



Chubb Business Pack

Steadfast Client Trading Platform
Product Disclosure Statement (PDS)
and Policy Wording

CHUBB®

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Chubb Business Pack

Steadfast Client Trading Platform Product Disclosure Statement (PDS) and Policy Wording

Product Disclosure Statement (PDS) – Important Information

This document contains important information and it is therefore important that You carefully read and understand the cover being provided before making a decision to purchase this product.

About this Product Disclosure Statement

This Product Disclosure Statement (PDS) provides general information only, and should be read in conjunction with the attached Chubb Business Pack Policy wording.

We are required to provide a PDS under *Corporations Act 2001* (Cth) if the Building You are insuring under Property Damage Section, Theft Section or Glass Section is a home building and You are:

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

The PDS and the Policy contain important information which You should read carefully before deciding to take out any insurance cover.

This PDS has been prepared to assist You in understanding the Policy and making an informed choice about Your insurance requirements. This PDS should be read in conjunction with the Policy wording which forms part of this PDS. Before You decide to purchase the insurance product, please read these documents thoroughly.

Certain words in this PDS and the Policy which appear are capitalised have special meanings that are set out in the 'General Definitions applicable to this Policy' section and (as may be applicable) in each Coverage Section of the Policy.

This Product Disclosure Statement is dated 20 August 2021.

PDS code is: 21PDSBIZSCTP02

Important Information If You are insuring a home building

A home building means a building that is used or intended to be used primarily as a place of residence and includes a home building that is a commercial premise in which You may also live or of which You rent a part of the building for residential use. Note that if You only use the building for residential purposes, it cannot be insured under this Policy. In addition, You can only insure a home building under this Policy if You are the owner of the property.

Note that since the purpose of this Policy is to cover certain business related exposures, in the event that You are insuring a home building under the sections mentioned above, the cover provided under those sections differs from the prescribed policy for domestic house and contents contained in the Insurance Contracts Regulations 2017 (Cth).

About Chubb in Australia

The insurer of this Policy is Chubb Insurance Australia Limited (ABN 23 001 642 020, AFSL 239687). In this PDS, “Chubb”, “We”, “Us”, “Our”, and “Company” means Chubb Insurance Australia Limited.

Chubb is the world’s largest publicly traded property and casualty insurer. Chubb, via acquisitions by its predecessor companies, has been present in Australia for almost 100 years. Its operation in Australia (Chubb Insurance Australia Limited) provides specialised and customised coverages include Marine, Property, Liability, Energy, Professional Indemnity, Directors & Officers, Financial Lines, Utilities as well as Accident & Health, for a broad client base, including many of the country’s largest companies.

You can contact Chubb at:

Head Office:
Grosvenor Place
Level 38, 225 George Street Sydney NSW 2000

Postal address:
GPO Box 4907
Sydney NSW 2001

Telephone: 1800 815 675
Facsimile: +61 2 9335 3467
E-mail: CustomerService.AUNZ@chubb.com
www.chubb.com/au

About Steadfast

Steadfast Group Limited (Steadfast) is a public company. It includes a large network of insurance brokerages who operate in Australia as Steadfast Brokers. This Policy is available exclusively to You through a Steadfast broker. Steadfast Group Limited does not issue, guarantee or underwrite this Policy.

Steadfast is not an agent of Chubb.

Important information about Steadfast’s advice

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

Before You make any decisions about whether to acquire this Policy it is recommend You should read this Insurance Policy.

General Advice

Any general advice that may be contained in this PDS or accompanying material does not take into account Your individual objectives, financial situation or needs nor those for whom You are effecting the Policy. Such matters should be considered in determining the appropriateness of this product. Consideration also needs to be given to whether the limits, type and level of cover are appropriate for You.

General Insurance Code of Practice

We are a signatory to the General Insurance Code of Practice (**Code**). The objectives of the Code are to further raise standards of service and promote consumer confidence in the general insurance industry. Further information about the Code and Your rights under it is available at codeofpractice.com.au and on request. As a signatory to the Code, We are bound to comply with its terms. As part of Our obligations under Parts 9 and 10 of the Code, Chubb has a [Customers Experiencing Vulnerability & Family Violence Policy](#) (Part 9) and a [Financial Hardship Policy](#) (Part 10). The Code is monitored and enforced by the Code Governance Committee.

Insurance Contracts Act

The terms and conditions of this insurance shall be governed by and construed in accordance with the laws of Australia, and as such shall be subject to the *Insurance Contracts Act 1984* (Cth). Nothing contained in this insurance is to be construed to reduce or waive the privileges, rights or remedies available under the *Insurance Contracts Act 1984* (Cth) to Chubb or any party insured under this insurance.

Cooling Off

You have twenty-one (21) days after entry into the Policy (including renewals) to decide whether to return it. If the request is made to Us in writing within those twenty-one (21) days, We will cancel the Policy, provided You or any Insured have not exercised a right or power under the terms of the Policy in that period (e.g. a claim has been made or benefit paid). We will provide a full refund of Premium, less charges or taxes which We are unable to recover. Even after the cooling off period ends You still have cancellation rights (see the section "Cancellation" under "General Conditions applicable to all Sections of the Policy").

Updating Our PDS

We may need to update the information contained in Our PDS from time to time (where allowed or required by law).

We will issue You with a new PDS or a Supplementary PDS when this happens.

Duty of Disclosure

Your 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.

What You do not need to tell Us

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.

Premium

Cost of this Policy

We take a number of factors into account when calculating Your premium. The key factors that influence the premium calculation are reflected in the questions asked and the information sought at the time of Your enquiry or application for insurance. The factors vary depending on the type of insurance You have selected.

For example, some things that may influence the premium are the type of property being insured, where the property is located, the type of construction, Your previous claims history as well as other information You provide to Us when applying for this insurance.

Factors that increase the risk to Us generally increase the premium and those that lower the risk reduce the premium payable. Your premium includes any amounts payable that take into account Our obligation to pay any relevant compulsory government charges, taxes or levies (including stamp duty and GST) in relation to the Policy.

We will tell You in writing what premium is payable when it needs to be paid and how it can be paid.

We may change Your premium from the renewal date but will notify You of the change prior to that date.

If You change Your Policy You may be entitled to a partial refund of premium or be required to pay an additional premium.

Paying Your premium

You must pay Your annual premium to Your financial services provider by the payment date (which will be confirmed by your financial services provider). If Your premium is unpaid by the date required by your financial services provider, or Your payment is dishonoured, this Policy will not operate and there will be no cover.

Complaints and Dispute Resolution Process

We understand that You could be dissatisfied with Our organisation, Our products and services, or the complaints handling process itself. We take all Our customer's concerns seriously and have detailed below the complaints process that You can access.

Complaints and Customer Resolution Service

Contact Details

If You are dissatisfied with any aspect of Your relationship with Chubb including Our products or services and wish to make a complaint, please contact Our Complaints and Customer Resolution Service (**CCR Service**) by post, phone, fax, or email, (as below):

Complaints and Customer Resolution Service
Chubb Insurance Australia Limited
GPO Box 4065
Sydney NSW 2001
P +61 2 9335 3200
F +61 2 9335 3411
E complaints.AU@chubb.com

Our CCR Service is committed to reviewing complaints objectively, fairly and efficiently.

Process

Please provide Us with Your claim or policy number (if applicable) and as much information as You can about the reason for Your complaint.

Our response

We will acknowledge receipt of Your complaint within one (1) business day of receiving it from You, or as soon as practicable. Following acknowledgement, within two (2) business days We will provide You with the name and relevant contact details of the CCR Service team member who will be assigned to liaise with You regarding Your complaint.

We will investigate Your complaint and keep You informed of the progress of Our investigation at least every ten (10) business days and will make a decision in relation to Your complaint in writing within thirty (30) calendar days. If We are unable to make this decision within this timeframe, We will provide You with a reason for the delay and advise of Your right to take Your complaint to the Australian Financial Complaints Authority (**AFCA**) as detailed below, subject to its Rules. If Your complaint falls outside the AFCA Rules, You can seek independent legal advice or access any other external dispute resolution options that may be available to You.

To the extent allowable at law, if You request copies of the information We relied on to make a decision about Your complaint, We must provide it within ten (10) business days of Your request. Please see the General Insurance Code of Practice 2020 (codeofpractice.com.au) or contact Us for further details.

Please note that if We have resolved Your complaint to Your satisfaction by the end of the fifth (5th) business day after We have received it, and You have not requested that We provide You a response in writing, We are not required to provide a written response. However, this exemption does not apply to complaints regarding a declined claim, the value of a claim, or about financial hardship.

External Dispute Resolution

If You are dissatisfied with Our complaint determination, or We are unable to resolve Your complaint to Your satisfaction within thirty (30) days, You may refer Your complaint to AFCA, subject to its Rules.

AFCA is an independent external dispute resolution scheme approved by the Australian Securities and Investments Commission (**ASIC**). We are a member of this scheme and We agree to be bound by its determinations about a dispute. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

You may contact AFCA at any time at:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
P 1800 931 678 (free call)
F +61 3 9613 6399
E info@afca.org.au
W www.afca.org.au

Time limits may apply to complain to AFCA and so You should act promptly or otherwise consult the AFCA website to find out if or when the time limit relevant to Your circumstances expires.

Privacy Statement

In this Statement “We”, “Our” and “Us” means Chubb Insurance Australia Limited (**Chubb**).

“You” and “Your” refers to Our customers and prospective customers as well as those who use Our website.

This Statement is a summary of Our Privacy Policy and provides an overview of how We collect, disclose and handle Your Personal Information. Our Privacy Policy may change from time to time and where this occurs, the updated Privacy Policy will be posted to [Our website](#).

Chubb is committed to protecting Your privacy. Chubb collects, uses and retains Your Personal Information in accordance with the requirement of the *Privacy Act 1988* (Cth) and the Australian Privacy Principles (**APPs**), as amended or replaced from time-to-time.

Why We collect Your Personal Information

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

Sometimes, We may use Your Personal Information for Our marketing campaigns and research, in relation to new products, services or information that may be of interest to You.

How We obtain Your Personal Information

We collect Your Personal Information (which may include sensitive information) at various points including, but not limited to, when You are applying for, changing or renewing an insurance policy with Us or when We are processing a claim. Personal Information is usually obtained directly from You, but sometimes via a third party such as an insurance intermediary or Your employer (e.g. in the case of a group insurance policy). Please refer to Our Privacy Policy for further details.

When information is provided to Us via a third party We use that information on the basis that You have consented or would reasonably expect Us to collect Your Personal Information in this way. We take reasonable steps to ensure that You have been made aware of how We handle Your Personal Information.

When do We disclose Your Personal Information?

We may disclose the information We collect to third parties, including:

- the policyholder (where the insured person is not the policyholder, i.e., group policies);
- service providers engaged by Us to carry out certain business activities on Our behalf (such as claims assessors, call centres in Australia, online marketing agency, etc);
- intermediaries and service providers engaged by You (such as current or previous brokers, travel agencies and airlines);
- government agencies (where We are required to by law);
- other entities within the Chubb group of companies such as the regional head offices of Chubb located in Singapore, UK or USA (Chubb Group of Companies); and
- third parties with whom We (or the Chubb Group of Companies) have sub-contracted to provide a specific service for Us, which may be located outside of Australia (such as in the Philippines or USA). These entities and their locations may change from time-to-time. Please contact Us, if You would like a full list of the countries in which these third parties are located.

In the circumstances where We disclose Personal Information to the Chubb Group of Companies, third parties or third parties outside Australia We take steps to protect Personal Information against unauthorised disclosure, misuse or loss.

Your decision to provide Your Personal Information

In dealing with Us, You agree to Us using and disclosing Your Personal Information, which will be stored, used and disclosed by Us as set out in this Privacy Statement and Our Privacy Policy.

Access to and correction of Your Personal Information

Please contact Our customer relations team on 1800 815 675 or email CustomerService.AUNZ@chubb.com if You would like:

- a copy of Our Privacy Policy, or
- to cease to receive marketing offers from Us or persons with whom We have an association.

To request access to, update or correct Your Personal Information held by Chubb, please complete this [Personal Information request form](#) and return to:

Email: CustomerService.AUNZ@chubb.com

Fax: + 61 2 9335 3467

Address: GPO Box 4907 Sydney NSW 2001

How to Make a Complaint

If You have a complaint or would like more information about how We manage Your Personal Information, please review Our [Privacy Policy](#) for more details, or contact:

Privacy Officer
Chubb Insurance Australia Limited
GPO Box 4907 Sydney NSW 2001
+61 2 9335 3200
Privacy.AU@chubb.com.

Financial Claims Scheme

We are an insurance company authorised under the *Insurance Act 1973* (Cth) (**Insurance Act**) to carry on general insurance business in Australia by the Australian Prudential Regulation Authority (**APRA**) and are subject to the prudential requirements of the Insurance Act.

The Insurance Act is designed to ensure that, under all reasonable circumstances, financial promises made by Us are met within a stable, efficient and competitive financial system.

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

In the unlikely event that We were to become insolvent and were unable to meet Our obligations under the Policy, a person entitled to claim may be entitled to payment under the Financial Claims Scheme. Access to the Scheme is subject to eligibility criteria. Please refer to www.fcs.gov.au for more information.

Documents that Together Forms the Insurance Policy

Your Policy will consist of:

- this document;
- Your Schedule;
- Your insurance application; and
- any other documents that We tell You form part of Your Policy.

You should keep these documents in a safe place in case You need to refer to them in the future. For certain types of cover under the Policy, We will require You to provide receipts and other documentary evidence to Us before We pay a claim. You should keep those documents in a safe place as well.

Policy Wording Introduction

This is a Chubb Steadfast Client Trading Platform (SCTP) Business Pack Insurance Policy. Please read the entire Policy carefully.

The operative Sections of this Policy are as indicated in the Schedule. Unless a particular Section is identified in the Schedule as being 'Insured', it is of no effect and no cover is granted under it. The operative Sections of this Policy, along with the Schedule and any endorsements, should be read together and considered as one contract.

General Provisions

General Insuring Agreement

In consideration of the premium being paid by You to Us, and:

1. in reliance upon the written statements and declarations provided by You or on Your behalf; and
2. subject to the terms, exclusions, definitions, conditions and limitations of this Policy,

We agree to provide insurance cover as set out in those Sections identified as insured in the Schedule. We will not pay any more than the applicable limits or Sums Insured stated in the Schedule or as provided in this Policy wording.

Underinsurance

The Property Damage and Business Interruption Sections contain Underinsurance clauses that may limit the amount that We pay when You have a claim. This will only happen if You understate a Sum Insured or Limit of Liability.

Example:

Under the Property Damage Section You insure Property Insured for a Sum Insured of \$1,800,000, resulting in a Limit of Liability of \$2,160,000 (i.e. \$1,800,000 x 120%).

Damage amounting to \$1,000,000 occurs from an event covered under the Property Damage Section.

The value of such Property Insured at the commencement of the Policy Period, calculated in accordance with the 'How We will pay' provisions of the Property Damage Section, was actually \$2,880,000.

Underinsurance applies because the Sum Insured of the Property Insured is less than 80% of the actual value of the Property Insured.

Claim settlement = $(\$2,160,000 \times \$1,000,000) / (\$2,880,000 \times 80\%) = \$937,500$.

In this example, We would pay \$937,500 for the cost of reinstating Your Property Insured, subject to the application of any Excess.

General Conditions applicable to all Sections of the Policy

Accountancy records

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

Alteration of risk

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

1. the nature of or type of Business carried on by You or Your tenants, or any change in the type or nature of the Property Insured;
2. other circumstances that affect the Insured Location or the Property Insured in such a way as to materially increase the risk of damage or losses;
3. Your interest in the policy ceases, including by operation of law;
4. the Business is wound up, enters a form of external administration or carried on by an insolvency practitioner or permanently discontinued;
5. You or Your Business is acquired, purchased by or merged with a different legal entity.

You must notify Us of the above or any other changes that materially increase the risk insured under Your policy (Changes) within 28 days after such change comes to Your notice. Minor or insignificant changes are not Changes for the purpose of this clause.

If You are a property owner insuring Buildings that You lease, Our decision to insure You and the premium We charge You will take into account information about Your tenants and how the Building is used that You tell Us when You apply for a policy with Us, during the Policy Period and at each renewal. For this reason it is important that You tell Us as soon as these things change.

For example, if Your building has three (3) tenants (an accountant's office, a jeans retailer and a sandwich bar) We will calculate your fire premium on the sandwich bar, as it is more hazardous than either of the other two (2) occupations. If during the Policy Period the sandwich bar closes down and a menswear shop opens, then You must notify Us of the change and We will calculate Your fire premium either using the jeans retailer or menswear occupation.

Some material Changes may impact Our ability to continue to insure You. After You have told Us of the Changes, We will confirm Our acceptance of the Changes in writing. In some cases, We may only agree to continue to insure You under this Policy if You agree to pay Us any reasonable additional premium We require.

If You do not notify Us of a Change, We may decline a claim and/or cancel or avoid the Policy.

Applicable Law

Should any dispute arise concerning this Policy, the dispute will be determined in accordance with the law of Australia and the States and Territories thereof. In relation to any such dispute the parties agree to submit to the jurisdiction of any competent court in a State or Territory of Australia.

Assignment

Assignment of an interest under this Policy does not bind Us until its consent is endorsed on the Policy (which endorsement is not to be unreasonably withheld, delayed or conditioned). If You die or are adjudged bankrupt or insolvent, this insurance will cover:

1. Your legal representative acting on behalf of either You or Your estate;
2. any person or corporation having lawful temporary custody of property which is or was before Your death owned or possessed by You until the appointment of a legal representative.

Authority to act on behalf of multiple insureds

It is agreed that the Insured is authorised to act on behalf of all other persons who may be an insured under the Policy with respect to the exercise of all their rights and the discharge of all their duties in respect of this Policy.

Bankruptcy or insolvency

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

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

Cancellation

1. You may cancel this Policy by telling Us in writing that You want to cancel it. You can do this by giving the notice to Your Steadfast broker. If such notice is given, the cancellation will take effect on the day the notice is received by Us. Where You involves more than one person or party, We will only cancel the Policy when written agreement to cancel is received from all such named persons or parties.
2. We may cancel this Policy in any of the circumstances set out in the *Insurance Contracts Act 1984* (Cth) (as amended from time to time) by giving You 30 days' notice.
3. Upon cancellation by either You or Us, You will receive a pro rata refund of premium for the unexpired Policy Period. However, We will not refund any premium if We have paid or are obliged to pay a benefit under the Policy. If We cancel the Policy because You have made a fraudulent claim under this Policy or any other contract of insurance (whether with Us or with some other insurer), We will not refund any money to You.

Compliance with Applicable Trade Sanction Laws

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims. All other terms and conditions of the policy remain unchanged.

Chubb Insurance Australia Limited is a subsidiary of a US company and Chubb Limited, a NYSE listed company. Consequently, Chubb Insurance Australia Limited is subject to certain US laws and regulations [in addition to EU, UN and national sanctions restrictions] which may prohibit it from providing cover or paying claims to certain individuals or entities or insuring certain types of activities related to certain countries such as but not limited to Iran, Syria, North Korea, North Sudan, Crimea, and Cuba.

Designation of property

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

Goods and Services Tax (GST)

To the extent that You are accountable to the tax authorities for Goods and Services Tax the Policy will be exclusive of such tax.

The amount of any Excess or retention payable will be less any input tax credit that is or may be available to You.

Headings

Headings have been included for ease of reference and it is understood and agreed that the terms and conditions of this Policy are not to be construed or interpreted by reference to such headings.

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*.

Misrepresentation and Non-Disclosure

If You:

1. failed to disclose any matter which You were under a duty to disclose to Us; or
2. made a misrepresentation to Us before this Policy was entered into,

and if We would not have entered into this Policy for the same premium and on the same terms and conditions expressed in this Policy but for the failure to disclose or the misrepresentation, then:

- a) Our liability in respect of any claim will be reduced to an amount to place Us in the same position in which We would have been placed if such nondisclosure had not occurred or such misrepresentation had not been made; or
- b) if the non-disclosure or misrepresentation was fraudulent, We may avoid this Policy.

Non-imputation

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

1. each Insured shall be covered as if it made its own proposal for this insurance;
2. any declaration, statement or representation made in any proposal shall be construed as a separate declaration, statement or representation by each Insured; and
3. any knowledge possessed by an Insured shall not be imputed to any other Insureds.

Other persons or organisations

The insurable interest of only those lessors, financiers, trustees, mortgagees, owners and all other parties noted on the Schedule, Your business or legal records, or having a charge over the Property Insured, shall be automatically included as third party beneficiaries without notification or specification. The nature and extent of such interest is to be disclosed to Us in the event of any claim covered by this Policy. Any other persons or entities not in this category or not named in the Schedule are not covered and cannot make a claim. In the event that a third party beneficiary makes a claim under the policy, the same obligations apply to those third party beneficiaries that would apply if the third party were the Insured under this policy.

Where the separate interests of more than one party in the Property Insured are insured under this Policy, any act or neglect of one party will not prejudice the rights of the remaining party or parties provided the remaining parties are entirely innocent of and have no prior knowledge of any act or neglect whereby the risk of loss, damage or destruction has increased, give such notice in writing to Us and shall on demand pay such reasonable additional premium as We may require.

When a claim is paid under the Policy and is also recoverable under another policy or policies, You agree to provide Us with details of such policies and permit Us to exercise Our subrogated rights and/or seek contribution from any other insurer or insurers.

Premium Funders

If the premium has been funded by a premium funding company which holds a legal right over the Policy by virtue of a notice of assignment and irrevocable power of attorney, a refund will be made to the premium funding company of the proportionate part of the premium applicable to the unexpired Policy Period less non-refundable duties, provided that no claim has occurred.

Reasonable Precautions

You must take reasonable precautions to prevent personal injury or property damage as if You were not covered by this Policy. Such precautions include (but are not limited to):

- i. if You discover Your products may be defective and the defect may cause a claim under the Public and Products Liability Policy Section, at Your expense You must take reasonable steps to restrict, trace, recall, modify, replace or repair the products;
- ii. maintaining and looking after other person's or organisation's property and buildings used or occupied by You, in accordance with Your agreement with them;
- iii. if Your occupation includes digging below ground at sites away from Your Situation, the location of underground services must be obtained from the owners of the services by You or Your principal, before the work is commenced; and
- iv. using and storing all hazardous materials as required by law.
- v. Complying with all laws and safety requirements imposed by any statutory or governmental authority.

