We automatically reinstate the sum insured to the amount shown in the Policy Schedule at the time of loss.

Claim preparation costs

We'll pay for expenses necessarily and reasonably incurred for the preparation of a claim for which we agree to indemnify you under this Policy. The most we will pay is \$5,000 in total any one (1) claim, unless a higher amount is included in the particular section of the Policy.

Provided that before you incur such costs you obtain our written approval to do so.

This benefit is in addition to any sum insured or limit of indemnity.

Contribution & other insurance

You must notify us of any other insurance which will or may, whether in whole or in part, cover any loss insured under your Policy.

If at the time of any loss, damage or liability there's any other insurance (whether effected by you or by any other person) which covers the same loss, damage or liability you must provide us with any reasonable assistance we require to make a claim for contribution from any other insurer(s).

Discharge of our liabilities

At any time we can pay to you or on your behalf, for all claims made against you for any one (1) occurrence:

- a. the limit of liability of the section under which the claim is made, after deducting any amounts already paid, or
- b. any lower sum for which the claim may be settled.

If we do so:

- c. the conduct of any outstanding claim(s) will become your responsibility; and
- d. we will not be liable to pay any further amounts other than costs, charges, or expenses that we agreed to pay before we made the payment referred to above.

Due observance

If you fail to comply with any term, condition or provision of the Policy, we may refuse to pay a claim, but in any event our rights will be subject to the provisions of Section 54 of the *Insurance Contracts Act 1984*.

GST

If you're a business you must tell us if you're registered, or are required to be registered, for GST. When you do this, we need you to give us:

- Your ABN
- The percentage of any input tax credit you will claim, or will be entitled to claim, on your premium.

When we pay a claim, your GST status will determine the amount we pay you. Your claim settlement amount will be adjusted to allow for any ITC entitlement.

Unless we say otherwise, all amounts in your Policy are inclusive of GST. There may be other taxation implications affecting you, depending upon your own circumstances. We recommend you seek professional advice.

Inspection and possession of damaged property

- a. You must give us access to your property and the location or make them available to us for inspection if you make a claim.
- b. You must allow us to take possession of any damaged property and deal with it in a reasonable manner. If we do not take possession of the damaged property, you cannot abandon your responsibilities for the property.

Insurance Contracts Act 1984

Nothing contained in this Policy is to be construed to reduce or waive either your or our privileges, rights or remedies available under the *Insurance Contracts Act 1984*.

Limits and excess

- a. We will not pay more than the sum insured in respect of any claim:
 - i. other than those benefits that are identified as payable in addition to the sum insured, or
 - ii. unless we agree in writing to pay legal costs or expenses in relation to a claim.
- b. You must pay the amount of any excess shown in the Policy Schedule for each claim you make. Payment of your excess may be requested when you lodge your claim form or may be deducted from our payment to you.
- c. If you suffer damage which leads to a claim under more than one (1) section of this Policy, or more than one (1) coverage item within a section of this Policy:
 - i. the highest applicable excess is payable, but
 - ii. only one (1) excess is payable.

Preventing our right of recovery

If you've agreed not to seek compensation from any person liable to compensate you for loss, damage or liability covered by your Policy, we won't cover you for that loss, damage or liability.

Proceedings and negotiations

- a. We control all claims.
- b. We require that you give us all information and assistance we may need:
 - i. to settle or defend claims, or
 - ii. to recover from others any amount we have paid for a claim.
- c. You must allow us to:
 - i. make admissions, settle or defend claims on your behalf, and
 - ii. take legal action in your name against another person to recover any payment we have made on a claim. We may keep any amount we recover in priority to your right to recover any amount that you have lost which is not insured under this Policy, whether or not we have paid your claim in whole or in part.

Progress payment

If required by you, progress payments on account of any loss recoverable under this Policy will be made at intervals to be mutually agreed upon subject to production of an interim report by the loss adjustor (if one is appointed); provided that these payments are deducted from the final claim settlements.

Providing proof

You must be able to prove to us you've suffered a loss covered by your Policy before we'll pay you for it. We may ask you for this proof if you make a claim under your Policy. So your claim can be assessed quickly, make sure you keep the following:

- Receipts
- Accounting documentation (books and records)
- Service records.

Salvage

We're entitled to obtain and retain any items or materials salvaged or recovered after you make, and we agree, to pay a claim by replacing or paying to replace any items or materials. We may sell the items or materials and keep the proceeds. We may choose to sell the items or materials to you, provided you agree to pay market price .

Subrogation, recovery action & uninsured loss

We may at any time, at our expense and in your name, use all legal means available to you of securing reimbursement for loss or damage arising under your Policy. In the event we do so, you agree to give all reasonable assistance for that purpose.

If you've suffered loss that wasn't covered by your Policy as a result of the incident, we may offer to attempt to recover this. You may also specifically ask us to recover this for you. You'll need to give us documents supporting your loss. Before we include any uninsured loss in the recovery action we'll also ask you to agree to the basis on which we'll handle your recovery action. You may need to contribute to legal costs in some circumstances.

Other terms

These other terms apply to how your Policy operates.

Cancelling your Policy

- a. You may cancel this Policy at any time in which case we will retain the pro-rata rate for the time the Policy has been in force.
- b. We may cancel this Policy by giving you written notice to that effect where you have:
 - i. failed to comply with the duty of utmost good faith,
 - ii. failed to comply with the duty of disclosure at the time when the Policy was entered into,
 - iii. made a misrepresentation to us during the negotiations for the Policy before we entered into the Policy,
 - iv. failed to comply with a provision of the Policy,
 - v. failed to pay the premium or failed to pay any instalments for longer than one (1) month,
 - vi. made a fraudulent claim under this Policy or any other Policy of insurance (whether with us or some other insurer) that provided insurance cover during any part of the period during which this Policy of insurance provides insurance cover,
 - vii. failed to notify us of any specific act or omission where such notification is required under the terms of this Policy
- c. We may cancel this Policy pursuant to any right at law but subject to the provisions of the *Insurance Contracts Act 1984*.
- d. When we cancel the Policy it will have effect from whichever of the following times is the earliest:
 - i. the time when another Policy of insurance replacing this Policy is entered into, or
 - ii. four (4) o'clock in the afternoon of the third business day after the day on which notice was given to you.
- e. When we cancel the Policy we will repay on demand a rateable proportion of the premium for the unexpired period of insurance from the date of cancellation.

Changing your Policy

Changes to this Policy only become effective when we agree to them and send you a new Policy Schedule detailing the change.

Joint and co-insureds

If more than one person is insured under your Policy, we'll treat a statement, act, omission, claim, request or direction by that person as having been made by all insured.

We only need a request from one person insured to cancel or change your Policy.

Notices

Any notice we give you will be in writing, and will be effective once it's delivered to you personally or to your last known address (including when it's an electronic one).

It's important for you to tell us of any change of address as soon as possible.