Reinstatement of Sum Insured

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

Subrogation Waiver

We agree to waive any rights and remedies or relief to which We may become entitled by subrogation against:

1. any corporation or organisation (including its directors, officers, employees or servants) owned or controlled by any Insured named herein or subsidiary to any Insured named herein or any co-owner of the Property Insured hereunder;
2. any Insured named or described by this Policy (including its directors, officers, employees or servants).
3. You may without prejudicing Your position under this Policy:
 - a) release any statutory governmental, semi-governmental or local authority from any liability if required at law, including by contractual agreement, to do so; or
 - b) agree to enter into a contract for storage of goods or merchandise if the terms of the contract include a disclaimer clause.

General Claims Conditions applicable to all Sections of the Policy

Claim Preparation Expenses

In addition to the amount provided under each Section, We will pay up to \$25,000 for necessary and reasonable costs incurred by You or by Your representatives in preparing and negotiating any claim under this Policy for which We have accepted liability. However this amount does not apply to the cover provided under the Tax Audit Section.

Excess

This is the amount You have to pay if You suffer loss, damage or liability which leads to a claim under Your Policy, and is shown on Your Schedule.

Should more than one Excess be payable under this Policy for any claim or series of claims arising from the one Event, such Excesses will not be aggregated, and the highest single level of Excess only shall apply.

Limits of Liability and Sums Insured will apply in addition to, and will not be reduced by, the amount of any applicable Excess.

Further information on Excess payments are set out in each Section of this Policy.

If a claim is made under this Policy in relation to any loss, destruction or damage, We and those authorised by Us may, where reasonable, enter, take or keep possession of, any building or premises where the loss, destruction or damage has happened and we may take possession of the property insured and may keep possession of and deal with such property for all reasonable purposes.

Inspection and Audit

To the extent of Your ability to provide such access, and with reasonable notice to You, We shall be permitted, but not obliged, to inspect and examine anything insured by this Policy during the Policy Period and extensions thereof and within a reasonable time period after the final termination of this Policy.

We may examine and audit (including copying for such purposes) Your books and records including such books and records held by Your representative or agent, during the Policy Period and extensions thereof and within a reasonable time period after the final termination of this Policy, where reasonably required for assessing Your compliance with this Policy or the circumstances related to any claim.

Fraud

If any claim is in any respect fraudulent or if any fraudulent means or devices are used by You or anyone acting on Your behalf to obtain any benefit under this Policy, or if any destruction or damage is occasioned by the wilful act or with the connivance of You, then We, without prejudice to any other right(s) that We might have under this Policy and subject to section 56 Insurance Contracts Act, shall be entitled to refuse to pay such claims. This exclusion does not apply to any Insured who is not the perpetrator of any such wilful act or who did not know of or condone any such act.

Progress payments

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

Salvage

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

Your Duties in the Event of a Claim

If an event occurs which is likely to result in a claim under Your Policy, You (and any other involved Insured) must:

1. ensure that We are notified as soon as practicable, but in no event later than thirty (30) days after any loss event;
2. notify the Police or any other relevant authority as soon as practicable if it becomes evident that any damage has been caused to the Property Insured by theft or attempted theft or by a malicious act, and provide us with a copy of Your notification if requested;
3. carry out and permit to be taken any action which may reasonably be practicable to prevent or minimise any further loss, damage, injury, interruption or interference with Your Business;
4. retain and preserve all Damaged property for inspection by Us or Our agent (including a loss adjuster) prior to authorisation of repairs unless alterations and repairs are immediately necessary, for safety reasons or to minimise or prevent further loss, Damage, legal liability or injury., If repairs are necessarily carried out with Our prior approval, You are still required where reasonably practicable, to retain and preserve all Damaged property for Our inspection;
5. retain and preserve all property, products, plant and all other things that may assist US in investigating or defending a claim against You.
6. deliver to Us:
 - a) full information in writing of circumstances, nature and amount of damage or serious injury; and
 - b) all such proofs and information relating to the claim as may be reasonably required, including but not limited to an inventory of property, books and records of accounts, proof of ownership and the completion of a statutory declaration if requested;
7. send Us copies of any demands, notices, summonses or other legal papers received in connection with a claim, as soon as practicable;
8. authorise Us to obtain records and other information if reasonably requested; and
9. cooperate with Us in the:
 - a) investigation and settlement of a claim; and
 - b) defence against a claim.

No Insured may settle any claim, incur any claim defence expenses, assume any contractual obligation or admit any liability with respect to any claim without Our written consent. We will not be liable for any settlement, claim defence expenses, assumed obligation, liability or admission to which We have not consented (consent not to be unreasonably withheld, delayed or conditioned).

If You do not comply with the duties set out above, We may refuse your claim or reduce the amount We pay to you to the extent allowable at law.

Other Insurance

You will give written notice as soon as practicable to Us of any other insurance or insurances effected covering the loss, whether in total or in part and whether absolutely or contingently and whether that insurance was effected by You or any other person.

Subject to the *Insurance Contracts Act 1984* (Cth), if in respect of any claim under this Policy You are entitled to indemnity under any other policy of insurance, then We will not be liable to pay or contribute under this Policy more than Our proportion of any compensation cost, charges and expenses.

Rewards

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

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

We shall not unreasonably withhold or refuse consent to the terms of any reward payable under this policy provision.

Subrogation

In the event of any payment under this Policy and subject to General Conditions applicable to all Sections of the Policy 'Subrogation Waiver', We will be subrogated to all Your rights of recovery against any person or organisation and You shall execute and deliver any appropriate instruments and papers and do whatever else is necessary to secure such rights.

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

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

Any other monies remaining after these allocations will be Your property.

Nothing in this Condition shall prevent You and Us entering into a separate agreement following a loss agreeing to a different basis of sharing costs and expenses and the allocation of monies recovered.

Repairs to damage by You

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

General Exclusions applicable to all Sections of the Policy

The following Exclusions apply to all Sections of the Policy unless specified otherwise.

1. Terrorism

This Policy does not cover any death, injury, illness, loss, damage, liability, cost or expense of any nature directly or indirectly caused by, resulting from or in connection with any act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

This Policy also excludes death, injury, illness, loss, damage, liability, cost or expense of any nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of Terrorism.

2. War

This Policy does not cover any claims arising out of or connected with war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, civil commotion

assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any act of any person or persons acting on behalf of or in connection with any organisation the objects of which are to include the overthrowing or influencing of any de jure or de facto government by Terrorism or by any violent means.

This Policy excludes any direct or indirect loss, liability, cost or expense directly or indirectly arising out of or connected with any action taken in controlling, preventing, suppressing, responding to, or relating to the above.

3. *Confiscation*

This Policy does not cover any claims arising out of or connected with confiscation, nationalisation, commandeering, requisition, destruction or damage to property by or under the order of any government or public or local government or other statutory authority, including permanent or temporary dispossession of any Building resulting from the unlawful occupation of such Building by any government, local government or statutory authority.

4. *Radiation*

This Policy does not cover any claims arising out of or in any way connected with:

- a) ionising radiation or contamination by radioactivity from any nuclear fuel, weapon or waste whether occurring naturally or otherwise, or from any nuclear waste from the combustion of nuclear fuel;
- b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof; or
- c) the storage, transport, assembly, disassembly, maintenance or operation of any nuclear weapon or nuclear component thereof,

provided that this shall not apply to liability arising from radio isotopes, radium or radium compounds when used away from the place where such are made or produced and when used exclusively incidental to ordinary industrial, educational, medical or research pursuits.

5. *Unoccupied Buildings*

We will not pay for any loss or damage to Your Property Insured at any Insured Location that has been unoccupied for more than 90 days. Unoccupied means left vacant by You or any other authorised person whether furniture or other contents remain or not.

If Your Building or Insured Location is unoccupied for more than 90 days (and We have not covered the Building or Insured Location during that period of it being unoccupied) cover will resume when that Building or that Insured Location is again occupied by authorised persons.

This exclusion does not apply to damage caused by:

- a) lightning, earthquake and subterranean fire; or
- b) impact by any road Vehicle or their loads, animals, trees or branches, meteorite, Aircraft or other aerial devices or articles dropped from them, sonic boom or space debris, falling communication masts, towers, antennae or dishes, falling buildings or structures or parts thereof which do not belong to You.

This exclusion will not apply if the Insured Location is partly occupied.

6. *Property Cyber and Data Exclusion*

- a) Notwithstanding any provision to the contrary within this Policy or any endorsements thereto, Sections 1 to 8 of this Policy (namely Property Damage, Business Interruption, Theft, Money, Glass, General Property, Electronic Equipment Breakdown, Machinery Breakdown) exclude any:
 - i. Cyber Loss, unless subject to the provisions of sub-clause b);
 - ii. loss, damage, liability, claim, cost, expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data, unless subject to the provisions of sub-clause c); regardless of any other cause or event contributing concurrently or in any other sequence.

- b) Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement, this Policy covers physical loss or physical damage to property insured under this Policy caused by any ensuring fire, explosion, water damage or impact which directly results from a Cyber Incident, unless that Cyber Incident is caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act including, but not limited to, any action taken in controlling, preventing, suppressing or remedying any Cyber Act.
- c) Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, should Data Processing Media owned or operated by the Insured suffer physical loss or physical damage insured by this Policy, then this Policy will cover the cost to repair or replace the Data Processing Media itself plus the costs of copying the Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the Data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Processing Media. However, this Policy excludes any amount pertaining to the value of such Data, to the Insured or any other party, even if such Data cannot be recreated, gathered or assembled.
- d) In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- e) This exclusion supersedes any other wording in the Policy or any endorsement having a bearing on Cyber Loss, Data or Data Processing Media, and if there is any conflict with any other wording in the Policy, this Exclusion replaces that wording.

Definitions

The following definitions apply only in respect of this exclusion:

- f) **Cyber Loss** means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
- g) **Cyber Act** means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
- h) **Cyber Incident** means:
 - i. any error or failure to act or series of related errors or failures to act involving access to, processing of, use of or operation of any Computer System; or
 - ii. any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
- i) **Computer System** means:
 - i. any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.
- j) **Data** means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System
- k) **Data Processing Media** means any property insured by this Policy on which Data can be stored but not the Data itself.

7. Acquisition of companies

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

- a) any company, legal entity, business undertaking or operation (“Acquired Business”) acquired during the Policy Period; or
- b) any property or liability associated with the Acquired Business, unless:
 - i. the activity of the Acquired Business is substantially the same as that stated in the Schedule; and
 - ii. You notify Us in writing within 30 days of the person responsible for insurance becoming aware of such acquisition.

However, any such coverage applying to the Acquired Business is conditional on Your acceptance of Our terms and You agreeing to pay the additional premium We may require. Any coverage We may provide in

relation to the Acquired Business shall not exceed the relevant insured amount, Sum Insured, Limit of Liability or any sub-limit of liability applicable under the relevant Section(s) making up Your Policy.

8. *Geographical limitations*

Unless We agree in writing to the contrary, We will not pay for any loss or damage to Property Insured that is outside of Australia at the time of its loss or damage, except as specifically stated otherwise in the appropriate Section.

General Definitions applicable to this Policy

Throughout this Policy words appearing in upper case have special meaning attributed to them as set out below.

The special meaning of words or terms that are only applicable to one Section of the Policy are described in that Section.

Aircraft

means any vessel, craft or thing made or intended to fly or move in or through the atmosphere or space.

Automatic Teller Machine

means a burglar resistant unit designed for the safe storage and disbursement of bank notes and which resist fire and attack by hand-held or power operated tools.

Building(s)

means a permanently fixed structure at the Insured Location. Building includes the following at the Insured Location:

1. sheds with a concrete floor and fixed to foundations;
2. customised and modified shipping containers or transportable buildings permanently located at the Insured Location used as workshops, lunchrooms or storage which are permanently fixed to the ground with electrical or plumbing services as necessary;
3. shipping containers permanently located at the Insured Location in which the Stock of Your Business is delivered to Your Insured Location or from which merchandise is either being loaded into, unloaded from or stored in before dispatch, provided the container doors are secured and locked when unattended;
4. shipping containers permanently located at the Insured Location in which the Stock or Contents of Your Business is stored, provided the container doors are secured and locked when unattended;
5. walls, foundations, storage tanks and sheds, awnings, exterior lights, masts, antennae and aerials, fixed external signs, gates, fencing, pavements, roads and other structural improvements pertaining to the Building(s);
6. property owner's fixtures and fittings, floor coverings, plant, plumbing or wiring services that are within the Building;
7. carports, pergolas and canopies;
8. barns and outbuildings;
9. external fixed items including swimming pools, saunas and spas, gangways between Buildings, lights and signs and air conditioning units;
10. plant and machinery permanently attached to the building;
11. docks, wharves, piers and jetties but only where forming part of the Insured Location;
12. bitumen, concrete or Sealed Surface driveways, roadways, and carparks within the boundary of the Insured Location; and
13. underground and above ground services that are Your property or property for which You are responsible for and which are connected to any Building specified in 1 to 11 above.

Building(s) do(es) not include:

- a) Stock;
- b) Contents;
- c) property undergoing erection, construction, alteration or addition (including the partial dismantlement of existing structures) where the total contract value of all work to be carried out at any one Insured Location exceeds \$500,000 or 20% of the total Sum Insured on Buildings and Contents, whichever is

- the lesser provided that this limit shall apply only to the portion of the Insured Location or Property Insured which is the subject of any such work and not to any other portion of the Property Insured;
- d) land, including embankments, unsealed driveways and paths extending from the boundary of the Insured Location, topsoil and back-fill, and culverts;
 - e) bridges, roadways, tunnels, railway tracks and roadways (being roadways not at the Insured Location); and
 - f) dams, canals, wells, ponds, reservoirs other than tanks and their contents, and any other watercourse.

Bushfire

means fire that burns in grass, bush, forest or woodland as a result of any proximate cause, and includes any smoke, ash, ember(s) or other material that becomes airborne or otherwise spreads, whether by wind or other similar means (including but not limited to storm cells and weather systems).

Business

means:

- a) for the purpose of all Sections other than the Public and Products Liability Section, the usual activities and operations of the Insured as described in the Schedule.
- b) for the purpose of the Public and Products Liability Section, the definition given in that Section.

Business Hours

means the hours in a day when You or any of Your Employees are at the Insured Location for the purpose of conducting Your Business.

Contents

means all property, belonging to You or for which You are responsible, including:

1. unused stationary and printed books;
2. where You are a tenant of a leased or rented premises:
 - a) property owner's plant, fixtures, fittings, window blinds, floor coverings and glass at the Insured Location for which You are legally liable for under the terms of a lease or similar agreement;
 - b) fixtures and fittings, and fixed carpets and floor coverings, installed by You at the Insured Location and for Your use in the Business; and
 - c) awnings and signs at the Insured Location;
3. Money up to \$500;
4. plant and machinery not permanently attached to the Building, unregistered forklifts and hoists, communication systems and fixtures and fittings;
5. computers, word processors, printers, scanners and other peripheral equipment and other electronic equipment or Electronic Data processing systems;
6. digital or analogue telecommunication transmission and receiving equipment, lighting facilities, televisions, audio visual amplification or surveillance equipment and office machines;
7. data, Electronic Data Processing Media, records, documents, manuscripts, plans, drawings, designs and business books, but only for the value of these materials in their unused or uninstalled state or as blank stationery;
8. current patterns, models, moulds, dyes and casts used in the Business but limited, unless repaired or replaced, to the value stated in Your financial records at the time of damage;
9. paintings, works of art, antiques and curios;
10. documents of title and any other documents of aesthetic, historic, scientific or social value for past, present or future generations;
11. property of Your welfare, sports and social clubs;
12. for the purpose of the Property Damage Section, Stock, but not if it is shown as a separate item on the Schedule; and
13. shipping containers not owned by You but temporarily in Your possession for the delivery, unloading, loading and/or dispatch of goods and merchandise to or from the Insured Location, but only to the extent that You are not indemnified against loss, destruction or damage thereto under any other policy of insurance.

however, Contents does not include:

- a) Buildings;

- b) for the purpose of the Property Damage Section, Stock if it is shown as a separate item on the Schedule;
- c) growing crops, lawn, pastures, trees or plants other than pot plants;
- d) live animals including livestock, fish, birds and any other living organism except laboratory cultures;
- e) vehicles or trailers, caravans or motorcycles all while registered or licensed to travel on a public road provided that this limitation will not apply to:
 - i. mobile plant and equipment (excluding cars, sedans, panel vans and trucks) not otherwise insured; and
 - ii. vehicles or trailers, caravans or motorcycles that are Stock in trade of Your Business;
- f) jewellery, furs, bullion, articles containing gold and silver which are not Stock and which exceed \$10,000 for any one item;
- g) Contents undergoing erection, construction, alteration or addition (including the partial disablement of existing structures), where the total contract value of all work to be carried out at any one Insured Location exceeds \$500,000 or 20% of the total Sum Insured on Buildings and Contents, whichever is the lesser, provided that this limit shall apply only to the portion of the Insured Location or Property Insured which is the subject of any such work and not to any other portion of the Insured Location;
- h) land, dams, bridges, canals, roadways, tunnels, railway tracks, wharves, docks and piers;
- i) Watercraft, Aircraft, rolling stock, locomotives or any accessories, equipment or spare parts whilst contained in or on these items unless they are Stock and are at Your Insured Location at the time of any loss or damage, provided always that no cover shall apply to Aircraft that is Stock during taxiing, take-off, flight or landing;
- j) spacecraft or satellites;
- k) in the case where Contents is deemed not to include Stock, Customer's Goods other than customer's records and documents held or created by You as part of Your Business.

Covered Disease

means Measles; Meningococcal infection/disease; Gastroenteritis; Legionellosis (Legionnaires Disease); Salmonellosis (Salmonella Infection); and Escherichia coli Infection, as defined (if so defined) in the Communicable Diseases Network Australia (CDNA) national surveillance case definitions published by the Department of Health (or otherwise), as at the date of inception or renewal of this Policy, but in each case, excluding variations or mutations of those diseases (unless expressly included in the CDNA definitions).

Customers' Goods

means goods that belong to Your customers for which You are responsible or for which You have assumed responsibility to insure by way of a written undertaking or agreement prior to any destruction or damage.

Defined Peril

means fire; lightning; explosion; aircraft or other aerial devices or articles dropped therefrom; riot; civil commotion; actions by strikers, locked-out workers, persons taking part in labour disturbances or industrial action; actions by persons acting maliciously or malicious persons other than thieves; earthquake; storm; Flood; bursting overflowing discharging or leaking of water tanks apparatus or pipes, sprinkler leakage; or impact by any road vehicle or animal.

Electronic Data

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

Electronic Data Processing Equipment

means:

1. computers, computer equipment, computer peripherals;
2. climate control, and protection equipment, used solely for data processing operations;
3. separately identifiable and removable component computer devices that are attached to covered property and are designed to control such property, but not the property itself;
4. telecommunications equipment used solely for data protection operations, interconnecting wiring and peripheral equipment used in connection therewith; and
5. generating and regulating equipment used solely for data protection operations, detection and protection equipment, interconnecting wiring and pipework, and storage equipment used in connection therewith, owned by, or for which You are legally liable.

Electronic Data Processing Media

means computer records and/or media or storage devices programs (whether used or unused) but excluding the value to You or the information therein; storage racking and carrying cases, owned by or for which You are legally liable.

Employee

means any person employed under a contract of service or apprenticeship with You, whether such contract is express, implied, oral or in writing, including persons:

1. supplied by labour only subcontractors;
2. providing their services on a labour only basis;
3. engaged in work experience or similar schemes;
4. providing their services on a voluntary basis; or
5. on secondment with You.

Event

means one occurrence or all occurrences of a series consequent on, or attributable to, one source or original cause.

Excess

means the amount that You will need to pay as a contribution for each claim made, or the loss applicable to a specified period of time, expressed as an Excess on the Schedule or elsewhere in the Policy. The applicable Excess for each Section is shown in the Schedule.

Flood

means the covering of normally dry land by water that has escaped or been released from the normal confines of any lake, or any river, creek or other natural watercourse, whether or not altered or modified, or of any reservoir, canal or dam.

Government Authority

means any government or any governmental, semi governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity; it includes any self-regulatory organisation established under any statute and any stock exchange.

Hovercraft

means any vessel, craft or thing made or intended to float on water and travel over water or land supported on a cushion of air.

Insured Location

means the Insured Location(s) stated in the Schedule.

Limit of Liability

means the amount stated in the Schedule.

Mobile Communication Property

means cellular telephone, laptop computers, pagers, personal digital assistants, mobile hand held global positioning systems, and other hand held communication devices.

Money

means:

1. Negotiable Money:

cash, bank and currency notes, cheques (other than blank or partly completed cheques), travellers cheques, bankers drafts, postal orders, money orders, national savings certificates, and unused current postage stamps, and unexpired units in franking machines, trading stamps national insurance stamps (whether affixed to cards or otherwise) national savings and holiday with pay stamps, bankers drafts, promissory notes, bonds, securities (including evidence of indebtedness, shares or other equity or debt security), bills of exchange, dividend warrants and gift tokens, luncheon vouchers, consumer redemption vouchers all belonging to You or for which You have accepted responsibility; and

2. *Non Negotiable Money:*

crossed cheques, crossed bankers drafts, crossed postal orders, crossed money orders, premium bonds, unused national insurance stamps, national savings certificates, credit and debit cards, credit card sales vouchers, debit card sales vouchers all belonging to You or for which You have accepted responsibility.

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

Obsolete Stock

means Stock which can no longer be sold for its full value, for example Stock which is out-of-season fashion, superseded computers or perishable goods beyond their used by date.

Policy

means this Product Disclosure Statement and policy wording, the Schedule, Your insurance application, and any other document that We tell You forms part of Your policy describing the insurance contract between You and Us.

Policy Period

means the period of time stated in the Schedule.

Pollutants

means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapours, soot, fumes, acids, alkalis, chemicals and waste (with 'waste' including material to be recycled, reconditioned or reclaimed).

Property Insured

means property as described in the Schedule that belongs to You or is held by You in trust or on commission or for which You are responsible.

Safe or Strongroom

means a container or structure which has been specifically designed for the safe storage of Money or valuables and is designed to resist unauthorised opening by hand-held or power operated tools. A Safe or Strongroom includes an Automatic Teller Machine.

Sealed Surface

means ground surface areas that are packed or plugged to prevent percolation or the passage of fluids.

Seasonal Increase Period

means any period of time during the Policy Period that has turnover, sales or level of Stock at least 20% higher than the average turnover, sales or level of Stock at other times during the Policy Period.

The total number of days We will allow as seasonal increase periods is 126 days in total during any one Policy Period.

You do not have to tell Us what the dates of the periods are, but if You claim under a Section that has the seasonal increase cover, then Your financial records over at least the previous 2 years must substantiate the period as a Seasonal Increase Period. If Your Business is less than 2 years old, We will use the financial records of Your Business from the date of commencement until the date of the loss or damage to substantiate Your claim.

You can nominate different seasonal increase period(s) or higher percentage increases of turnover, sales or level of Stock. If You do they will be shown on the Schedule and You must pay any additional premium that applies.

Securities

means negotiable and non-negotiable instruments or contracts representing either Money or other property and will include commodities, futures, and options.

Stock

means:

1. stock, merchandise, promotional or raw materials, including the value of work in progress, containers, or packaging materials used in the Business and precious metals and minerals up to \$5,000 in total;
2. Customers' Goods including goods and/or merchandise and other items held in trust or on commission or for which You are responsible; and/or
3. live animals, provided Your Business is a pet shop or a restaurant.

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

Schedule

means the Schedule issued with this policy wording.

Subsidiary Company

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

Sum Insured

means the applicable Sum Insured shown in the Schedule which applies to the cover or section.

Terrorism

means any act, including but not limited to the use of force or violence and/or threat thereof, 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) which from its nature or context is done for, or in connection with, political, religious, ideological or similar purposes or reasons, including the intention to influence any government and/or to intimidate or put the public, or any section of the public, in fear, but does not include acts which are:

- a) advocacy, protests, dissent or industrial action; and
- b) not intended to cause serious physical harm, death, or endangerment of life to a person (other than the life of the person committing the act) or create a serious risk to health or safety to the public or section of the public.

"Us", "We", "Our" and "Chubb"

means Chubb Insurance Australia Limited ABN 23 001 642 020 AFSL 239687.

Vehicle

means any type of machine on wheels or on caterpillar tracks made or intended to be self-propelled by mechanical power.

Watercraft

means any vessel, craft or thing made or intended to float on or in or travel on, through or under the water.

"You", "Your", "Yours" and "Insured"

means:

- a) for the purpose of all Sections (other than the Public and Products Liability Section) the person(s) or entity/ies identified as Named Insured in the Schedule; or
- b) for the purpose of the Public and Products Liability Section, the meaning given to these terms in that Section.

Section 1 – Property Damage

About this Section

This Section only forms part of Your Policy when Property Damage is shown as insured in the Schedule.

This Section of the Policy covers Damage to Your Property Insured during the Policy Period. We do not cover the theft or breakdown of Your Property Insured under this Section.

Definitions

Wherever appearing in the Property Damage Section, the following definitions apply:

Asbestos

means asbestos in any form, including its presence or use in any alloy, by-product, compound or other materials or waste. Waste includes material to be recycled, reconditions or reclaimed.

Catastrophe

means a large scale destructive Event in the area in which the Premises is located which, either:

- a) the Insurance Council of Australia has declared to be an “insurance catastrophe event”; or
- b) as a consequence of the Event, the relevant Government Authority has declared a state of emergency.

Damage or Damaged

means actual (not threat or fear of), sudden and accidental physical damage, destruction or loss.

Increase in Building Costs

means the difference between the cost of reinstatement actually incurred in accordance with the Method of Settlement provisions of this Policy Section and the cost of reinstatement that would have applied had the catastrophe not occurred.

Landscaping

means growing plants, trees, shrubs, garden plots and lawns (including rock work, retaining walls, ornamentation and edging pertaining thereto).

Limit of Liability

means 120% of the Sum Insured for each Insured Location. This will be the maximum amount that We will pay for all Damage arising out of any one Event at such Insured Location, unless it is specifically stated in this Section that payments are made in addition to this amount.

Market Value

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

Specified Items

(for the purposes of this Section only) means each item of property that is specifically described on the Schedule for this Section.

Cover

Provided this Section is shown insured in the Schedule, We will pay Damage occurring during the Policy Period and happening at the Insured Location to Property Insured caused by or resulting from a cause not otherwise excluded.

How We will pay

Limit of Liability

We will not pay more than the Limit of Liability that applies to the Insured Location where the Damage occurs and this will be the maximum amount that We will pay for all Damage arising out of any one Event at such

Insured Location, unless it is specifically stated in this Section that payments are made in addition to this amount.

For the purposes of the application of any Limit of Liability, including aggregate limits, all Damage resulting from earthquake, subterranean fire, volcanic eruption, bushfire, Flood, storm, hail or rainwater occurring during each period of 72 consecutive hours shall be deemed to be continuous and due to the same general conditions and shall be considered as one Event.

The maximum We will pay for each Specified Item is the Sum Insured shown in the Schedule for that item.

For any item of Contents or for any Specified Item that is part of a pair or set, the Limit of Liability applies to the pair or set.

Method of Settlement - Reinstatement or Replacement value (Applicable to Buildings and Contents)

In the event of Damage to Buildings, or Specified Items or Contents resulting in the Buildings or Contents or Specified Items being lost or destroyed, unless specified in a separate clause below in this Section, We will at Our option, after consultation with You:

1. rebuild the Buildings at the Insured Location shown on the Schedule or, at Your option, at another site;
2. replace Contents or Specified Items with similar property;
3. pay You the amount shown on the proof of purchase for Specified Items unless the Specified Items are works of art, antiques or curios;
4. pay You the amount of a valuation by a Certified Practising Valuer member of the Auctioneers and Valuers Association of Australia for Specified Items of works of art, antiques and curios; or
5. pay the cost of rebuilding or replacing the Buildings, Specified Items or Contents;

Reinstatement or replacement is subject to the following conditions:

- a) You must commence to rebuild, replace or repair within a reasonable time of the Damage, after Our consent has been obtained. If You do not, We will pay no more than the cost that would have been incurred if the work of rebuilding, replacement or reinstatement had been commenced and carried out with reasonable despatch.
- b) Property Insured may be rebuilt or erected at another location and in a manner suitable to You provided You pay any additional cost to build or erect elsewhere and We will only pay the actual cost of work to reinstate the Property Insured in the same condition at another site, even if it is less than the cost to reinstate at the original site.
- c) when any Property Insured is Damaged, but not destroyed, We will not pay more than the amount that We could have been called upon to pay for if that property had been destroyed.
- d) We will pay the cost of rebuilding, replacing or repairing any Damaged part of Your Property Insured to the same condition when new or, where appropriate, in accordance with the "Output replacement" clause set out below.

Method of Settlement - Stock

If Stock is Damaged, We will, at Our option after consultation with You:

1. pay the Market Value of the Stock at the time of the Damage;
2. pay You the Market Value of Obsolete Stock or its purchase price (net of GST where applicable), whichever is the lesser, but not more than the original cost to You;
3. replace or repair the Stock with property or materials equal to or of a similar standard and specification as the Stock at the time it was Damaged, taking into account allowance for physical deterioration, physical depreciation, obsolescence or depletion; or
4. pay the cost of repair or replacement of the Damaged Stock,

whichever is the lesser value.

Limitations of Cover

1. **Earthquake**
If any loss is caused by earthquake, volcanic eruption, subterranean fire or tsunami, We will not pay up to the first \$20,000 or 1% of the Sum Insured at the Damaged Insured Location (whichever is the lower amount) of each claim caused by earthquake, tsunami, volcanic eruption or subterranean fire.
2. **Excess**
The Excess that applies is shown on the Schedule. For the purpose of the application of any Excess, all Damage resulting from earthquake, subterranean fire, volcanic eruption, Bushfire, Flood, storm, hail or rainwater occurring during each period of 72 consecutive hours shall be deemed to be continuous and due to the same general conditions and shall be considered as one Event.
3. **Property in the open air**
Cover for Damage to blinds and awnings, shade fabrics and membranes, shade structures, fibreglass houses and glass houses, gates, fences, signs and retaining walls caused by or arising from storm, rainwater, wind, hail, snow, Flood (if shown as Insured on the Schedule) or dust, is limited to a maximum of \$25,000 in total for any one Event.

Branded goods

We will not sell branded Stock as salvage without Your consent. If such salvage is not disposed of by sale, then the goods may be replaced by You and disposed of as You see fit provided a reasonable salvage allowance is agreed with Us for the value of such goods.

Output replacement

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

1. where any Property Insured is to be replaced with any item or items which have the same or a lesser total function, capability or output, then the basis of settlement is the new installed cost of such replacement item or items as would give the same total function, capability or output as the Property Insured;
2. where any Property Insured is to be replaced with an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is no greater than the replacement value of that Property Insured, then the basis of settlement is the new installed cost of the item or items so replaced; or
3. where any Property Insured is to be replaced by an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is greater than the replacement value of the Property Insured, then the basis of settlement is the lesser of the reinstatement value or that proportion of the new installed cost of the replacement item or items which the output of the Property Insured Damaged bears to the output of the replacement item or items. If the reinstatement value of the Damaged Property Insured is not ascertainable then the basis of settlement is the new installed cost of the replacement item or items.

Computer Betterment

In the event of Damage to Electronic Data Processing Equipment necessitating replacement and Electronic Data Processing Equipment of like kind and quality is not obtainable We will pay for new Electronic Data Processing Equipment which is:

1. as similar as possible to that which has sustained Damage; and
2. capable of performing the same function.

Loss of floor space

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

1. an Act of Parliament or regulations; or

2. a by-law or regulation of any Government Authority or other statutory authority,

We will, in addition to reinstating or replacing the Building on the basis set out above, pay You the difference between:

- a) the actual cost of rebuilding the Building with the reduced floor space; and
- b) the estimated cost of rebuilding the Building with the floor space it had at the time it was Damaged,

provided that Our total amount payable for reinstatement or replacement value, additional costs of compliance and under this 'Loss of floor space' clause will not exceed the Sum Insured in respect of the Buildings which are the subject of this claim.

Undamaged Portion of a Building

When a Damaged Building has to be rebuilt at a location other than the Insured Location because the requirements of any lawful Government Authority prevent the reinstatement of the Building at the Insured Location, then the abandoned portion of the Building including the foundations and services shall be deemed to be destroyed.

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

Should the Insured Location not be sold, then the increased Insured Location value, when applicable shall be agreed between You and Us. All differences relating to the amount of the increased Insured Location value will be referred to the decision of two registered valuers; one to be appointed by each of the parties to this policy. If the two valuers do not agree, their differences will be referred to the decision of a third valuer, nominated by the Chair of the Australian Property Institute (in the same State or Territory as the Building) as an expert, whose decision will be binding. The cost of the third valuer is to be shared equally by You and Us.

Extra Cost of Reinstatement

Cover extends to include the extra cost of reinstatement (including demolition or dismantling) of Property Insured necessarily incurred to comply with the requirements of any Government Authority or other statutory authority imposed after the Damage; subject to the following Provisions and subject also to the terms, Conditions and Limit of Liability or sub limits of liability of this Section.

Extra Costs of Reinstatement: Heritage Building

If You are insured under this Section on a reinstatement or replacement basis for Damage to any Building that is subject to any heritage listing or protection and You choose to rebuild, replace or repair the Building at the same location, We will pay the extra costs of repairing, replacing, or reinstating the Building, to comply with standards imposed by any Government Authority or other statutory heritage protection authority. We will not pay more than the cost necessary to rebuild, replace or repair any such heritage listed Building to a reasonably equivalent appearance and capacity using original design and suitable modern equivalent materials, if the original materials are not available.

Conditions which apply to Extra cost of reinstatement and Extra Costs of reinstatement: Heritage Building

The following conditions apply to the 'Extra cost of reinstatement' and 'Extra costs of reinstatement: Heritage Building' provisions of this Section:

- a) the work of reinstatement, must be commenced and carried out within a reasonable period, failing which We will not pay more than the amount which would have been payable under this Section if the work of reinstatement had been commenced and carried out with reasonable dispatch; and
- b) the amount payable shall not include the additional costs incurred in complying with any such Act, regulation or by-law or requirement with which You have been required to comply prior to the happening of the Event; and
- c) the work of reinstatement may be carried out wholly or partly upon any other site, if the requirements of the Act, regulation or by-law necessitate it, subject to Our liability not being increased and limited to

the actual cost of reinstatement. This clause (c) shall not apply to ‘Extra costs of reinstatement: Heritage Buildings’.

Limit of Liability for Extra Cost of Reinstatement and Extra Cost of Reinstatement: Heritage Building

Our total liability for Extra Cost of Reinstatement and Extra Cost of reinstatement: Heritage Building will be limited to:

- a) if the Schedule lists the Sum Insured for “Extra Costs of Reinstatement” – that amount is in addition to the Limit of Liability; or
- b) otherwise the Limit of Liability not otherwise exhausted.

The underinsurance/average condition of this Section will not apply to the amount payable under this clause.

Extra Covers applicable to this Section

When Damage to Property Insured is covered by this Section, We will pay for the following costs that are incurred as a result of that Damage (“extra covers”).

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

Clauses 1 to 5 inclusive: any amounts payable under these extra covers:

- do not form part of, and are not subject to the Limit of Liability; and
- may apply in addition to the Limit of Liability.

Clauses 6 to 24 inclusive: any amounts payable under these extra covers:

- form part of the amounts paid subject to the Limit of Liability not otherwise exhausted; and
- do not apply in addition to the Limit of Liability.

For the sake of clarity, if the Limit of Liability is otherwise exhausted, no amount is payable under extra covers 6 to 24 inclusive.

Extra Covers not subject to the Limit of Liability

1. Capital Additions

If Buildings or Contents are insured and:

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

We will pay, for Damage to the new additions or installations, up to an additional:

- c) \$500,000; or
- d) 20% of the total Sum Insured on Buildings and Contents;

whichever is the lesser amount.

2. Catastrophe Inflation Cost

If We agree to pay a claim for Damage to Your Building that is a direct result of a Catastrophe, We will:

- a) increase the Sum Insured applicable to such Buildings under this Section by up to 20% provided that Your Building is rebuilt; and
- b) increase the amounts payable under the following clauses of this Section if applicable:
 - i. ‘Capital Additions’ extra cover (relating to Buildings only);
 - ii. ‘Loss Prevention Expenses’ additional benefit; and
 - iii. ‘Temporary protection and security guards’ extra cover,

by 20% of the amounts otherwise payable under those clauses, to cover any Increase in Building Costs for labour and materials and any other additional costs which may apply after the catastrophe, provided that:

- c) We shall not pay more than the increased building costs which are actually incurred by You as a direct result of the catastrophe;
- d) We will not pay any amount under this extra cover until You have incurred costs exceeding the Sum Insured applicable to such Building under this Section; and
- e) We will not pay any claim under this extra cover if You choose not to rebuild the Buildings (or any part of them) at the Insured Location shown on Your Schedule.

3. *Floating Stock*

Where We pay a claim for Damage to Stock at the Insured Location, We will pay more than the Sum Insured for Stock at that Insured Location to account for the temporary transfer of Stock between Insured Locations provided that:

- a) there are at least two Insured Locations specified on the Schedule and a Sum Insured has been separately specified on the Schedule for Stock at each Insured Location insured under this Section, including the affected Insured Location; and
- b) You transfer the Stock between Insured Locations as a usual business practice.

We will not pay a claim under this extra cover where Stock levels in excess of the Sum Insured at an Insured Location have been temporarily located at that Insured Location for a period exceeding 90 days and where We have not agreed in writing to an extended period. Provided that We will not pay more than the total of the Stock Sum Insured for all Insured Locations.

4. *Stock Seasonal Increase*

We will automatically increase the Limit of Liability by adding 50% of the Sum Insured to it in respect of Stock for losses occurring during the Seasonal Increase Period. If the Sum Insured in respect of Stock is included in Your Contents Sum Insured We will only apply the seasonal increase to that portion of Your Contents Sum Insured which relates to Stock

5. *Removal of debris*

If Property Insured has been Damaged or destroyed and is covered by this Section, We will pay the reasonable costs incurred for this demolition, dismantling, temporary repairs and other measures necessary to:

- a) secure the property;
- b) make the property safe;
- c) make the property suitable for continued use; and/or
- d) cleaning up and/or remove, store and dispose of debris from the Insured Location.

We will also pay for Your legal liability for the cost of removal of debris from adjoining premises, property, services, roadways and waterways as well as on the site.

We will pay You up to \$100,000 or 20% of the total Sum Insured on Buildings and Contents for the Damaged Insured Location, whichever is the greater, or the amount shown in the Schedule for removal of debris. If this is insufficient and You have not exhausted Your Limit of Liability on the Damaged items requiring demolition and/or removal of debris, We will pay up to the remaining balance of the Limit of Liability.

Extra covers subject to the Limit of Liability

6. *Asbestos remediation*

If Property Insured has been Damaged, We will pay the necessary and reasonable costs incurred by You for:

- a) the cleaning up, removal and disposing of Damaged Asbestos; and
- b) encapsulating, containing, sealing or enclosing of Damaged Asbestos,

in accordance with applicable laws, regulations or other statutory authority, up to a limit of \$100,000 each and every loss.

7. *Temporary protection and security guards*

If Property Insured has been Damaged, We will pay:

- a) for the cost of temporary protection and safety of Your Property Insured at the Insured Location including employment of security guards; and
- b) to remove Property Insured from the Insured Location if the purpose of the removal was to prevent or minimise Damage insured under this Section. We will also cover any Damage resulting from the removal.

We will pay up to a maximum of \$50,000 for all claims during any one Policy Period. We will not pay for any fines, penalties, or liability incurred by You.

If an Event results in a claim being paid under this Section and another Section of the Policy, only the highest single amount payable under the relevant Sections shall apply. The benefit of this clause shall not be cumulative under this Policy.

8. *Loss of land value*

If any legal authority does not allow rebuilding, or only allows partial rebuilding, of a Building at the Insured Location, and this results in a reduction in land value, We will pay up to 20% of the Building Sum Insured at the Insured Location where Damage occurred or \$250,000, whichever is the lesser.

9. *Playing surfaces*

We will pay up to the greater of:

- a) \$50,000; or
- b) the amount shown in the current Schedule for playing surfaces,

for the cost of repairing Damage to outdoor playing surfaces at the Insured Location caused by:

- i. vandals or malicious persons, other than You or Your guests, director's partners, officers, Employees or members, or their guests;
- ii. fire occurring at the Insured Location for which We have admitted liability under this Section; or
- iii. the action of the firefighting services, police or other emergency services in attending to their duties at the Insured Location.

10. *Mortgage Discharge Costs*

We will pay the reasonable legal costs associated with the discharge of a mortgage or mortgages on Buildings, Contents or Stock following settlement of a claim on a total loss basis, up to a maximum of \$50,000 each and every loss.

11. *Government Fees*

If any of Your Property Insured is destroyed or Damaged, We will pay any fee, contribution or other impost payable to any Government Authority where payment of the fee, contribution or impost is necessary to the obtaining of consent to reinstate any Property Insured provided that We will not be liable for payment of any fines and/or penalties imposed upon You by any such Government Authority.

The cost of government fees is included in the Sum Insured for Buildings, Contents or Stock. If the Sum Insured is exhausted, the most We will pay under this extra cover is \$10,000 each and every loss.

12. *Removal and disposal of trees*

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

We will also remove a standing tree or branch that forms part of a tree that caused the insured Damage if:

- a) We agree that the remaining tree or branch is unsafe;
- b) the remaining tree or branch became unsafe as a direct result of the Event covered under this Section causing Damage to the tree; and

- c) all necessary approvals have been obtained and removal of the tree or branch would not result in a breach of any laws, bylaws, regulations or contractual obligations.

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

- i. all necessary approvals have been obtained and removal of the stump would not result in a breach of any laws, by-laws, regulations or contractual obligations; and
- ii. not removing the stump would interfere with repairing or replacing the Damaged part of the Building if required to settle Your claim.

13. *Environmental Improvements*

If You elect to repair or replace property that is lost, Damaged or destroyed during the Policy Period with more environmentally friendly technology, products or materials that improve the energy or water efficiency of the property, We will pay up to 20% more than the amount We would otherwise have paid if there was no upgrade but no more than \$50,000 in total.

This may include, but is not limited to, the upgrading of taps, showers, grey water and rainwater systems, air conditioning and building cooling systems, ventilation systems, lighting, the provision of hot water and heating systems and the provision of “green” roofs.

14. *Expediting expenses*

We will pay for reasonable costs and expenses incurred by You for express carriage rates and extra payments for overtime, night, Sunday or holiday working incurred in connection with the repair, replacement or reinstatement of the Property Insured that suffered Damage, provided that We will not pay more than:

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

whichever is the lesser.

15. *Metered Water*

We will pay for loss resulting from accidental escape of metered water from tanks, apparatus and pipes following Damage to Buildings (when Buildings are insured under this Section) to the extent that such loss is determined by measurement from the water authority meter for which You are responsible. Our payment for any one loss under this extra cover shall not exceed the lesser of 7 days of water charges at the insured Building or \$15,000.

16. *Professional Fees*

If Property Insured has been Damaged and the Damage is covered by this Section, We will pay the reasonable professional fees incurred to rebuild or repair Your Buildings and Contents.

17. *Rewriting of Records*

We will pay the reasonable cost of restoring the data stored on Electronic Data Processing Media or the cost of clerical labour actually, necessarily and reasonably incurred in rewriting, restoring or recreating the records at each Insured Location for Business books, plans, computer records, patterns and other Business records that are Damaged.

However, no coverage shall be provided for any loss arising from such lost data or records or restored data or records.

18. *Taking Inventory*

We will pay the costs and expenses incurred by You in taking inventory (including unpacking, repacking and restocking) to identify, quantify and value any Property Insured Damaged during the Policy Period including examination of Property Insured not belonging to You in Your care, custody or control.

19. Depreciation of undamaged Stock

Where undamaged Stock is unable to be processed in the normal way or through alternative processing, We will also pay for the loss sustained by You resulting from the deterioration or depreciation of such undamaged Stock. We will not pay more than the Sum Insured for Stock.

20. Incompatibility of Computer System Records

In the event of settlement of a claim resulting in the replacement of Property Insured under this Section with property that is incompatible with Your undamaged Electronic Data Processing Media, We will pay the cost of:

- a) modification to Electronic Data Processing Equipment; and
- b) replacing or reinstating programs or Electronic Data,

necessarily and reasonably incurred (with Our consent) to achieve compatibility, up to a limit of \$50,000 in the aggregate in any one Policy Period.

21. Landscaping

We will pay for loss of or Damage to landscaping at the Insured Location. We will also pay resultant expenses necessarily and reasonably incurred in cleaning, clearing and/or repairing drains, gutters, sewers and the like, all contained in or on, or forming part of, or implicitly pertaining to, the Buildings.

“Landscaping” includes trees, shrubs, plants, lawns, rock work, retaining walls, ornamentation and edging pertaining thereto.

We will not pay more than:

- a) \$50,000; or
- b) 20% of the Sum Insured for Buildings at the Insured Location where the Damage happened;

whichever is the lesser, for any one Event provided that the Limit of Liability is not otherwise exhausted.

We will not pay for any Damage to landscaping which occurs as a result of storm, wind or rain (including snow, sleet or hail).

22. Pairs and Sets

We will pay for the reduced value of undamaged Contents that is part of Your product or any product in Your care custody or control which has become unmarketable as a complete product because of Damage to Contents which is part of the same product, up to a limit of \$50,000 in the aggregate in any one Policy Period.

23. Research and Development Property

We will pay for the necessary and reasonable additional cost that You incur to repair or replace research and development property in order to meet the last scheduled introduction date (prior to Damage) for any new product which incorporates such research and development property, up to a limit of \$50,000 in the aggregate in any one Policy Period.

24. Undamaged tenants' improvements and betterments

We will pay for the value of undamaged tenants' improvements and betterments made by You when Your lease is cancelled:

- a) by the lessor; and
- b) pursuant to a valid condition of Your lease;

in consequence of Damage to a Building or Contents, up to a limit of \$50,000 any one loss.

Additional Benefits applicable to this Section

We will also provide the following additional benefits, subject to the Exclusions and conditions of the Policy (“additional benefits”).

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

- Clauses 1 to 7 inclusive: any amounts payable under these additional benefits do not form part, and are not subject to the Limit of Liability;
- Clauses 8 to 15:
 - a) Form part of the amounts paid subject to the Limit of Liability not otherwise exhausted;
 - b) Do not apply in addition to the Limit of Liability.

For the sake of clarity, if the Limit of Liability is otherwise exhausted, no amount is payable under additional benefits clauses 8 to 15 inclusive.

Additional Benefits not subject to the Limit of Liability

1. *New Acquisitions*

We will temporarily extend cover provided by this Section, on the terms and conditions of this Section, to property at any new location first occupied by You during the Policy Period provided that:

- a) You provide Us with full details of the new location within 90 days of when You first acquire an insurable interest in the new location;
- b) the new location has a similar nature and type of occupancy, similar fire and security protection features, and is constructed of similar materials, to that of an Insured Location already insured under this Section;
- c) We will not pay more than 50% of the highest Limit of Liability for any Insured Location on the Schedule; and
- d) such temporary cover will be effective from the date of acquisition or completion or from the date that You first acquire an insurable interest, whichever is the sooner, and will end at the earliest of when:
 - i. We agree to add such Property Insured to this Policy;
 - ii. 90 days pass from the date of acquisition or completion; or
 - iii. this Policy expires.

We may require additional premium from the date of acquisition or completion.

2. *Limited Transit*

We will cover You for loss of or Damage to Stock or Contents (excluding Stock or Contents which are portable electronic equipment), during the Policy Period whilst in transit in any Vehicle within Australia, caused by:

- a) fire or explosion;
- b) lightning or thunderbolt;
- c) acts of malicious persons;
- d) implosion;
- e) collision, overturning of the conveying Vehicle;
- f) malicious damage, riot, civil commotion or labour disturbances;
- g) water Damage; or
- h) earthquake, tsunami, subterranean fire or volcanic eruption, or fire resulting from any of these during any period of 72 consecutive hours following the Event.

The maximum amount We will pay for this additional benefit will be \$50,000 or 20% of the highest Sum Insured for Contents or Stock at any one Insured Location whichever is the lesser.

3. *Temporary Removal of Stock and Contents*

We will cover You for Damage to Your insured Contents and/or Stock during the Policy Period whilst temporarily removed from an Insured Location, whilst in a storage facility, and whilst during inland transit to and from such Insured Location within Australia.

We will not pay for Damage to:

- a) Vehicles or trailers, Watercraft, Hovercraft, caravans or motor cycles unless they are:
 - i. Stock in trade of Your Business; or

- ii. forklift trucks or similar machinery or appliances that are normally used for hauling or lifting goods at Your Insured Location;
- b) Stock in trade that is on consignment to other parties unless it is owned by You or is property for which You are responsible;
- c) any Property Insured which has been removed for a period greater than 90 days without Our prior written consent; or
- d) personal effects of Yours or a director or Employee of Your Business.

We will not pay more than 20% of the relevant Sum Insured for Contents or Stock that applies at the Insured Location where the property is normally located.

4. *Rewriting of Records*

We will pay the reasonable cost for clerical and professional costs incurred by You for rewriting of records if they are lost, destroyed or Damaged during the Policy Period, whilst located away from Your Insured Location anywhere in Australia by an Event.

We will pay the reasonable cost, for clerical and professional costs incurred by You for rewriting business records of your customers at the premises.

We will not pay You for any financial loss caused by the loss of Your records under this additional benefit.

We will pay up to \$25,000 under this additional benefit or any higher amount for Rewriting of Records shown in the Schedule.

5. *Fly Tipping*

We will pay for the reasonable and necessary costs You incur to remove property left at an Insured Location without Your permission up to a limit of \$10,000 in the aggregate in any one Policy Period.

This additional benefit will not cover loss resulting from interruption of, or interference with, Your Business.

6. *Exhibitions, Fair or Trade Shows*

We will pay for Damage to Contents whilst at any exhibition, fair or trade shows including transit to and from such exhibitions, fairs, trade shows and Insured Locations up to a limit of \$25,000 each and every loss.

This additional benefit does not cover theft of Mobile Communication Property while left unattended.

7. *Working from Home*

We will cover You for loss of or Damage to Your insured Contents and/or Stock during the Policy Period if those Contents and/or Stock are used by You or any of Your employees for the purpose of working from their normal place of residence.

The maximum amount We will pay for this additional benefit in any one Policy Period will be 10% of the Sum Insured for Contents and/or Stock. If there is more than one Insured Location, the maximum amount We will pay for this additional benefit will be 10% of the highest Sum Insured for Contents and/or Stock.

Additional Benefits subject to the Limit of Liability

8. *Fire Brigade Charges and Extinguishing Expenses*

We will pay up to \$100,000 for any statutory charges payable by You to a fire brigade or firefighting authority for attendance at a fire or chemical emergency during the Policy Period involving the Property Insured, and for the cost of refilling Your firefighting appliances used in putting out a fire at the Property Insured (or a property adjoining the Insured Location threatening the Property Insured) during the Policy Period.

9. *Loss Prevention Expenses*

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

- a) to extinguish a fire on or in the vicinity of the Insured Location which causes or threatens loss of or Damage to the Property Insured;

- b) to prevent or diminish imminent Damage to Property Insured;
- c) for the temporary protection and safety of Your Property Insured at the Insured Location, including the employment of security services; or
- d) to remove Property Insured from the Insured Location if the purpose of the removal was to prevent or minimise Damage insured under this Section. We will also cover any Damage resulting from the removal.

We will not pay more than \$100,000 for all claims under this additional benefit during any one Policy Period. We will not pay under this additional benefit for loss of or Damage to Your Property Insured.

10. *Glass in Vacant Buildings*

If You own but do not occupy any Building at the Insured Location shown as insured under this Section in the Schedule, provided that the breakage occurs during the Policy Period at a time when the Building is vacant, We will cover You for the following costs directly related to the breakage of Glass in the Policy Period:

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

This additional benefit will not apply:

- i. where the Building is leased to a tenant;
- ii. where the Building has remained unoccupied or untenanted for a continuous period of 90 days and We have not agreed to an extended period in writing;
- iii. where You have selected the Glass Section under this Policy;
- iv. to glass in light fittings, that is cracked or imperfect prior to breakage, that is in a fibreglass or glasshouse; or
- v. to advertising signs.

The most We will pay under this additional benefit is \$5,000 during any one Policy Period.

11. *Directors and Employees Personal Effects*

We will pay for loss of or Damage to the personal property of directors, partners, Employees and visitors of Your Business whilst the personal property is at the Insured Location during the Policy Period if the person to whom the personal effects belong is not named as an Insured. Cover is limited to \$6,000 for any one director, partner, Employee or visitor as the case may be.

12. *Theft of part of the Building*

If you own but do not occupy a Building shown as insured under this Section, We will cover You for theft of plant, plumbing or wiring services that are not part of that Building but which are securely attached (by means other than the connection to a power point) to the building structure, during the Policy Period.

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

13. *Trace and Access*

We will pay the reasonable costs incurred to detect the point of bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks, fixed appliances, fixed pipes or other systems at the Insured Location used to hold or carry liquid or gas provided that the bursting, leaking, discharging or overflowing occurred during the Policy Period and has caused or may reasonably be expected to cause Damage to Property Insured. We will also cover the cost of reinstating parts of the Property Insured necessarily disturbed to locate the source of the problem.

Provided that We will not cover the cost of repairing or reinstating any such apparatus, appliance, tank or repair which has failed due to age, wear and tear, faults in material or faulty workmanship.

14. *Unauthorised Use of Electricity, Gas or Water*

We will pay the costs incurred (with Our consent and up to \$20,000 any one loss and in the aggregate in any one Policy Period) arising from the unauthorised use of electricity, gas or water for which You are legally responsible by persons taking possession or occupying an Insured Location without Your authority, provided that all practicable steps are taken to terminate such unauthorised use as soon as discovered.

15. *Fusion of Electric Motors*

We will pay for Damage to electrical motors caused by the actual burning out of the electronic current therein, up to a limit of \$10,000.

We will not pay for:

- a) loss of use, wear and tear or depreciation for equipment over 15 years old; or
- b) loss, destruction of or Damage to:
 - i. lighting or heating elements, fuses or protective devices;
 - ii. electrical contacts at which sparking or arcing occurs in the course of its ordinary operation; or
 - iii. any motor with a power output greater than 1.8 kilowatts (2.5 horse power).

Optional Extension

1. *Flood*

When 'Flood' is shown as 'Insured' in Your Schedule, Exclusion 3.j) will not apply and We will pay for Damage to Property Insured caused by Flood.

Conditions

1. *Leased Building clause*

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

2. *Release*

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

3. *Storage premises*

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

4. *Tenants actions*

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

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

5. *Underinsurance*

In the event of a claim, We will be liable for no greater proportion of the loss than the amount the Limit of Liability of all Property Insured, declared at the commencement of the Policy Period, bears to 80% of the value of all such Property Insured at the time of the commencement of the Policy Period.

This condition will not apply if the amount of the Damage is less than 10% of the Limit of Liability. Provided that any additional costs incurred when You comply with the requirements of any lawful authority, bylaw or regulation will be omitted from the calculation of Our proportion.

Exclusions applicable to this Section

The following Exclusions apply to the Property Damage Section of this Policy except where expressly varied.

1. We will not cover You for loss or Damage caused or occasioned by or arising from:
 - a) wear and tear, gradual deterioration, scratching, denting, chipping, marring, developing flaws, normal upkeep or any gradual cause;
 - b) the actions of birds, moths, termites or other insects, vermin or rodents or Damage caused by their urine or excrement;
 - c) animals pecking, biting, clawing, scratching, tearing or chewing Your Property Insured at the Insured Location, provided that this Exclusion shall not apply in respect to Damage by an animal that gives rise to subsequent Damage to Your Property Insured occasioned by a fire, explosion or water Damage only;
 - d) mechanical, hydraulic, electrical breakdown or electronic failure or malfunction;
 - e) corrosion, rust, oxidation, any form of fungus, wet or dry rot, dampness of atmosphere, variation in temperature, evaporation, disease, shrinkage, change in colour, flavour, texture or finish;
 - f) inherent vice or latent defect;
 - g) loss of weight or exposure to light;
 - h)
 - i. error or omission in design, plan or specification or failure during testing; or
 - ii. faulty materials or workmanship;
 - i) infidelity, dishonesty, embezzlement, misappropriation, or fraud including forgery, erasure, counterfeiting by You or Your directors, partners Employees, officers or any other person who has an interest in the Property Insured whether acting alone or in collusion with any other person;
 - j) faults or defects that You, or any Employee whose knowledge in law would be deemed to be Your knowledge, would have reasonably known would affect the provision of insurance coverage, and were not disclosed to Us at the time this insurance was arranged, extended, varied or renewed;
 - k) losses incurred following damage of any kind including (but not limited to) loss due to delay, lack of performance, loss of market, loss of contract or depreciation in the value of land or Stock, except as provided in the Business Interruption Section;
 - l) the cessation of work (whether total or partial), interruption or retarding of any process or operation as a result of any industrial dispute;
 - m) Electronic Data processing or media failure or breakdown or malfunction of a processing system including operator entry or omission;
 - n) the actual breaking, seizing, deformation or melting of any part of the Property Insured while it is in use that is caused by mechanical, electrical or electronic defect that results in sudden and total loss of operation that requires repair or replacement before the Property Insured can resume normal operation; and/or
 - o) explosion or implosion of any pressure vessels (including any boilers), (other than a pressure vessel used solely for domestic purposes) that have a value of more than \$250,000:
 - i. where the load on the safety valve upon the particular pressure equipment was in excess of the manufacturer's specification at the time of any Damage;
 - ii. where any safety valve limiting pressure was removed or rendered inoperative; due to the failure of the supply of water, gas, electricity or fuel.

Provided that We will pay for any subsequent Damage to Property Insured that is not otherwise excluded that results from Damage caused directly by or arising directly from any of the causes in clause 1 of these Exclusions.

2. We will not cover loss of or Damage to:
 - a) Property Insured where Damage results from it being processed, produced or manufactured;
 - b) any Building, Contents and Stock if the Building is vacant awaiting or undergoing demolition, unless We have agreed otherwise;
 - c) animals (unless Your Business is a pet shop or restaurant and animals are insured as Stock);
 - d) standing timber, plants (other than plants that are part of landscaping), growing crops, landscaping, gardens and pastures. Provided that:

- i. when reinstating Damage to a Building, landscaping, plants and gardens are Property Insured; or
 - ii. potted plants are Property Insured when insured as Contents; when they are used to restore landscaping, plants, potted plants and gardens to a condition similar to that immediately prior to the Damage;
 - e) land including embankments, topsoil and back-fill, unsealed roads and pathways extending from the boundary of the Insured Location, culverts and water (other than water used or stored for use in the commercial processes of the business, Stock, and except to the extent insured under the 'Metered Water' extra cover or 'Unauthorised Use of Electricity, Gas or Water' additional benefit);
 - f) glass or signs:
 - i. other than loss or Damage caused by fire, storm, wind, rain, hail, lightning, explosion, implosion, earthquake, impact by Vehicles or animals, aircraft and other aerial devices and/or articles dropped from them, riots or civil commotion, persons acting maliciously or earthquake; or
 - ii. except where You are a tenant of a Building and are required by the lease to insure glass;
 - g) Asbestos, unless the Asbestos forms part of any Building or Property Insured and itself suffers Damage caused by or resulting from a cause not otherwise excluded, and except to the extent insured under the 'Asbestos remediation' extra cover;
 - h) Property Insured during any process of alteration, installation, testing, adjusting, production, packing, treatment, maintenance operation, servicing or repair;
 - i) roads, driveways, pavements and other paved surfaces, bridges and tunnels not forming part of any Building, runways, and railway tracks;
 - j) mining property located beneath the surface of the ground not forming part of any Building, mines or quarries and tailing dams or tailing ponds whether or not forming part of any Building, and offshore property;
 - k) oil and gas drilling and/or production rigs.
3. We will not cover Damage caused by or arising from:
- a) theft. This Exclusion does not apply to physical Damage to Property Insured at the Insured Location during theft or any attempted theft and/or theft of parts of the Building when buildings are insured or fixed plant in the open air when buildings are insured;
 - b) any legal liability You have other than the legal liability that is covered by the extra cover 'Removal of debris';
 - c) demolition ordered by any government, local government or other statutory authority as a result of failure by You to comply with any lawful requirement;
 - d) the incorrect layout or placement of buildings as a result of error in design or specification, faulty workmanship or non-compliance with the requirements of any government, local government or other statutory authority;
 - e) any unexplained inventory shortage or disappearance resulting from clerical or accounting errors, or shortage in the supply or delivery of materials or goods;
 - f) actual, alleged or threatened release, discharge, escape or dispersal of contaminants or, Pollutants, smoke or smut except where caused directly by a Defined Peril;
 - g) normal settling, cracking or collapse, creeping, heaving, shrinkage, seepage, vibration, expansion in buildings, pavements, roads, car parks, gates or fences and the like;
 - h) erosion, subsidence, landslip or mudslide or any other earth movement but We will cover Damage caused by a type of earth movement that occurs within 72 hours of, and directly because of, a storm, earthquake, subterranean fire, volcanic eruption or water escaping from a water main owned by a water supply authority;
 - i) the action of the sea, storm surge or high water, unless caused by or arising from a direct consequence of an earthquake or seismological disturbance;
 - j) Flood.
4. We will not cover Damage caused by:
- a) a cyclone named by the Bureau of Meteorology where the Damage occurs; or
 - b) a Bushfire occurring;

within 72 hours from the original Policy acceptance date unless this Policy commenced:

- i. immediately after another insurance policy covering the same risk expired (the policy will not be regarded to have expired if cancelled), without break in cover;
- ii. the day You entered into a contract of sale to purchase the Insured Location; or
- iii. the day You entered into a contract to lease the Insured Location.

Communicable Disease Exclusion

1. The Property Damage Section and Business Interruption Section of this Policy do not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, or in any way attributable or related to, connected with or contributing concurrently or in any sequence with, a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. This exclusion applies to all coverage extensions, additional coverages and exceptions in the Property Damage and Business Interruption Sections of this Policy, including but not limited to, any cost to clean-up, detoxify, remove, monitor or test for a Communicable Disease at an Insured Location or Property Insured. The terms of this Exclusion prevail over any direct or apparent inconsistency with any other terms in the Property Damage Section and Business Interruption Section of this Policy.
3. Communicable Disease means any of the following, regardless of the means of transmission, whether discovered at the Insured Location, occurring at the Insured Location, or in respect of which there is an occurrence or an outbreak elsewhere:
 - a) any physical distress, illness, or disease; or
 - b) any virus, bacterium, parasite, fungus or other organism, whether deemed living or not, which causes (or is likely and/or expected to cause), directly or indirectly, any physical distress, illness or disease, except where the physical distress, illness or disease is the direct result of the consumption of food or drink provided at the Insured Location, or is a Covered Disease; or
 - c) any Covered Disease which is or becomes a quarantinable disease or a listed human disease under the *Biosecurity Act 2015* (Cth), as may be amended from time to time and any replacement, successor or functionally similar legislation of Australia (or of the applicable State or Territory of Australia in which the Insured Location is located); or
 - d) any Covered Disease which is or becomes an epidemic or a pandemic.

Section 2 – Business Interruption

This Section provides You with five different coverage options. The Schedule states which of the following options has been selected:

- A. Insurable Gross Profit basis;
- B. Annual Revenue basis;
- C. Weekly Revenue basis;
- D. Loss of Rent Receivable basis; or
- E. Additional increase in cost of working only basis.

Definitions

Wherever appearing in this Section, the following definitions apply:

Annual Rent Receivable

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

Annual Revenue

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

Annual Turnover

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

Damage

means actual (not threat or fear of), sudden and accidental physical damage, destruction or loss.

Gross Profit

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

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

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

Indemnity Period

means the period beginning with the occurrence of the Insured Damage during which the results of Your Business are affected by the Insured Damage and ending not later than the number of months or weeks specified in the Schedule.

If during the Indemnity Period You permanently close Your Business for any reason (including involuntary closure), then the Indemnity Period will end on the day You permanently close Your Business unless We agree

in writing to continue this period. Nothing in this clause shall affect Your right to an equitable adjustment where the decision to close the business is taken with Our approval and arises directly as a result of the interference or interruption of Your Business from a circumstance covered by this Section.

Insured Damage

means Damage occurring during the Policy Period caused by an Event insured under the Property Damage Section, Theft Section, Money Section, Glass Section, or General Property Section.

Output

means the sale and/or invoice value of goods manufactured and/or processed by You in the course of Your Business at the Insured Location=

Rate of Gross Profit

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

Rent Receivable

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

Revenue

means: the revenue earned during the 12 months immediately before the date of the Insured Damage less the cost of any related purchases (after any discounts) and other expenses

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

Shortage in Turnover

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

Standard Rent Receivable

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

Standard Revenue

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

Standard Turnover

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

the results which, but for the Insured Damage, would have been obtained during the relative period after the Insured Damage.

Standard Weekly Revenue

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

Turnover

means the amount (less discounts allowed) paid or payable to You for goods sold and delivered for services rendered and for Rent Receivable (unless Loss of Rent Receivable is shown as separately insured in the Schedule with a specific Sum Insured) in the course of Your Business at the Insured Location.

Uninsured Working Expenses

means the working expenses of Your Business which You have elected not to insure under this Section, and which are not included in the Sum Insured for Gross Profit and are specified on the Schedule.

Weekly Benefit

means the amount shown in the Schedule.

Weekly Revenue

means the amount received by You each week the Business is in operation for goods sold, services rendered or rental received less the purchase price of Stock. Weekly Revenue is extended to include the loss of any government approved incentives, subsidies or market development allowances You are entitled to in relation to Your Business.

A. Insurable Gross Profit

What You are covered for

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

Provided that:

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

Insurance on an Insurable Gross Profit basis provides protection with regard to loss under:

Item 1. Insurable Gross Profit.

Item 2. Additional increase in cost of working.

Item 3. Accounts Receivable.

Item 4. Claim preparation and proving expenses.

What We Pay – Insurable Gross Profit Basis

Item 1. Insurable Gross Profit

This item is limited to the loss of Gross Profit due to a reduction in Turnover and the increase in Your cost of working. The amount payable as indemnity under this item will be:

- a) in respect of reduction in Turnover: the sum produced by applying the Rate of Gross Profit to the Shortage in Turnover during the Indemnity Period; and
- b) in respect of the increase in cost of working:

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for the additional expenditure, would have taken place during the Indemnity Period in consequence of the Insured Damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of reduction thereby avoided, less any sum saved during the Indemnity Period in respect of such charges and expenses of Your Business payable out of Gross Profit as may cease or be reduced in consequence of the Insured Damage.

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

Item 2. Additional increase in cost of working See ‘Common clauses’.

Item 3. Accounts Receivable See ‘Common clauses’.

Item 4. Claim preparation and proving expenses See ‘Common clauses’.

B. Annual Revenue Basis

What You are covered for

If ‘Annual Revenue’ is shown as insured in the Schedule, then in the event of interruption of or interference with Your Business in consequence of Insured Damage to any Property Insured or any part thereof used by You at the Insured Location for the purpose of Your Business, We will pay You in respect of each item the amount of the loss resulting from such interruption or interference.

Provided that:

- a) the payment is in accordance with the ‘What We pay’ provision for the item;
- b) We have paid for or admitted liability in respect of such Insured Damage under the relevant Section of the Policy, or another insurer has paid for or admitted liability in respect of such Insured Damage;
- c) We would have paid for or admitted liability in respect of such Insured Damage under the relevant Section of the Policy, or another insurer would have paid for or admitted liability in respect of such Insured Damage but for the application of an Excess; and
- d) Our liability in no case will exceed in respect of each item the Sum Insured shown in the Schedule or the sub-limit shown in this Section, for that item; and

Insurance on an Annual Revenue basis provides protection with regard to loss under:

Item 1. Annual Revenue (if selected).

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

Item 3. Accounts Receivable (if selected).

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

What We Pay – Annual Revenue Basis

Item 1. Annual Revenue

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

The amount payable as indemnity under this item will be:

- a) in respect of the loss of Revenue:
the amount by which the Revenue earned during the Indemnity Period falls short of the Standard Revenue, in consequence of the Insured Damage; and
- b) in respect of the increase in cost of working:
the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Revenue which, but for the additional expenditure, would have taken place during the Indemnity Period in consequence of the Insured Damage, but not exceeding the amount of reduction in Revenue thereby avoided;

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

Provided that if the Sum Insured for loss of Revenue is less than 80% of the Annual Revenue, the amount payable will be reduced so that We will be liable for no greater proportion of the loss under this item than that which the Sum Insured bears to 80% of the Annual Revenue. This provision will not apply if Your claim is for less than 10% of the Sum Insured for this item.

Item 2. Additional increase in cost of working. See 'Common clauses'.

Item 3. Accounts Receivable See 'Common clauses'.

Item 4. Claim preparation and proving expenses See 'Common clauses'

C. Weekly Revenue Basis What You are covered for

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

Provided that:

- a) the payment is in accordance with the 'What We pay' provision for the item;
- b) We have paid for or admitted liability in respect of such Insured Damage under the relevant Section of this Policy, or another insurer has paid for or admitted liability in respect of such Insured Damage;
- c) We would have paid for or admitted liability in respect of such Insured Damage under the relevant Section of this Policy, or another insurer would have paid for or admitted liability in respect of such Insured Damage but for the application of an Excess; and
- d) Our liability in no case will exceed in respect of each item the Sum Insured shown in the current Schedule for that item.

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

Item 1. Weekly Revenue (if selected).

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

Item 3. Accounts Receivable (if selected).

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

What We Pay – Weekly Revenue Basis

Item 1. Weekly Revenue

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

Item 2. Additional increase in cost of working. See ‘Common clauses’.

Item 3. Accounts Receivable See ‘Common clauses’.

Item 4. Claim preparation and proving expenses See ‘Common clauses’.

The Sum Insured for Weekly Revenue is increased by 35% for any interruption or interference to Your Business occurring:

- a) during the period of 60 days prior to and including Christmas Day and 21 days following Christmas Day;
- b) during the period of 42 days prior to and including Easter Tuesday and 7 days following Easter Tuesday;
- c) on any bank or public holiday; and
- d) during any other period shown in the Schedule for this condition.

Provided that the Insured Damage occurs during the Policy Period

D. Loss of Rent Receivable Basis

What You are covered for

If ‘Loss of Rent Receivable’ is shown as insured in the Schedule with a specific Sum Insured, in the event of interruption of, or interference with, Your Business in consequence of Insured Damage to any Property Insured or any part thereof used by You at the Insured Location for the purpose of Your Business, We will pay You in respect of each item the amount of the loss resulting from such interruption or interference.

Provided that:

- a) the payment is in accordance with the ‘What We pay’ provision for the item;
- b) We would have paid for or admitted liability in respect of such Insured Damage under the relevant Section of the Policy, or another insurer would have paid for or admitted liability in respect of such Insured Damage and it would otherwise be covered under the relevant Section but for the application of an Excess;
- c) Our liability in no case will exceed in respect of each item the Sum Insured shown in the Schedule or the sub-limit shown in this Section, for that item; and
- d) cover for ‘Item 4. Claim preparation and proving expenses’ is only provided if this item is shown as insured in the Schedule with a specific Sum Insured.

Insurance on a Loss of Rent Receivable basis provides protection with regard to loss under:

Item 1. Loss of Rent Receivable (if selected).

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

Item 3. Accounts Receivable (if selected).

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

What We Pay – Loss of Rent Receivable Basis

Item 1. Loss of Rent Receivable

The amount payable under this item will be:

- a) in respect of loss of Rent Receivable:

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

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

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

Provided that if the Sum Insured for this item is less than 80% of the Annual Rent Receivable (or its proportionately increased multiple where the Indemnity Period exceeds 12 months), the amount payable will be reduced so that We will be liable for no greater proportion of the loss under this item than that which the Sum Insured bears to 80% of the Annual Rent Receivable (or its proportionately increased multiple, if appropriate). This provision will not apply if Your claim is for less than 10% of the Sum Insured for this item.

Item 2. Additional increase in cost of working See 'Common clauses'.

Item 3. Accounts Receivable See 'Common clauses'.

Item 4. Claim preparation and proving expenses See 'Common clauses'

E. Additional Increase in Cost of Working Only Basis

What You are covered for

If 'Additional Increase in Cost of Working' is shown as insured in the Schedule with a specific Sum Insured and cover is not taken for Insurable Gross Profit, Annual Revenue, Weekly Revenue or Loss of Rent Receivable, in the event of interruption of or interference with Your Business in consequence of Insured Damage to any Property Insured or any part thereof used by You at the Insured Location for the purpose of Your Business, We will pay You in respect of each item the amount of the loss resulting from such interruption or interference.

Provided that:

- a) the payment is in accordance with the 'What We pay' provision for the item;
- b) We have paid for or admitted liability in respect of such Insured Damage to Your Property Insured under the relevant Section, or another insurer has paid for or admitted liability in respect of such Insured Damage;
- c) We would have paid for or admitted liability in respect of such Insured Damage under the relevant Section of the Policy, or another insurer would have paid for or admitted liability in respect of such Insured Damage and it would otherwise be covered under the relevant Section but for the application of an Excess;
- d) Our liability in no case will exceed in respect of each item the Sum Insured shown in the Schedule or the sub-limit shown in this Section, for that item; and
- e) cover for 'Item 4. Claim preparation and proving expenses' is only provided if this item is shown as insured in the Schedule with a specific Sum Insured.

Insurance on an Additional increase in cost of working only basis provides protection with regard to loss under:

Item 2. Additional increase in cost of working.

Item 3. Accounts Receivable.

Item 4. Claim preparation and proving expenses.

What We Pay – Additional Increase in Cost of Working Only Basis

Item 2. Additional increase in cost of working See ‘Common clauses’.

Item 3. Accounts Receivable See ‘Common clauses’.

Item 4. Claim preparation and proving expenses See ‘Common clauses’.

Common Clauses

The following clauses are applicable to Insurable Gross Profit basis, Annual Revenue basis and Weekly Revenue basis:

Accumulated stocks

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

Alternative trading

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

Departmental

We will apply the cover provided by this Section to each department of Your Business separately, if Your Business is conducted in departments, and each department has independent trading results which are ascertainable. For the purposes of this clause, the Rent Receivable from letting of property at the Insured Location will be regarded as the proceeds of one such department.

Item 2. Additional increase in cost of working

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

We will not pay more than:

- a) \$25,000; or
- b) the Sum Insured for ‘Additional increase in cost of working’,

whichever is the greater, for any one claim, provided that in respect of cover type ‘Additional increase in cost of working only basis’ We will not pay more than the Sum Insured for ‘Additional increase in cost of working’.

Item 3. Accounts Receivable

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

- a) determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the Insured Damage occurs;
- b) calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the year immediately preceding the month in which the Insured Damage occurs, as compared with such average for the same months of the year immediately preceding the year in which the Insured Damage occurs;

- c) the amount determined under clause a), increased or decreased by the percentage calculated under clause b) above, will be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said Insured Damage occurs; and
- d) the amount determined under clause c) above will be increased or decreased in conformity with the normal fluctuation in the amount of accounts receivable during the fiscal month involved, consideration being given to the experience of Your Business since the last day of the last fiscal month for which statements have been rendered less:
 - i. the amounts of such accounts evidenced by records not suffering Insured Damage or otherwise established or collected by You;
 - ii. an amount to allow for probable bad debts that would normally have been uncollectible by You;
 - iii. all unearned interest and service charges; and
 - iv. settlement or term discounts normally allowed. We will not pay more than:
 - 1. \$7,500; or
 - 2. the Sum Insured for 'Accounts receivable';

whichever is the greater, for any one claim.

Item 4. Claim preparation and proving expenses

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

New Business

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

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

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

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

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

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

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

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

Salvage sale

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

- a) clause (a) of Item 1. in the section “What we will pay’ in Section A (Insurable Gross Profit) of this Section shall, for the purpose of such claim, be amended and read as follows:

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

- b) the definition of Shortage in Turnover shall, for the purpose of such claim, mean the amount by which the Turnover during a period (less the Turnover for the period of the salvage sale) shall, in consequence of the Insured Damage, fall short of the part of the Standard Turnover which relates to that period, from which shall be deducted the payroll paid out of the proceeds of the salvage sale.

Sum Insured

Our liability to You will in no case exceed in respect of each item the Sum Insured shown in the Schedule or the sub-limit shown in this Section. ‘Extra covers’ and ‘Additional benefits’ are within the total Sum Insured of this Policy Section and not additional to the total Sum Insured.

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

Turnover output

Where ‘Business Interruption’ has been selected and in the event of Insured Damage giving rise to a claim under this Section, at Your option, the word ‘Output’ may be substituted for the term ‘Turnover’ provided that only one such meaning (‘Turnover’ or ‘Output’) shall be operative in connection with any one Event involving Insured Damage.

If You select the cover available under this clause, the clause headed ‘Alternative Trading’ shall be altered to read as follows:

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

Underinsurance deletion

If the Sum Insured shown in the Schedule for:

- a) Part A - Item 1 Insurable Gross Profit;
- b) Part B - Item 1 Annual Revenue; or
- c) Part D - Item 1 Loss of Rent Receivable, has been calculated:
 - i. using a Business Interruption Calculator approved by Us;
 - ii. by using Your GST exclusive sales income figures from Your most recent 12 month Business Activity Statement; and
 - iii. within 2 months of inception or renewal of the Policy and the results of the calculations at i. and ii. are adopted as the Sum Insured and the calculations are held on file;

then the under-insurance provision within the relevant 'What We Pay' clause will not apply.

Extra Covers

This Section is extended to include the following extra covers. The extra covers 1 to 5 inclusive are payable provided that the Sums Insured expressed against the relevant item(s) in the Schedule is not otherwise exhausted:

1. Contractual Damages

Following a claim under Section A (Insurable Gross Profit), We will also pay:

- a) the damages, other than aggravated, punitive or exemplary damages, that You are legally liable to pay for breach of a written contract for noncompletion or late completion of orders due to Insured Damage during the Policy Period; and
- b) the cost of the discharge of contract purchases, cancellation notices, damages for breach of contracts for the purchase of goods or services You cannot use during the Indemnity Period, less the value of these goods to You or the amount received for their sale.

We will not pay more than 20% of the Sum Insured for Insurable Gross Profit, shown in the Schedule.

2. Explosion of pressure vessels

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

3. Extension of the Indemnity Period

When Extra Cover 2. Catastrophe Inflation Cost in the Property Damage Section applies and the Indemnity Period stated in the Schedule is 12 months or more, We will increase the Indemnity Period by a further 3 months providing that You undertake the reinstatement of Your Business at the existing Insured Location.

This increase in Your Indemnity Period will only extend the period provided that the interference or interruption of Business is in consequence of Insured Damage.

This extra cover does not increase the Sum Insured applicable to the cover shown in the Schedule.

4. Restrictions in the Use of the Insured Location

This Section is extended to include loss resulting from interruption to, or interference with, Your Business in consequence of:

- a) the discovery of vermin or pests at the Insured Location; or
- b) defects in the drains or other sanitary arrangements at the Insured Location; or
- c) the occurrence of an illness which is the direct result of the consumption of food or drink provided at the Insured Location, except any illness that is related to, attributable to, or connected in any way with a Communicable Disease as defined in the 'Communicable Disease Exclusion' in the Property Damage Section, which causes restrictions on the use of the Insured Location on the order of written advice of any government, local government or other statutory authority; or
- d) closure or evacuation of the whole or part of the Insured Location by order of a government, local government or statutory authority as a direct result of an occurrence or outbreak of a Covered Disease occurring at the Insured Location; or
- e) any occurrence of murder or suicide at the Insured Location which causes restrictions on the use of the Insured Location,

provided that:

- f) We shall not be liable for the first 48 hours of any interruption of, or interference with, Your Business;
- g) We shall only be liable during the period which the use of the Insured Location shall be affected, beginning with the date and time from which the restrictions, closure or evacuation of the Insured Location came into effect in the case of clauses a) to d), or in the case of clause e) beginning with the date and time of the occurrence and not exceeding a maximum period of 3 months;
- h) We shall only be liable for loss arising at those Insured Locations, which are:
 - i. directly affected by the discovery in clause a), the Damage in clause b), or the occurrences or outbreak in clauses c) to e); and
 - ii. the Insured Locations stated in the Schedule; in the event that the Policy includes an extension which deems Damage at other locations to be Damage at the Insured Location such extension shall not apply to this extra cover;
- i) We shall not be liable under this extra cover for any costs incurred in the cleaning, repair, replacement, recall or checking of the Insured Location or any Property Insured at the Insured Location;
- j) We will not pay more than \$250,000 in the aggregate in respect of all losses during one Policy Period.

This extra cover is subject to the 'Communicable Disease Exclusion' within the Property Damage Section of the Policy.

5. *Motor Vehicles owned or operated by You*

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

6. *Prevention of Access*

We will cover You for interruption to Your Business that is caused by or results from Damage to any property within 50 kilometres of the Insured Location which directly results in the prevention or hinderance of the use of, or access to, the Insured Location provided that the Damage would have been covered under the Property Damage Section if the Damaged property had been insured under that Section.

We will cover You for interruption to Your Business that is caused by the intervention of any Government Authority which shall prevent or hinder the use of or access to the Insured Location, or ordering the evacuation of the public due to Damage to property within a 50 kilometre radius of the Insured Location or the occurrence of physical harm to persons as a result of Damage to property.

Additional Benefits

This Section is extended to include the following additional benefits. Additional benefits 1 to 8 inclusive are payable provided that the Sums Insured expressed against the relevant item(s) in the Schedule is not otherwise exhausted.

1. *Computer installation*

We will treat Damage to computer installations, including any ancillary equipment and data processing media, utilised by You in Your Business in Australia other than at the Insured Location as Insured Damage for the purpose of this Section provided that:

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

2. *Unspecified customers and suppliers*

We will treat Damage to unspecified property:

- a) at the premises of Your suppliers, manufacturers or processors of component goods, materials or services (other than those services provided by any utilities) which supply the Business directly; or
- b) at the premises of Your customers of goods or materials or services; or
- c) at storage premises neither owned nor operated by You where You store goods or materials;

all within Australia as Insured Damage for the purpose of this Section, provided that:

- i. the Damage would have been covered under the Property Damage Section of the Policy if the unspecified property had been insured under that Section; and
- ii. Our liability will not exceed 20% of the Sum Insured applicable to this Section.

3. *Documents temporarily removed*

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

- a) temporarily removed to other premises anywhere in Australia; or
- b) while in transit to any place in Australia;

as Insured Damage for the purpose of this Section if the following apply:

- i. the Damage would have been covered under the Property Damage Section of the Policy if the documents and Electronic Data files had been insured under that Section; and

- ii. the Damage results in interruption of or interference with Your Business;

We will not cover You for more than 20% of the Sum Insured applicable to this Section or the amount shown in the Schedule for 'Documents', whichever is the greater.

4. *Loss of attraction*

If Your Business is located within a multi-tenanted retail shopping complex or commercial complex, We will treat Damage to property in the same multi-tenanted retail shopping complex or commercial complex as being Insured Damage for the purposes of this Section provided that:

- a) the Damage to property in the same multi-tenanted retail shopping complex or commercial complex would have been covered under the Property Damage Section of the Policy if such property had been insured under that Section;
- b) the Damage results in a reduced pedestrian count in the multi-tenanted retail shopping complex or commercial complex; and
- c) the Damage results in cessation or diminution of Your Trade or normal Business operations.

5. *Roads, Bridges and Railway Lines*

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

- a) the Damage results in not being able to convey Stock, components or materials used in Your Business to and from the Insured Location; and
- b) the Damage results in interruption of or interference with Your Business; and
- c) the Damage to the road, bridge or railway line occurs within a 50 kilometre radius of the Insured Location.

6. *Storage sites/temporary removal*

We will cover You for interruption to Your Business that is caused by or results from Damage to Your property stored or being processed at any premises in Australia not occupied by You including freight forwarders. Provided that:

- a) the Damage would have been covered under the Property Damage Section of the Policy if Your property had been insured under that Section; and
- b) Our total liability under this additional benefit will not exceed 20% of the Sum Insured.

7. *Transit*

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

8. *Utilities*

We will treat Damage to any equipment forming part of the following utilities:

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

as Insured Damage for the purposes of this Section, provided that:

- i. the Damage to the equipment would have been covered under the Property Damage Section of the Policy if such equipment had been insured under that Section;
- ii. the Damage results in hindering or stopping the supply of electricity, gas, water or telecommunications to the Insured Location or sewerage from the Insured Location;

- iii. where the equipment forming part of the utility which was damaged was not at or immediately adjacent to the Insured Location, the interruption of the supply lasts for at least 48 hours; and
- iv. the Damage results in interruption of or interference with Your Business.

We will not cover You for more than 20% of the Sum Insured applicable to this Section in the aggregate in any one Policy Period.

9. Deferral of Indemnity Period

Provided Insured Damage during the Policy Period gives rise to coverage under this Section, commencement of the Indemnity Period may be deferred (“the Deferred Indemnity Period”) to a later date at Your option and with Our consent (which shall not be unreasonably withheld, delayed or conditioned).

However, the Deferred Indemnity Period must commence within:

- a) the number of months specified in the Schedule as the “Indemnity Period” and which period commences from the date the Insured Damage occurred; or
- b) 12 months after the date the Insured Damage occurred, whichever is the earlier. Notwithstanding the foregoing:
 - i. the request for the Deferred Indemnity Period must be made within the period referenced in sub-clause a) or b) above whichever is the shorter;
 - ii. the Deferred Indemnity Period shall not extend the length of the Indemnity Period shown in the Schedule or as varied by any additional benefit in this Section; and
 - iii. the Deferred Indemnity Period shall in no way alter, derogate from or amend the coverage under this Section.

10. Landlord’s property and Other non-owned property used by You at the Insured Location

We will treat Damage to Your landlord’s and/or other non-owned property used by You at the Insured Location as being Insured Damage for the purposes of this cover.

Section 3 – Theft

Definitions

Wherever appearing in this Section, the following definitions apply:

Electronic Equipment

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

Electronic Equipment does not include electronic equipment that is Stock.

Specified Items

(for the purposes of this Section only) means each item of property that is specifically described on the Schedule for this Section.

Theft

means theft or attempted theft.

Crime

means the criminal taking of Money, Securities or Property Insured with the intention to permanently deprive You of them.

Cover

Provided this Section is shown as insured in the Schedule, We will pay for loss or damage up to the applicable Sum Insured, occurring during the Policy Period to Property Insured shown in the Schedule at the Insured Locations caused by one or more of the following:

1. Theft by any person who forcibly and violently enters into or exits from or attempts to enter the Insured Location;
2. Theft by any person unlawfully concealed at the Insured Location;
3. Theft by any person who threatens or commits physical violence to You, Your Employees or other persons;
4. Theft by armed hold up, at the Insured Location; and/or
5. Theft by any person who breaks into a locked cabinet and/or counter and/or showcase at the Insured Location.

How We Will Pay

At Our option, after consultation with You, We will:

1. with respect to Stock:
 - a) pay You the Market Value of the Stock at the time of the loss or damage;
 - b) pay You the value of Obsolete Stock or its purchase price, whichever is the lesser, but no more than the original cost to You;
 - c) replace or repair the Stock with property or materials equal to or of a similar standard and specification as the Stock before it was damaged; or
 - d) pay the cost of repair or replacement of the Stock.
2. with respect to Contents or Electronic Equipment:
 - a) repair or replace the Contents or Electronic Equipment; or
 - b) pay You the cost of repair or replacement of the Contents or Electronic Equipment;
 - c) pay the Sum Insured for a Specified Item.

Limitation of Cover

1. Excess

The Excess that applies is shown on the Schedule and applies to each and every claim made under this Section.

Additional Benefits applicable to this Section

When Theft of Property Insured is covered by this Section, We will also pay the following costs. Unless stated otherwise, the amounts payable are included in the applicable Sum Insured shown in the Schedule.

1. Damage to Property Insured

We will pay for the cost to repair Your Property Insured caused by Theft. The most We will pay is \$20,000 for any one loss which is payable in addition to the Sum Insured.

2. Damage to rented Premises

We will pay for the cost of repairing damage to the Insured Location in which You are a tenant and for which You are legally liable to pay in accordance with the terms of Your lease, provided such damage occurs as a result of Theft of Property Insured occurring during the Policy Period. We will pay up to \$20,000 for any one loss, or the amount shown in the Schedule, which is in addition to the Sum Insured.

3. Death Benefit

We will pay \$10,000 to the estate of any person who suffers injury while protecting or attempting to protect the Property Insured and subsequently dies from those injuries within 12 months. This amount is payable in addition to the Sum Insured. If You are also insured under the Money Section, the benefits payable for death following assault shall not be cumulative and shall be limited to \$10,000 in the aggregate.

4. Directors and Employees tools of trade and personal effects

We will pay for loss or damage to personal property and tools of trade of directors and Employees of Your Business if the person to whom the personal effects belong is not named as an Insured.

Cover is limited to \$10,000 overall in respect of any one loss. This applies in addition to the Sum Insured.

5. Employee Dishonesty

We will pay for loss of Property Insured resulting from Crime committed by an Employee acting alone or in collusion with others, provided that the loss:

- a) occurs during the Policy Period; and
- b) is discovered within 45 days of it occurring.

The most We will pay under this additional benefit is \$5,000 for any one loss which is payable in addition to the Sum Insured, and:

- i. if You are also insured under the Money Section the benefits payable for employee dishonesty shall not be cumulative; and
- ii. We will not cover any claims under this Additional Benefit if You are insured under the Employee Fraud Section.

6. Illegal Electronic Funds Transfer

If Contents are covered under this Policy, following entry into the Insured Location by way of an Event described in this Section 'Cover', We will pay up to \$ 5,000 for any financial loss sustained by You during the Policy Period arising from the electronic transfer of funds from Your bank account to a bank account not controlled by You.

We will not pay for transfer of money via electronic funds transfer which was enabled by:

- a) a key; or
- b) use of a combination, code or password;

that was left in the Building outside Business Hours.

7. Illegal Use of Corporate Financial Transaction Card

If Contents are insured under this Policy and any corporate credit card used by the Business is lost or stolen during the Policy Period, We will pay any financial loss which You sustain arising from the illegal use of the card by an unauthorised person.

We will not pay:

- a) any financial loss arising from the misuse or illegal use of corporate credit cards by Your Employees or any other person acting in collusion with Your Employee or by any member of Your Family;
- b) more than \$10,000 in total for any one loss or Event.

If You are also insured under the Money Section, the benefits payable under this “Illegal use of Corporate Financial Transaction Card” clause shall not be cumulative and shall be limited to \$10,000 in the aggregate. This is in addition to the Sum Insured.

8. Loss of Metered Water

We will pay costs You are liable to pay to any water company or authority for water usage arising from Theft of Property Insured or water at the Insured Location. The most We will pay is \$20,000 for any one loss.

9. Pairs and Sets

We will pay for the reduced value of undamaged Stock or Contents which forms part of a pair or set and following Theft has become unmarketable as a complete product. The most We will pay under this additional benefit is \$20,000 during any one Policy Period.

10. Removal of Debris

We will pay the reasonable and necessary costs and expenses necessarily incurred by You in the cleaning up, removal, and disposal of debris, up to a limit of \$5,000 for any one loss which is in addition to the Sum Insured. Provided further that any cover given under this additional benefit shall not accumulate with any similar cover that may be given under the Money Section. This cover is in addition to the Sum Insured.

11. Removal of debris following forensic investigation

We will pay the reasonable and necessary cost of removal of debris and of cleaning up any damage resulting from forensic investigation by police following Theft of Property Insured, provided that:

- a) We will not pay more than \$5,000 any one claim; and
- b) that if You are also insured under the Money Section the benefits payable shall not be cumulative.

This cover is in addition to the Sum Insured.

12. Replacement of locks, keys and combinations

We will pay the costs of:

- a) replacing locks, keys, magnetic keys, cards or similar devices or combinations used in Your Business if:
 - i. locks, keys, magnetic keys, cards or similar devices are stolen or accidentally lost;
 - ii. the sequence of numbers or letters are accidentally lost or become known to any unauthorised person; or
 - iii. circumstances have allowed the unauthorized duplication of keys, magnetic keys or similar devices;
- b) opening Safes and Strongrooms because of the theft of or loss of keys or combinations during a Theft. 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;
- c) replacing and developing security film exposed because of Theft; and/or
- d) restoring the security system to its former functionality following a Theft that is covered by this Section.

A sub-limit of \$10,000 any one occurrence applies to this additional benefit. This is in addition to the Sum Insured. If You are also insured under the Money Section, the benefit payable for Replacement of Locks, keys and combinations shall not be cumulative and shall be limited to \$10,000 in the aggregate.

13. *Rewriting of Records*

We will pay the reasonable and necessary costs incurred to rewrite Your necessary business records if they are lost, destroyed or damaged. Whilst located at Your Insured Location or offsite anywhere in Australia. Such costs will include all reasonable and necessary amounts, in recreating, gathering and assembling such business records up to a limit of \$25,000 for any one occurrence.

14. *Stock Seasonal Increase*

The Sum Insured for Stock is increased by 50% for losses occurring during the Seasonal Increase Period.

If You have a combined Sum Insured for Contents and Stock on Your Schedule, We will only apply the increased cover to the portion of the Sum Insured that relates to Stock.

15. *Temporary Cover for New Premises*

We will pay for Theft of Stock or Contents from any new location, provided that:

- a) You provide Us with full details of the new location within 90 days of when You first acquire an insurable interest in the new location;
- b) the new location has similar security protection features than that of an Insured Location;
- c) We will not pay more than 50% of the highest Sum Insured for Theft of Stock or Contents (as relevant) for any Insured Location on the Schedule; and
- d) such cover will be effective from the date of acquisition or completion or from the date that You first acquire an insurable interest, whichever is the sooner, and will end at the earliest of when:
 - i. We agree to add such Property Insured to this Policy;
 - ii. 90 days pass from the date of acquisition or completion; or
 - iii. this Policy expires.

We may require additional premium from the date of acquisition or completion.

16. *Temporary Removal*

We will pay for Theft of Property Insured whilst temporarily removed to any other premises within Australia. Provided that:

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

17. *Temporary Repairs and Security Guards*

We will pay the reasonable and necessary costs of temporary protection and repairs and the employment of guards/watchmen to protect Property Insured following an occurrence covered by this Section.

The maximum amount We will pay for each occurrence is \$10,000. This is in addition to the Sum Insured. If an occurrence results in a claim being paid under this Section and another Section of the Policy, only the highest single Limit of Liability under the relevant Section applies. The benefit of Temporary Repairs and Security Guards shall not be cumulative under this Policy.

18. *Theft of External Property*

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

- a) \$25,000; or
- b) The balance of the Contents Sum Insured;

whichever is the lesser.

19. Theft of Property Insured in the Open Air

We will pay for Theft of Property Insured in the open air, but within the boundaries of the Insured Location, occurring during the Policy Period.

We will not pay unless after Business Hours the Insured Location is fully enclosed by walls and fences, and gates are locked with padlocks or by an electronic security locking system.

The most We will pay under this additional benefit is \$10,000 for any one loss or the amount shown in the Schedule if higher. Exclusion 7 of this Section does not apply to this additional benefit.

20. Theft without Forcible and Violent Entry (not property in the open air)

We will cover You for loss or damage to Contents in the Building occurring during the Policy Period as a result of a Theft without forcible and violent entry.

The amount We will pay is limited to:

- a) \$20,000; or
- b) the Sum Insured shown for 'Theft without forcible and violent entry' in the current Schedule,

whichever is the higher for any one occurrence.

We will not cover You if the Theft is from any open-sided structure such as, but not limited to verandas or yards or other open spaces even if they are partially or fully enclosed. This additional benefit does not cover loss as a result of unexplained disappearance, unexplained or inventory shortage, clerical or accounting errors or shortage in supply or delivery to or from the Insured Location.

21. Working from Home

We will cover You for Theft of Your insured Contents and/or Stock during the Policy Period if those Contents and/or Stock are used by You or any of your employees for the purpose of working from their normal place of residence.

The maximum amount We will pay for this additional benefit in any one Policy Period will be \$5,000.

Exclusions

The Theft Section of this Policy does not cover:

1. Theft arising from fraudulent or dishonest acts by any of Your Employees(s) except as expressly provided in the additional benefit for "Employee Dishonesty" or by an Employee following forcible and violent entry;
2. loss arising from unexplained or inventory shortage, disappearance resulting from clerical or accounting errors, shortage in the supply or delivery of materials;
3. Theft arising from the dishonest manipulation of any database or computer system;
4. Theft of Money in excess of \$500;
5. Theft of jewellery, precious metals or stones, property made of gold or silver, bullion or furs exceeding \$10,000 any one loss and \$2,000 any one item unless these items form part of Your Stock;
6. animals unless they are insured as Stock;
7. Theft from any open space, whether fenced or unfenced, outside the walls of the Building except as expressly provided in the "Theft of external property" and "Theft of property Insured in the open air" additional benefits;
8. Theft when entry has been made using keys or security codes either of which has been left at Your Insured Location while closed for business; or
9. Theft of motor vehicles unless they are:
 - a) Stock; or

- b) Forklift trucks and similar appliances that are used for hauling or conveying goods at the Insured Location.

Conditions 1. Valuables

You must ensure that all Stock that is precious stones, gold and silver articles, jewellery, watches, trinkets, stamps, coins and personal ornaments, which are individually of the value of \$500 or more are contained in a securely locked Safe or Strongroom outside Your Business Hours.

Section 4 – Money

Definitions

Cover

Wherever appearing in this Money Section, the following definitions apply:

Crime

means the criminal taking of Money with the intention to permanently deprive You of it.

Financial Services Provider

means a bank, building society or credit union or an agency for any of these

In Custody

means in Your custody and control at Your private residence or in the custody and control of persons authorised by You at their private residences until the next business day when the Money can be deposited in the bank.

In Transit

means Money in Your personal custody or in the custody of persons authorised by You whilst in transit within Australia but not Money in a private residence or any Vehicle left unattended and unlocked. Transit is deemed to commence when the Safe or Strongroom is unlocked for the removal and immediate transport of the Money from the Building.

Money In Transit includes loss of or damage to Money whilst contained in the night safe, night depository chute, or Automatic Teller Machine of any Financial Services Provider. Our liability ceases at the time Your Financial Services Provider ceases trading on the next business day following deposit therein.

Money

means for the purpose of this Section only, Money has the meaning in the general definitions and also includes funds held in electronic form in a bank account, money held in trust or for which you are responsible and which is not otherwise insured and shall also include any cash carrying bag used with the transit.

Cover

1. Blanket cover

When Blanket cover is shown as insured in the Schedule, cover is provided in all of the circumstances described below within the Categories of Money.

2. Categories of Money

We will cover You for loss of or damage to Money covered under the following Categories of Money shown as insured in the Schedule occurring during the Policy Period:

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

How We will pay

We will pay up to the Sum Insured shown on the Schedule for each of the Categories of Money cover, the amount of any Money that is lost or damaged.

If You have selected Blanket cover, the maximum amount We will pay is the Sum Insured shown in the Schedule.

Basis of valuation – securities, and travellers' cheques, discount house vouchers and lottery tickets

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

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

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

Limitations of Cover

1. Excess

The Excess that applies is shown on the Schedule and applies to each and every claim made under this Section.

2. Money outside of Business Hours

The most We will pay for loss of Money in the Buildings at the Insured Location outside of Business Hours (which is not in a securely locked Safe or Strongroom) is \$1,000.

Additional Benefits applicable to this Section

When loss of Money is covered by this Section, We will also pay the following costs. Unless stated otherwise, the amounts payable apply in addition to the Blanket cover Sum Insured shown in the Schedule.

1. *Bank and Public Holidays*

The Blanket cover Sum Insured for Money cover is automatically increased by 100% on days that are gazetted bank or public holidays. This increase will apply up until bank closing time on the next business day after such holiday. This additional benefit does not apply to loss or damage to Safes or Strongrooms or to Seasonal Increase Periods.

2. *Clothing and Personal Effects of directors and Employees*

We will cover any damage to clothing or personal effects of Your directors and Employees which occurs during theft or attempted theft of Money, up to a maximum of \$10,000 for any one loss.

3. *Counterfeit currency*

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

4. *Death Benefit*

We will pay \$10,000 to the estate of any person who suffers injury while protecting Money from theft or attempted theft and subsequently dies from those injuries within 12 months. If You are also insured under the Theft Section the benefits payable shall not be cumulative.

5. *Employee Dishonesty*

We will pay for loss of Money resulting from Crime committed by an Employee acting alone or in collusion with others, provided that the loss:

- a) occurs during the Policy Period; and

b) is discovered within 45 days of it occurring.

Exclusion 1. of this Section does not apply to this additional benefit.

The most We will pay under this additional benefit is \$5,000 for any one loss, and:

- i. if You are also insured under the Theft Section the benefits payable for employee dishonesty shall not be cumulative; and
- ii. We will not pay any claims under this additional benefit if You are insured under the Employee Fraud Section.

6. *Illegal use of financial transaction or credit cards*

Subject to a limit of \$5,000 in total any one loss or Event, cover is included for financial loss arising from an illegal financial transaction or illegal use of credit cards by any unauthorised person if such loss is not covered by the issuer of the card. We do not cover any financial loss arising from the misuse or illegal use of a financial transaction or credit cards by Your Employees or any other person acting in collusion with Your Employee.

The most We will pay under this additional benefit is \$5,000 during any one Policy Period, and if You are also insured under the Theft Section the benefits payable shall not be cumulative.

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

We will pay up to \$10,000 in addition to the Sum Insured for Blanket Money:

- a) the cost of opening the Safe or Strongroom and to repair damage to Safes or Strongrooms as result of theft or attempted theft of Money; and
- b) the loss of or damage to Your cash carrying bag that was caused by the theft or attempted theft.

8. *Removal of debris*

We will pay the cost of removal of debris and of cleaning up of any damage resulting from theft or attempted theft of Money, provided that:

- a) We will not pay more than \$2,000 for any one claim; and
- b) if You are also insured under the Theft Section the benefits payable shall not be cumulative.

9. *Removal of debris following forensic investigation*

We will pay the cost of removal of debris and of cleaning up of any damage resulting from a forensic investigation by police following theft or attempted theft of Money, provided that:

- a) We will not pay more than \$2,000 any one claim; and
- b) if You are also insured under the Theft Section the benefits payable shall not be cumulative.

10. *Replacement of locks, keys and combinations*

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

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

We will also pay the reasonable cost of:

- e) opening Safes and Strongrooms because of the theft of keys or combinations during a theft of Money covered under this Section;
- f) developing images stored on media from security camera following a theft or attempted theft of Money.

The most We will pay under this additional benefit is \$10,000 for any one loss which is payable in addition to the Blanket cover Sum Insured. Provided that any cover given under this additional benefit 'Replacement of locks, keys and combinations' shall not accumulate with any similar cover that may be given under the 'Replacement of locks, keys and combinations' additional benefit in the Theft Section.

11. *Seasonal Increase*

The Blanket cover Sum Insured for Money is increased by 50% for losses occurring during the Seasonal Increase Period. This extension does not apply to Money at the Insured Location outside of Business Hours and is not cumulative with additional benefit 1. 'Bank and Public Holidays'.

12. *Temporary cover for new premises*

Cover as described in this Section will extend to any new location, provided that:

- a) You provide Us with full details of the new location within 90 days of when You first acquire an insurable interest in the new location;
- b) the new location has similar security protection features than that of an Insured Location;
- c) We will not pay more than 50% of the highest Blanket cover Sum Insured for any Insured Location on the Schedule; and
- d) such cover will be effective from the date of acquisition or completion or from the date that You first acquire an insurable interest, whichever is the sooner, and will end at the earliest of when:
 - i. We agree to add such Property Insured to this Policy;
 - ii. 90 days pass from the date of acquisition or completion; or
 - iii. this Policy expires.

We may require additional premium from the date of acquisition or completion.

13. *Temporary Repairs and security guards*

We will pay the costs necessarily and reasonably incurred by You in effecting temporary protection and the employment of guards/watchmen to safeguard the Money at the Insured Location as a result of theft or attempted theft of Money occurring during the Policy Period that is insured under this Section.

The maximum amount We will pay for each occurrence is \$10,000. If an occurrence results in a claim being paid under this Section and another Section of the Policy, only the highest single Limit of Liability under the relevant Section applies. The benefit of Temporary Repairs and Security Guards shall not be cumulative under this Policy.

14. *Traveller's Money*

Cover under this part is extended to include loss of Money belonging to You, occurring while such Money is in Your personal custody, or in the custody of Your Employee, while travelling for Your Business anywhere in the world, up to a maximum of \$10,000 for any one Event.

Exclusions

The Money Section of this Policy does not cover loss directly or indirectly caused or occasioned by or arising from:

1. acts of fraud or dishonesty by any Employee or authorised representative or agent of the Insured or any other person to whom You entrust Money;
2. a Safe or Strongroom being opened by the use of a key or combination code through the key or combination having been left unsecured at the Insured Location outside Business Hours;
3. unexplained disappearance, inventory shortage, misfiling or misplacing of information; or
4. loss or damage caused by clerical or accounting errors or errors in receiving or paying out Money
5. Money whilst it is outside of Australia, except as provided under the "Traveller's Money" additional benefit.

Section 5 – Glass

Wherever appearing in this Section, the following definitions apply:

Breakage means:

1. for plate or sheet Glass or porcelain, a fracture extending through the entire thickness of the Glass or porcelain; or
2. for laminated Glass, a fracture extending through the entire thickness of a lamination but not any other damage or disfiguration.

External Glass

means glass or plastic material used as glass fixed in external windows, doors, showcases or skylights and any ceramic tiled shop fronts forming part of the Insured Location.

Glass means Internal Glass, External Glass and Specified Glass.

Internal Glass means:

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

Sign

means Glass or plastic that forms part of a sign.

Specified Glass

means glass that is specified in the Schedule.

Cover

Provided this Section is shown as insured in the Schedule, We will cover You for Breakage at the Insured Location of the Glass shown in the Schedule which occurs during the Policy Period.

We will at Our option, after consultation with You, pay the cost either to repair or replace broken Glass with Glass of similar or higher quality including the reasonable costs of after-hours service by repairers, express delivery and overtime charges to repair or replace broken Glass. We will also pay the extra cost necessarily and reasonably incurred to comply with the minimum requirements of Standards Australia, any statute or regulation when replacing the Glass.

Limitation of Cover

1. Excess

The Excess that applies is shown on the Schedule and applies to each and every claim made under this Section.

Additional Benefits

We will also pay:

1. *Advertising Signs*

for replacement or repair of advertising or identification signs following damage up to a limit of \$10,000 for any one loss or any higher sub-limit stated in the Schedule for Signs. Acceptance of claims for damage to Signs shall not be contingent upon other damage to Glass.

2. *Destruction of Stock or Contents*

for destruction of or damage to Your Stock or Contents, caused by broken Glass following the Breakage of Glass where such Breakage constitutes an admissible claim under this Section.

Our liability under this additional benefit during any one Policy Period is limited to:

- a) the cost value (excluding profit of any kind) of Your Stock or Contents destroyed or damaged, less any amount realised from the sale or salvage; or
- b) the sum of \$10,000,

whichever is the lesser.

3. *Costs*

costs You incur in respect of:

- a) replacing sign writing, reflective materials or ornamentation affixed to the broken Glass;
- b) replacing burglar tape or wiring affixed to the broken Glass;
- c) replacing shatter resistant or reflective film affixed to the broken Glass;
- d) temporary shuttering, boarding up or other protection reasonably necessary for the safeguarding of the Insured Location or Contents therein, pending replacement of the broken Glass; and/or
- e) replacing damaged window frames and tiled shop fronts, but with due allowance for wear and tear.

The most We will pay under this additional benefit during the Policy Period is \$10,000.

Exclusions

Except where one of the following Exclusions expressly does not apply, the Glass Section of this Policy does not cover:

- 1. damage which is caused by a peril or Event insurable under the Property Damage Section whether or not cover under that Property Damage Section is selected;
- 2. property during installation or removal of Glass;
- 3. Glass that is Stock; or
- 4. Glass which is part of any glasshouse, conservatory, radio, television screen, computer screen, vase, picture, crystal, crockery, china, or glass item normally carried by hand.

Section 6 – General Property

Wherever appearing in this Section, the following definitions apply:

Accidental

means unexpected and unintended from Your standpoint.

Damage or Damaged

means actual (not threatened or fear of), sudden and accidental physical damage, destruction or loss.

Property Insured

means the Unspecified and/or Specified Items listed on the Schedule under this Section.

Specified Items

means each item of property that is specifically described on the Schedule.

Unspecified Items

means items of property which are not Specified Items, but which are part of a group or category of property that is shown on the Schedule.

Cover

Provided this Section is shown as insured in the Schedule, We will pay, up to the applicable Sum Insured, for the cost of repairing or replacing Specified Items or Unspecified Items used in Your Business that are Damaged during the Policy Period anywhere in the world.

The most We will pay for each Specified Item is the Sum Insured for that item. The most We will pay in respect of any one Unspecified Item is \$ 3,000.

The maximum We will pay during the Policy Period for all claims in respect of Unspecified Items is the Sum Insured shown in the Schedule.

How We will pay Your claim

At Our option, after consultation with You, We will either:

1. pay You the replacement costs of the Property Insured at the time of Damage;
2. repair the Property Insured to a condition equal to but not better or more extensive than its condition when new; or
3. replace the Property Insured with a new item that has the same features that are nearly the same as (but not less than) the item being replaced.

When the loss or damage is confined to a part or component of the Property Insured, We will only pay for that part or component plus the cost of any necessary dismantling and reassembling.

The maximum amount We will pay in respect of each specified item of Property Insured is the Sum Insured for that item shown on the Schedule.

The maximum We will pay during the Policy Period for all claims in respect of Unspecified Items is the Sum Insured shown in the Schedule.

Limitation of Cover

1. Excess

The Excess that applies is shown on the Schedule and applies to each and every claim made under this Section.

Additional Benefit

1. *Theft of other equipment*

We will cover You for theft of any property not belonging to You but in Your physical or legal control for the purposes of Your Business occurring during the Policy Period anywhere in the world.

This additional benefit does not cover theft committed by any member of Your family or by any of Your Employees or committed by any person whilst lawfully at Your Insured Location.

We will not cover You under this additional benefit unless the property was:

- a) in a securely locked Vehicle and the theft was consequent upon forcible and violent entry to the Vehicle;
- b) securely and permanently affixed to a building or Vehicle and theft was consequent upon forcible and violent removal of the Property Insured;
- c) in a Vehicle and was securely chained to that Vehicle by a steel chain having a link diameter of 10mm or greater and a padlock;
- d) kept in Your private residence or the private residence of Your Employee who has been authorised by You to have the custody and control of the Property Insured. However We will not cover any theft by a tenant;
- e) securely locked in a building or any part of the building and the theft is consequent upon forcible and violent entry to the building or that part of the building; or
- f) stolen as a consequence of armed hold-up or the threat of physical violence.

We will not cover You for more than \$2,000 in any one Policy Period under this additional benefit.

Exclusions

The General Property Section of this Policy does not cover Damage directly or indirectly caused or occasioned by or arising from:

1. moths, termites or other insects, vermin, rust or oxidation, mildew, mould, contamination or pollution, wet or dry rot, corrosion, change of colour, dampness of atmosphere or other variations in temperature, evaporation, disease, inherent vice or latent defect, loss of weight, change in flavour texture or finish, smut or smoke from industrial operations (other than sudden and unforeseen damage resulting therefrom);
2. wear and tear, fading, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good;
3. faulty materials or faulty workmanship;
4. fraudulent or dishonest acts, fraudulent misappropriation, embezzlement, forgery, counterfeiting data corruption, unauthorised amendment of data and erasure by electronic or nonelectronic means, involving the Specified Items and/or Unspecified Items, by You or any Employees(s) acting alone or in collusion with any other person(s); and/or
5. mechanical, hydraulic, electrical breakdown or electronic failure or malfunction.

Section 7 – Electronic Equipment Breakdown

Definitions

Wherever appearing in this Section 7, the following definitions apply:

Breakdown

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

Breakdown does not mean:

1. depletion, deterioration, corrosion or erosion of material;
2. wear and tear;
3. vibration or misalignment;
4. the functioning of any safety device or protective device; or
5. the failure of a structure or foundation supporting the equipment or a part of the equipment

Computer Equipment

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

Expendable Items

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

Electronic Equipment

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

1. Computer Equipment;
2. telecommunication transmission and receiving equipment;
3. lighting facilities, audio visual, amplification and surveillance equipment;
4. any electronic machine, device or instrument used for research, diagnosis or medical treatment; and
5. office machines owned by You or for equipment. which You are legally liable.

Hazardous Substance

means:

1. any pollutant, contaminant or other substance declared by a Government Authority to be hazardous to health or the environment; or
2. any mould, yeast, fungus or mildew including any spores or toxins created or produced by or emanating from such mould, yeast, fungus or mildew, whether or not allergic, pathogenic or toxigenic

Indemnity Period

means the period beginning with the occurrence of the Breakdown and ending no later than the number of days specified in the Schedule during which the results of Your Business shall be affected in consequence of the Breakdown.

Media

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

Cover

Provided this Section is shown as insured in the Schedule, We will cover You for:

1. Breakdown of Electronic Equipment which occurs at the Insured Location; and
2. direct loss or damage to other property as a result of that Breakdown,

provided that the Breakdown of the Electronic Equipment occurs during the Policy Period.

How We Will Pay

If We agree to pay a claim for Breakdown of Electronic Equipment, We will at Our option, after consultation with You, repair, rebuild or replace the Electronic Equipment that suffered the Breakdown or pay for the cost of repairing, rebuilding or replacing the Electronic Equipment. If We decide to replace the Electronic Equipment that suffered Breakdown, We will replace the Electronic Equipment with similar property of a like kind, capacity, size, quality and function.

If We agree that You can carry out the repairs at the Insured Location or at a workshop owned by You, We will pay the actual costs or materials and wages incurred plus a reasonable overhead mark-up, provided that a qualified person carries out the repairs.

If it is necessary to replace parts that are unavailable, We will not pay more than the estimated cost of similar parts currently available. If similar parts are unavailable, We will not pay more than the manufacturer's, or supplier's, latest list price. We will not pay any cost of repairing or replacing any part or parts of a piece of Electronic Equipment, which is greater than the cost of repairing or replacing the entire piece of such Electronic Equipment Plant.

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

Where the Breakdown is confined to a component or part of the Electronic Equipment, We will not pay more than the cost of repairing or replacing that component or part plus the cost of dismantling and erecting the Electronic Equipment.

Where You incur extra expense in complying with the requirements of any legislation, act of Parliament or regulation made thereunder or any by-law or Regulation of any Government Authority or other statutory authority, in the course of effecting repair or replacement of the Electronic Equipment, We will indemnify You for such extra expense.

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

All Electronic Equipment which can be repaired must be repaired. However, should the item be uneconomical to repair due solely to the nature of the Breakdown, settlement will be the cost of replacement of the Electronic Equipment by an item of similar function, type, capacity and quality in a condition equal to, but not better than, the condition of the Electronic Equipment when new, subject to the limitations provided in "Limit to What We Pay" under this Section.

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

Limit to what We pay

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

Depreciation applied for replacement of computers

Where the Electronic Equipment consists of Computer Equipment, if We decide to pay You the cost to replace the Computer Equipment rather than repair it, We will apply depreciation based on the age of the Computer Equipment but not as a result of the improvements in technology or functionality.

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

Excess

The Excess payable for this Section is shown in the Schedule and applies to each and every claim made under this Section.

Extra Covers

When Breakdown is covered by this Section, We will also pay the following extra covers. Unless stated otherwise, the amounts payable are included in the Electronic Equipment Breakdown Sum Insured shown in the Schedule.

We will pay:

1. Extra Costs

the reasonable costs necessarily incurred for:

- a) temporary repairs;
- b) hiring of substitute Electronic Equipment;
- c) overtime;
- d) express freight including overseas air freight by any recognised scheduled service;
- e) removing, storing and disposing of debris being the residue of damaged Electronic Equipment, excluding any pollutants deposited beyond the boundaries of the Insured Location,

provided that We will not pay for:

- i. the costs and expenses for specialists or consultants to travel to or from Australia;
- ii. air freight by aircraft specifically chartered for the purpose;
- iii. Breakdown of Electronic Equipment that has been hired or is on loan to the Insured from a third party subject to the cover for "Additional Items";
- iv. more than 50% of the normal cost of repair.

2. Repair Costs

for consulting engineers' fees (excluding fees for preparing a claim) necessarily incurred with Our written consent, in the reinstatement of Electronic Equipment. The most We will pay under this extra cover is \$10,000 in addition to the Electronic Equipment Breakdown Sum Insured for any one loss.

3. Incompatibility of Computer System Records

where settlement of a claim results in the replacement of Electronic Data Processing Equipment under this Section with property that is incompatible with Your undamaged Electronic Data Processing Media, the cost of:

- a) modification to Electronic Data Processing Equipment;
- b) replacing or reinstating programs or Electronic Data necessarily and reasonably incurred with Our consent to achieve compatibility, up to a limit of \$25,000 each and every loss.

Additional Benefits

We will also provide the following additional benefits. Unless stated otherwise, the amounts payable are included in the Electronic Equipment Breakdown Sum Insured shown in the Schedule:

1. *Hazardous Substances*

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

We will not pay more than \$25,000 for each claim under this additional benefit.

2. *Additional Items*

If You hire, purchase, or commission at Your Insured Location any items already insured under this Section, We will consider these items to be added to the insurance by this Section, giving the same cover as for similar items already insured provided that:

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

3. *Electronic Equipment away from the Insured Location*

Under this additional benefit We will also pay for the cost incurred by You in the repair or replacement of mobile Electronic Equipment following Breakdown occurring during the Policy Period, provided that the mobile Electronic Equipment is specified in General Property Section 6 of the Schedule.

4. *Restoration of Computer Data*

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

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

however, We will not cover You for:

- i. loss or distortion of Electronic Data due to defects in the Media;
- ii. any loss of earning capacity;
- iii. restoration of Electronic Data other than that which is lost or distorted after the most recent functional back-up;
- iv. expenses or costs incurred in connection with the loss or distortion of Electronic Data if they are not incurred within 12 months of the Breakdown;
- v. loss or damage to, or distortion of, Electronic Data if they are not incurred within 12 months of the Breakdown;
- vi. loss or damage of, or distortion to, Electronic Data caused by or resulting from the partial or total failure, malfunction or loss of use of any Electronic Equipment, computer system, information repository, microchip, integrated circuit or other similar device due to:
 1. the erasure, destruction, corruption, misappropriation or misinterpretation of Electronic Data;
 2. any error in creating, amending, entering, deleting or using Electronic Data;
 3. the inability to receive, transit or use Electronic Data;
 4. the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks or similar facility, or of any internet address, website or of any similar facility,

except to the extent that such loss, damage or distortion results solely from the Breakdown of Computer Equipment covered under this Section.

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

We will not pay more than:

- a) \$15,000; or
- b) the Sum Insured for this additional benefit;

whichever is the greater, for any one Event.

5. *Computers – Increased Costs*

We will cover You for the increased costs which You incur, such as the hiring of alternative computers, following the Breakdown of Computer Equipment for which We have agreed to pay a claim under this Section.

We will cover You for the increased costs of operating Your Business, including hiring computers, transport costs, additional personnel and working at an off-site back up facility if:

- a) We have agreed to pay a claim under this Section for repair or replacement of Computer Equipment;
- b) The increased costs of working occur during the Policy Period and are a direct result of the Breakdown covered under this Section;
- c) We agree in advance to pay the increased costs of working.

We will not cover You for:

- i. costs incurred in respect of the first 2 working days following the Breakdown of Your Computer Equipment;
- ii. fines or liability incurred for breach of contract or for late or incomplete orders or for any loss of bonus or any kind of penalties;
- iii. any increased costs that are not necessary and reasonable to minimise any interruption to the Business;
- iv. any loss of earning capacity;
- v. costs incurred after:
 - 1. 90 days; or
 - 2. the Indemnity Period,whichever is the greater from the date of Breakdown;
- vi. expenses that are incurred in the replacement of the Media;
- vii. the cost of reinstating the Electronic Data contained on the Media.

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

We will not pay more than:

- i. \$15,000; or
- ii. the Sum Insured for this additional benefit,

whichever is the greater, for any one Event.

Optional Extension

If shown in the Schedule the following extension will apply:

1. *Deterioration of Stock*

We will pay up to the amount shown in the Schedule for 'Deterioration of Stock' for damage to or loss of perishable Stock at the Insured Location(s) as a result of contamination, deterioration or putrefaction caused by:

- a) a change in temperature as a result of:

- i. a Breakdown of the refrigeration or freezer unit in which the refrigerated Stock is kept where We have agreed to pay a claim under this Section for the Breakdown of such refrigeration or freezer unit;
 - ii. malfunctioning or failure of any thermostats, controls, fuses, circuit breakers or automatic controlling devices pertaining to the refrigerator or freezer unit but not including loss or damage due to manual operation or setting of switches; or
 - iii. contamination of the refrigerated Stock by leakage of refrigerant;
 - iv. sudden and unforeseen failure of the public power supply;
 - v. accidental failure of the public supply of electricity which directly affects the freezer or refrigeration unit;
 - vi. a supply authority intentionally interfering with a public service but only to the extent that this is necessary to safeguard life or in part of the public supply and the supply authority's interference is not caused directly or indirectly by fire, Flood, storm or any other natural cause;
- b) refrigerant fumes escaping from the refrigerator,

provided that We will not pay more than the amount shown in the Schedule for 'Deterioration of Stock' We will also pay the costs reasonably incurred in the necessary transfer of refrigerated Contents or Stock to an alternative cold store.

Exclusions

We will not cover You for:

1. the cost or repair or replacement of Expendable Items other than Expendable Items which are necessary for the repair;
2. the costs incurred in repairing wear and tear or gradual deterioration including:
 - a) wear and tear due to normal operation;
 - b) wearing or wasting away of material caused by normal operation or resulting from atmospheric conditions, rust, erosion or oxidation;
 - c) damage to a safety or protective device caused by its own operation;
 - d) the chipping or scratching of painted or polished surfaces; or
 - e) slowly developing deformation or distortion.
3. the cost of:
 - a) carrying out of normal maintenance, such as the tightening of loose parts, recalibration or adjustments;
 - b) alteration, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or at a separate operation;
 - c) modification or alteration of insured Electronic Equipment to enable replacement or repair, caused by gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);
 - d) replacement of lighting equipment, reticulated electrical wiring, reticulated liquid and gas piping and ducting;
 - e) repair of scratches, chipping or discolouration to painted or polished surfaces, unless resulting from the Breakdown;
 - f) repair of slowly developing deformation, distortion or fatigue of any part;
 - g) repair of blisters, laminations, flaw or grooving even when accompanied by leakage;
 - h) repairs to valves, fittings, glands, joints, gaskets, pipes, lines and connections which are defective or leaking;
 - i) repairs to shaft keys requiring tightening, fitting or renewal;
 - j) Damage caused by the movement of foundations, masonry or brick work unless this results from Breakdown of any Electronic Equipment or any part of Electronic Equipment;
 - k) removal or installation of underground pumps and well casings. Unless specifically noted in the Schedule this exclusion does not apply to submersible pumps.
4. Breakdown of Electronic Equipment which You knew or reasonably should have been known to be defective before the Breakdown occurred;
5. any loss of use or loss of earning capacity of any kind;
6. loss or damage caused by or arising out of:

- a) earthquake, landslide, mud flow, subsidence, subterranean fire, or volcanic eruption;
 - b) cyclone, storm, hail, lightning, thunder, wind, rainwater;
 - c) Flood;
 - d) the sea, including tidal wave, tsunami, storm surge or highwater;
 - e) fire, smoke or soot;
 - f) water seeping or percolating into the Building from the outside;
 - g) water, liquids or substances discharged or other means used to extinguish a fire;
 - h) vandalism or malicious damage,
7. Breakdown, loss or damage caused by explosion;
 8. Breakdown, loss or damage caused during the course of maintenance, inspection, repair alteration, modification or overhaul;
 9. Breakdown, loss or damage of the Electronic Equipment caused during installation, erection or relocation;
 10. damage to foundations, brickwork and refractory materials other than as a result of Breakdown;
 11. Breakdown, loss or damage arising out of Electronic Equipment being subjected to tests involving abnormal stresses or arising out of Electronic Equipment being deliberately overloaded. The checking of the correct working of any insured item or its safety installations is not considered to be testing or overloading within the context of this exclusion;
 12. Breakdown, loss or damage caused by deliberate act, neglect or omission on Your part;
 13. Breakdown, loss or damage for which the manufacturer or supplier or other parties are responsible under a maintenance or warranty agreement provided that We shall be liable for Breakdown insured by this Section and not recoverable under such maintenance agreement or warranty by reason of any dispute concerning the interpretation of that agreement or warranty (as the case may be).
 14. the cost of alterations, improvements or overhauls unless it is required for the repair or replacement;
 15. the costs associated with modifying the Electronic Equipment so that it operates with a more ozone friendly refrigerant gas as required by the United Nations Environment Program ('UNEP').
 16. Breakdown, loss or damage caused by dual lifting;
 17. Breakdown of Computer Equipment or Electronic Equipment which is useless or obsolete to Your Business;
 18. loss or damage caused by or arising out of pollution, contamination or a Hazardous Substance howsoever caused, except as provided for in the additional benefit 'Hazardous Substances'.

Conditions Applicable to this Section

Adherence to statutory requirements

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

Inspection

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

Obligation to prevent loss

If We or Our authorised representative discover Electronic Equipment in or exposed to a dangerous condition, You must comply with any direction provided by Us or Our representatives to prevent loss. If You do not comply within 30 days of receiving the direction, We may refuse to pay a claim and cancel Your Policy.

One Breakdown

If either:

1. a Breakdown of Electronic Equipment causes the Breakdown of other Electronic Equipment; or
2. a series of Breakdowns occur at the same time as a result of the same cause;

they will all be considered as one Breakdown for the purpose of applying the Excess, the relevant Sum Insured and any other limit or sub-limit in this Section.

Section 8 – Machinery Breakdown

Definitions

Wherever appearing in this Section 8, the following definitions apply:

Breakdown

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

Breakdown does not mean:

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

Expendable Items

means

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

Hazardous Substance

means:

- any Pollutant, contaminant or other substance declared by a Government Authority to be hazardous to health or the environment;
- mould, yeast, fungus or mildew including any spores or toxins, created or produced by or emanating from such mould, yeast, fungus or mildew whether or not allergic, pathogenic or toxigenic.

Machinery

means any:

1. boiler, fired pressure vessel, unfired pressure vessel normally subject to vacuum or internal pressure other than weight of its content, refrigerating and air conditioning vessels, including metal piping and accessory equipment connected thereto; and
2. mechanical or electrical machine apparatus used for the generation, transmission or utilisation of mechanical or electrical power.

Machinery does not mean any:

1. Electronic Equipment (as defined in Section 7 – Electronic Equipment Breakdown);
2. part of a boiler or fired vessel or electric steam generator that does not contain steam or water;
3. insulating or refractory material;
4. non-metallic vessels, equipment, machines and apparatus, including their glass lining and non-metallic parts;
5. glass linings of vessels, equipment machines and apparatus;
6. catalyst;
7. piping, vessels or electrical cables, not enclosed in conduit, buried directly in the ground;
8. sewer piping;
9. sprinkler system piping or water piping other than:
 - a) feedwater piping between any steam boiler and its feed pumps or injectors;
 - b) steam boiler condensate return piping; and
 - c) metal water piping interconnecting vessels forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating;

10. part of an unfired pressure vessel that is not under:
 - a) pressure; or
 - b) internal vacuum.

Cover

Provided this Section is shown as insured in the Schedule, We will pay for:

1. the repair or replacement of Machinery following abrupt and accidental Breakdown occurring during the Policy Period; and
2. Direct loss or damage to other property as a result of that Breakdown,

provided that the Breakdown occurs during the Policy Period subject to the Machinery Sum Insured and less the Excess.

How We Will Pay

If We agree to pay a claim for Breakdown of Machinery, We will at Our option repair, rebuild or replace the Machinery that suffered the Breakdown or pay for the cost of repairing, rebuilding or replacing the Machinery. If We decide to replace the Machinery that suffered Breakdown, We will replace the Machinery with similar property of a like kind, capacity, size, quality and function.

If We agree that You can carry out the repairs at the Insured Location or at a workshop owned by You, We will pay the actual costs or materials and wages incurred plus a reasonable overhead mark-up, provided that a qualified person carries out the repairs.

If it is necessary to replace parts that are unavailable, We will not pay more than the estimated cost of similar parts currently available. If similar parts are unavailable, We will not pay more than the manufacturer's, or supplier's, latest list price. We will not pay any cost of repairing or replacing any part or parts of a piece of Machinery, which is greater than the cost of repairing or replacing the entire piece of such Machinery.

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

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

Where You incur extra expense in complying with the requirements of any legislation, act of Parliament or regulation made thereunder or any by-law or regulation of any Government Authority or other statutory authority, in the course of effecting repair or replacement of the Machinery, We will indemnify You for such extra expense.

Provided that the amount so recoverable hereunder shall not include the additional cost in complying with any such legislation, act, regulation, by-law or requirement with which You had been required to comply with prior to the occurrence of the Breakdown.

All Machinery which can be repaired must be repaired. However should the item be uneconomical to repair due solely to the nature of the Breakdown, settlement will be the cost of replacement of the Machinery by an item of similar function, type, capacity and quality in a condition equal to, but not better than, the condition of the Machinery when new, subject to the limitations provided in "Limit to What We Pay" under this Section.

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

Limit to what We pay

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

Excess

The Excess payable for this Section is shown in the Schedule and applies to each and every claim made under this Section.

Additional Benefits

Any amounts payable under the following additional benefits apply in addition to the Sum Insured.

1. Additional Items

If You hire, purchase, or commission at Your Insured Location any items already insured under this Section, We will consider these items to be added to the insurance by this Section, giving the same cover as for similar items already insured provided that:

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

2. Extra Costs

We will pay, up to a limit of \$25,000, the costs incurred for reasonable expenses in respect of:

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

The total of all of these extra costs in clauses 2c), 2d), 2e) and 2f) are limited to 50% of the normal cost of repair payable under this part and shall be payable in addition to the applicable Sum Insured, and the amount payable for the extra costs in clauses 2a), 2b) and 2g) shall be subject to the applicable Sum Insured not otherwise exhausted.

3. Hazardous Substances

If a Hazardous Substance is involved in or released by a Breakdown of the Machinery We will cover You for the increase in cost to repair, replace, clean up or dispose of, damaged property. We will not pay more than \$25,000 for each claim under this additional benefit.

4. Increased Cost of Working

We will cover You for costs that are incurred by You for the sole purpose of avoiding or diminishing a reduction in income from Your Business during the period that the Machinery is suffering from Breakdown provided that:

- a) these costs are additional to Your normal operating costs;
- b) these costs are incurred because of an interruption to Your normal operations that directly results from Breakdown of Machinery that is covered by this Section;
- c) You receive Our prior written approval to incur these costs;
- d) We will not pay more than \$10,000 for increased cost of working; and
- e) We will not pay for any costs incurred during the first 48 hours following the loss.

5. *Repair costs*

We will pay the cost of consulting engineer's fees (excluding fees for preparing a claim) necessarily incurred with Our written consent, in the reinstatement of Machinery.

Where the Sum Insured is exhausted We will pay an additional amount of up to \$10,000 in respect of this additional benefit.

Optional Extension

If shown in the Schedule the following extension will apply:

Deterioration of Stock

We will pay up to the amount shown in the Schedule for 'Deterioration of Stock' for damage to or loss of perishable Stock at the Insured Location(s) as a result of contamination, deterioration or putrefaction caused by:

- a) a change in temperature as a result of:
 - i. a Breakdown of the refrigeration or freezer unit in which the refrigerated Stock is kept where We have agreed to pay a claim under this Section for the Breakdown of such refrigeration or freezer unit;
 - ii. malfunctioning or failure of any thermostats, controls, fuses, circuit breakers or automatic controlling devices pertaining to the refrigerator or freezer unit but not including loss or damage due to manual operation or setting of switches; or
 - iii. contamination of the refrigerated Stock by leakage of refrigerant;
- b) sudden and unforeseen failure of the public power supply;
- c) accidental failure of the public supply of electricity which directly affects the freezer or refrigeration unit;
- d) a supply authority intentionally interfering with a public service but only to the extent that this is necessary to safeguard life or in part of the public supply and the supply authority's interference is not caused directly or indirectly by fire, Flood, storm or any other natural cause;
- e) refrigerant fumes escaping from the refrigerator,

provided that We will not pay more than the amount shown in the Schedule for 'Deterioration of Stock' We will also pay the costs reasonably incurred in the necessary transfer of refrigerated Contents or Stock to an alternative cold store.

Exclusions

We will not cover You for:

1. the cost or repair or replacement of Expendable Items other than Expendable Items which are necessary for the repair;
2. the costs incurred in repairing wear and tear or gradual deterioration including:
 - a) wear and tear due to normal operation;
 - b) wearing or wasting away of material caused by normal operation or resulting from atmospheric conditions, rust, erosion or oxidation;
 - c) damage to a safety or protective device caused by its own operation;
 - d) the chipping or scratching of painted or polished surfaces; or
 - e) slowly developing deformation or distortion.
3. the cost of
 - a) carrying out of normal maintenance, such as the tightening of loose parts, recalibration or adjustments;
 - b) alteration, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or at a separate operation;
 - c) modification or alteration of insured Machinery to enable replacement or repair, caused by gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);
 - d) replacement of lighting equipment, reticulated electrical wiring, reticulated liquid and gas piping and ducting;

- e) repair of scratches, chipping or discolouration to painted or polished surfaces, unless resulting from the Breakdown;
 - f) repair of slowly developing deformation, distortion or fatigue of any part;
 - g) repair of blisters, laminations, flaw or grooving even when accompanied by leakage;
 - h) repairs to valves, fittings, glands, joints, gaskets, pipes, lines and connections which are defective or leaking;
 - i) repairs to shaft keys requiring tightening, fitting or renewal;
 - j) damage caused by the movement of foundations, masonry or brick work unless this results from Breakdown of any Machinery or any part of Machinery;
 - k) removal or installation of underground pumps and well casings. Unless specifically noted in the Schedule this exclusion does not apply to submersible pumps.
4. Breakdown of Machinery which You knew or reasonably should have been known to be defective before the Breakdown occurred;
 5. any loss of use or loss of earning capacity incurred following Damage of any kind;
 6. loss or damage caused by or arising out of:
 - a) earthquake, landslide, mud flow, subsidence, subterranean fire, or volcanic eruption;
 - b) cyclone, storm, hail, lightning, thunder, wind, rainwater;
 - c) Flood;
 - d) the sea, including tidal wave, tsunami, storm surge or highwater;
 - e) fire, smoke or soot;
 - f) water seeping or percolating into the Building from the outside;
 - g) water, liquids or substances discharged or other means used to extinguish a fire;
 - h) vandalism or malicious damage;
 7. Breakdown, loss or damage caused by explosion other than:
 - i) the sudden and violent rending of any Boilers and Pressure Plant or Pressure Pipe Systems by force or internal fluid pressure of ignited flue gases, but excluding other chemical action; or
 - ii) the bursting or disruption of turbines, compressors, engine cylinders, hydraulic cylinders, flywheels or other parts subject to centrifugal force, transformers, switches or oil immersed switch gear;
 8. Breakdown, loss or damage caused during the course of maintenance, inspection, repair alteration, modification or overhaul;
 9. Breakdown, loss or damage caused during installation, erection or relocation;
 10. damage to foundations, brickwork and refractory materials other than as a result of Breakdown;
 11. Breakdown, loss or damage arising out of Machinery being subjected to tests involving abnormal stresses or arising out of Machinery being deliberately overloaded. The checking of the correct working of any insured item or its safety installations is not considered to be testing or overloading within the context of this exclusion;
 12. Breakdown, loss or damage caused by deliberate act, neglect or omission on Your part;
 13. Breakdown, loss or damage for which the manufacturer or supplier or other parties are responsible under a maintenance or warranty agreement provided that We shall be liable for Breakdown insured by this Section and not recoverable under such maintenance agreement or warranty by reason of any dispute concerning the interpretation of that agreement or warranty (as the case may be);
 14. the cost of alterations, improvements or overhauls unless it is required for the repair or replacement;
 15. the costs associated with modifying the Machinery so that it operates with a more ozone friendly refrigerant gas as required by the United Nations Environment Program ('UNEP');
 16. Breakdown, loss or damage caused by dual lifting;
 17. Breakdown of Machinery which is useless or obsolete to Your Business;

18. loss or damage caused by or arising out of pollution, contamination or a Hazardous Substance howsoever causes, except as provided for in the additional benefit 'Hazardous Substances'.

Conditions Applicable to this Section

Adherence to statutory requirements

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

Inspection

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

Obligation to prevent loss

If We or Our authorised representative discover Machinery in or exposed to a dangerous condition, You must comply with any direction provided by Us or Our representatives to prevent loss. If You do not comply within 30 days of receiving the direction, We may refuse to pay a claim and cancel Your Policy.

One Breakdown

If either:

- a) a Breakdown of Machinery causes the Breakdown of other Machinery; or
- b) a series of Breakdowns occur at the same time as a result of the same cause;

they will all be considered as one Breakdown for the purpose of applying the Excess, the relevant Sum Insured and any other limit or sub-limit in this Section.

Section 9 – Public and Products Liability

Definitions

Wherever appearing in this Section, the following definitions apply:

Advertising Injury

Means injury arising out of:

1. defamation;
2. infringement of copyright, title or slogan;
3. unfair competition, piracy, misappropriation of advertising ideas or style of doing business;
4. breach of the misleading or deceptive conduct provisions of the *Competition and Consumer Act 2010* (Cth) or any Fair Trading or similar legislation of any Country, State or Territory; and/or
5. invasion of rights of privacy;

arising out of Your advertising activities.

Aggregate Liability

means Our maximum liability under this Section for the Policy Period in respect of Products Liability.

Business (for the purposes of this Section only)

means all activities and operations of the Business stated in the Schedule including:

1. the ownership and occupation of premises for the purposes of the Business;
2. participation in any exhibition by You or on Your behalf;
3. the hire or loan of plant and/or equipment or goods to other parties;
4. conducted tours of Your Insured Location;
5. the provision of any sponsorships, charities, galas, first aid, medical, ambulance or firefighting service by You or on Your behalf;
6. private work undertaken by Your Employees for any of Your directors, partners, proprietors, office or executives; and
7. the provision or management of canteen, social, sports, welfare or child care services or activities for Your Employees and internal first aid, fire, security and ambulance services.

Compensation

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

Defence Costs

1. means all reasonable legal costs and expenses incurred by Us or by You with Our written agreement: in defending or appealing a claim against You; and
2. for Your legal representation at any coronial inquest or other fatal accident inquiry.

Employment Practices

means any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, sexual harassment or discrimination in respect of employment or prospective employment by You.

Excess (for the purpose of this Section only)

means the amount You must pay as contribution to Your claim or series of claims, arising out of any one Occurrence, for which You are responsible. The Excess applicable to this Section appears in the Schedule. The Excess applies to all amounts for which We will be liable, including the indemnity provided for defence costs and supplementary payments.

General Liability

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

Geographical Limits

means:

1. anywhere in the world except the United States of America, Canada and their respective protectorates and territories; and
2. the United States of America, Canada and their respective protectorates and territories if the Personal Injury or Property Damage arises from:
 - a) Products exported into such countries without Your knowledge, or
 - b) overseas business visits by any of Your directors, partners, officers, executives or Employees, who are non-resident in North America but not where they perform manual work in North America

Incidental Contract

means:

1. any written rental agreement or lease of real property other than those with respect to any term or condition contained in such rental, lease and/or hiring agreement that requires You to insure such property;
2. any written contract with any authority or entity responsible for the supply of electricity, fuel, gas, natural gas, air, steam, water, sewerage reticulation control systems, waste disposal facilities, telephone and communication services or other essential services except those contracts in connection with work done for such entities;
3. any written contract with any railway authority for the loading, unloading and/or transport of any Product, including contracts relating to the operation of railway sidings;
4. any written licence agreement to occupy real property, other than with respect to any term or condition contained in such licence agreement that requires You to insure such property;
5. those contracts designated in the Schedule.

Named Insured

means:

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

Occurrence

means an Event including continuous or repeated exposure to substantially the same general conditions which results in Personal Injury or Property Damage or Advertising Injury neither expected nor intended from Your standpoint. All Events of a series consequent on or attributable to one source or original cause are deemed one Occurrence.

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

Personal Injury

means:

1. bodily injury, death, illness, disability, shock, fright, mental anguish or mental injury including loss of consortium or services resulting therefrom;
2. false arrest, detention, false imprisonment, malicious prosecution or humiliation;
3. defamation, unless arising out of Advertising Injury;
4. wrongful entry or wrongful eviction or other invasion of the right to private occupancy;

5. assault and battery not committed by You or at Your direction unless committed for the purpose of preventing or eliminating danger to persons or property; and/or
6. discrimination as a result of race, religion, sex, age, marital status, intellectual or physical impairment or disability.

Product

means any goods or product(s) (after they have ceased to be in Your possession or under Your control) manufactured, constructed, erected, installed, repaired, serviced, treated, grown, extracted, produced, processed, assembled, imported, sold, supplied or distributed by You (including any discontinued products and including any labelling, packing materials, instructions and directions associated therewith) and any container thereof other than a Vehicle associated with such container.

Provided always that for the purpose of this Section the term 'Products' shall not be deemed to include:

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

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

Products Liability

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

Property Damage (for the purposes of this Section only)

means:

1. physical damage to, destruction of or loss of tangible property including the loss of use thereof at any time resulting therefrom; or
2. loss of use of tangible property which has not been physically injured or destroyed, provided such loss of use is caused by physical damage of other tangible property.

Tools of Trade

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

Work Site

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

You, Your, Yours and Insured (for the purposes of this Section only)

means:

1. the Named Insured;
2. every past, present or future director, stockholder or shareholder, partner, proprietor, officer, executive or Employee of the Named Insured (including the spouse of any such person on any commercial trip or function in connection with Your Business), or work experience persons or volunteers while such persons are acting for or on behalf of the Named Insured and/or within the scope of their duties in such capacities;
3. any person or company, including joint venture companies and partnerships, to whom or to which You (as defined in 1., 2. or 3. above) are obligated by virtue of a written agreement to provide insurance as is afforded by this Policy, but only to the extent required by such contract and subject to the terms and conditions of this Policy;
4. any social and/or sporting clubs, first aid, fire and ambulance services formed with Your consent including any office bearer or member thereof in their respective capacities as such;

5. any employee superannuation fund or pension scheme managed by You or on Your behalf and the trustees and the directors of the trustee of any such employee superannuation fund or pension scheme which is not administered by corporate fund managers;
6. the estates, legal representatives, heirs or assigns of:
 - a) any deceased or insolvent persons; or
 - b) persons who are unable to manage their own affairs by reason of mental disorder or incapacity, who would otherwise be indemnified by this Policy, but only in respect of liability incurred by such persons as described in clauses 1. to 6. above;
7. every principal in respect of the principal's liability arising out of:
 - a) the performance by or on behalf of the Named Insured of any contract or agreement for the performance of work for such principal, but only to the extent required by such contract or agreement and in any event only for such coverage and limits of liability as are provided by this Policy; and
 - b) any Products sold or supplied by the Named Insured, but only in respect of the Named Insured's own acts or omissions in connection with such Products and in any event only for such coverage and limits of liability as are provided by this Policy.

Cover

Provided this Section is shown as insured in the Schedule, We will pay on Your behalf all sums which You become legally liable to pay as Compensation in respect of

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

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

Defence Costs and Supplementary Payments

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

1. defend, in Your name and on Your behalf, any claim or suit against You alleging such Personal Injury, Property Damage or Advertising Injury and seeking damages on account thereof even if any of the allegations of such claims or suits are groundless, false or fraudulent;
2. pay, in addition to the Limit of Liability, all charges, expenses and legal costs incurred by Us and/or by You with Our written consent (which shall not be unreasonably withheld or refused):
 - a) in the investigation, defence or settlement of such claim or suits, including loss of salaries or wages because of Your attendance at hearings or trial at Our request; or
 - b) in bringing or defending appeals in connection with such claim or suits,
3. pay:
 - a) all charges, expenses and legal costs recoverable from or awarded against You in any such claims or suits;
 - b) prejudgement interest awarded against You on that part of the judgement payable by Us; and
 - c) all interest accruing on Our portion of any judgment until We have paid, tendered or deposited in court that part of such judgment which does not exceed the limit of Our liability thereon.
4. pay premiums on:
 - a) bonds to release attachments for amounts not exceeding the applicable Limit of Liability of this Policy but We shall have no obligation to apply for or furnish any such bond; and
 - b) appeal bonds and/or security for costs required in any suit, but We shall have no obligation to apply for or furnish any such bonds and/ or security for costs.
5. pay expenses incurred by You for:
 - a) rendering first aid and/or surgical or medical relief to others at the time of any Personal Injury (other than any medical expenses, which We are prevented from paying by any law);
 - b) temporary protection of damaged or undamaged property of any person or party, including temporary repairs, shoring up and/or underpinning thereof; and
 - c) purchasing and/or hiring and/or erection and dismantling of hoarding, barriers, fences and any other form of temporary protection, including such protection which You must provide in compliance with the requirements of any Government Authority.

6. pay all legal costs incurred by You with Our consent (which shall not be unreasonably withheld or refused) for representation of You at:
 - a) any Coronial Inquest or Inquiry or other official investigation into the circumstances;
 - b) any proceedings in any court or tribunal in connection with liability insured against by this Policy;
 - c) any Royal Commission or Government Enquiry arising out of any alleged breach of Government Authority, or other similar judicial enquiry into circumstances relating to any occurrence, claim or potential claim which would be the subject of indemnity under this insurance; and
 - d) any enquiry, prosecution or hearing of a disciplinary nature held before a legally constituted enquiry board, committee, licensing authority or the like.

The amounts of such Defence Costs and supplementary payments incurred, except payments in settlement of claims and suits, are payable to Us in addition to the applicable Limit of Liability of this Section.

However, in respect of any claims or suits originating in any court in North America, the applicable Limit of Liability shown in the Schedule shall be inclusive of all Defence Costs and supplementary payments described in this clause.

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

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

Limits of Liability and Excess

Subject to:

1. the 'Claim preparation expenses' provision under 'General Claim Conditions';
2. the 'Defence costs and supplementary payments' clause above;
3. sub-clause 18. b) v. of Exclusion 18. 'Property in Your physical or legal control' below, for:
 - a) General Liability the Limit of Liability specified in the Schedule under 'Public Liability' represents the maximum amount which We shall be liable to pay in respect of any one claim or series of claims arising out of any one Occurrence; and
 - b) Products Liability the Limit of Liability specified in the Schedule represents the maximum amount which We shall be liable to pay in respect of any one claim or series of claims, and in the aggregate during any one Policy Period.

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

Optional benefit

The following optional benefit will be provided when You request it, pay an additional premium and when shown in the Schedule.

Products exported to North America with Your knowledge

The cover provided by this Policy is extended to include any judgment, award or settlement made within North America or any other order made anywhere in the world to enforce such judgment, award or settlement either in whole or in part, subject to the following additional terms and Exclusions in respect of such judgment, award or settlement:

1. Cover only applies to Your legal liability in respect of Personal Injury and/or Property Damage that arises out of any Products exported to North America with Your knowledge;
2. Cover is not provided for:
 - a) Personal Injury and/or Property Damage directly or indirectly caused by or arising out of discharge, dispersal, emission, release or escape of Pollutants;
 - b) The cost of removing, nullifying or clean up of Pollutants;
 - c) The cost of preventing the escape of Pollutants;
 - d) Any claim for Compensation if in North America You have:
 - i. any assets other than Products;

- ii. a related or Subsidiary Company;
 - iii. any resident person, party or registered local entity holding Your power holding Your power of attorney; and
 - iv. any franchisor or franchisee.
- e) Personal Injury or Property Damage arising from the existence of asbestos.

Exclusions

This Public and Products Liability Section of the Policy does not cover any liability directly or indirectly caused by, arising out of or in any way connected with:

1. *Advertising Liability*

any liability arising out of Advertising Injury:

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

2. *Aircraft, Hovercraft or Watercraft*

- a) the ownership, maintenance, operation or use by You of any Aircraft.
- b) The ownership, operation or use by You of any Watercraft or Hovercraft exceeding fifteen (15) metres in length, whilst such Watercraft or Hovercraft is on, in or under water.

Provided that Exclusion 2.b) shall not apply with regard to claims arising out of:

- i. Watercraft used in operations carried out by any independent contractors for whose conduct You may be held liable;
- ii. Hovercraft owned or operated by others and used by You for Business entertainment purposes;
- iii. Watercraft owned or operated by others and used by You for Business entertainment purposes; or
- iv. Hand propelled or sailing craft exceeding fifteen (15) metres in length, whilst such craft is in Australian territorial waters.

3. *Aircraft Products*

any Product that is incorporated with Your knowledge in an Aircraft which is connected with the safety, propulsion, navigation or flying capabilities of an Aircraft.

4. *Asbestos*

asbestos in whatever form or quantity.

5. *Breach of professional duty*

any breach of duty owed in a professional capacity by You and/or any person(s) for whose breaches You may be held legally liable, but this Exclusion does not apply to:

- a) the rendering of or the failure to render professional medical advice by medical practitioners, dentists, nurses and first aid attendants employed by You to provide first aid and other medical services on Your premises provided your principal occupation or business is not a medical or health service;
- b) arising out of advice which is given by You for no fee; or
- c) advice given in respect of the use or storage of Your Products.

6. *Contractual Liability*

liability assumed under any contract, agreement or warranty, that requires You to:

- a) effect insurance over property, either real or personal;
- b) assume liability for Personal Injury and/or Property Damage and/or Advertising Injury regardless of fault. Provided that this Exclusion shall not apply with regard to:
 - i. liabilities which would have been implied by law in the absence of such contract or agreement;
 - ii. liabilities arising from any claim in respect of any subcontractor or agent for whose acts You are liable under the terms of any contract. We will not indemnify the subcontractor or agent;
 - iii. liabilities assumed under Incidental Contracts;
 - iv. terms regarding merchantability, quality, fitness or care of Your Product which are implied by law or statute; or
 - v. liabilities assumed under the contracts specifically designated in the Schedule or in any endorsements to this Policy.

7. *Damage to Products*

Property Damage to any Product or any part of it if such damage is attributable to any defect therein or the harmful nature or unsuitability thereof, but this Exclusion shall be interpreted to apply with respect to damage to the specific part and only that part of such Product to which the damage is directly attributable.

8. *Defamation*

libel and slander:

- a) resulting from statements made prior to the commencement of the Policy Period;
- b) resulting from statements made at Your direction with knowledge that such statements are false; and/or
- c) incurred by You if Your Business is advertising, broadcasting, publishing or telecasting.

9. *Electronic Data*

- a) the communication, display, distribution or publication of Electronic Data, provided that this Exclusion does not apply to Personal Injury and/or Advertising Injury arising therefrom;
- b) the total or partial destruction, distortion, erasure, corruption, alteration, misrepresentation or misappropriation of Electronic Data;
- c) error in creating, amending, entering, deleting or using Electronic Data; or
- d) the total or partial inability to receive, send, access or use Electronic Data for any time or at all.

10. *Employment Liability*

- a) bodily injury to any worker in respect of which You are or would be entitled to indemnity under any policy of insurance, fund, scheme or self-insurance pursuant to or required by any legislation relating to Workers Compensation or Accident Compensation whether or not such policy, fund, scheme or self-insurance has been effected, provided that this Policy will respond to the extent that such policy, fund, scheme or self-insurance arrangement had You complied with its obligations pursuant to such law. For the purpose of this sub-clause a):
 - i. the term 'worker' means any person deemed to be employed by You pursuant to any Workers Compensation Law. Voluntary workers, secondees and work experience students (if any) shall not be deemed to be Your Employees; and
 - ii. The term 'bodily injury' means bodily injury, death, sickness disease, illness, disability shock, fright, mental anguish and/or mental injury, including loss of consortium or services resulting therefrom;
- b) or imposed by:
 - i. the provisions of any industrial award or agreement or determination or workplace agreement where such liability would not have been imposed in the absence of such industrial award or agreement or determination or contract of employment or workplace agreement; or
 - ii. any law relating to Employment Practices.

11. *Faulty workmanship*

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

12. *Fines, Penalties, Punitive, Exemplary or Aggravated Damages*

fines, penalties, punitive, exemplary, or aggravated damages or multiplication of compensatory damages.

13. *Liquidated Damages*

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

14. *Loss of Use*

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

- a) a delay in or lack of performance by You or on Your behalf in respect of any contract or agreement;
- b) the failure of a Product or work performed by You or on Your behalf to meet the level of performance, quality, fitness or durability warranted or represented by You;

but this Exclusion (b) does not apply to loss of use of other tangible property resulting from the sudden and accidental physical damage to or destruction of the Product or work performed by You or on Your behalf after the Product or work has been put to its intended use by any person or organisation other than You.

15. *Pollutants*

- a) the discharge, dispersal, release, seepage, migration or escape of Pollutants, including the cost of testing, monitoring, treating, detoxifying, removing, neutralising or cleaning up Pollutants,
- b) removing, monitoring, testing, containing, treating, detoxifying, neutralizing, nullifying or cleaning up smoke, vapours, soot, mould, fungus, fumes, contaminants or Pollutants discharged, dispersed, released or escaped into or upon land the atmosphere or any watercourse or body of water;
- c) fines, penalties, punitive, exemplary or multiple damages relating to the circumstances in a) above; and/or
- d) the cost of preventing the escape of Pollutants.

Sub-clauses (a) and (b) in this clause shall not apply where such discharge, dispersal, release or escape is caused by a sudden, identifiable, unintended and unexpected event that takes place in its entirety at a specific time and place and occurs outside of North America.

16. *Product Guarantee*

any product guarantee or warranty given by You or on Your behalf but this Exclusion does not apply to legislative requirements concerning product safety and information.

17. *Product Recall*

the withdrawal, recall, inspection, repair, adjustment, removal, replacement or loss of use of any Products where such Products are withdrawn or recalled from the market or from use by any person or organisation because of any known, alleged or suspected defect or deficiency in such Products.

18. *Property in Your Physical or Legal Control*

damage to property:

- a) owned by, leased by or rented to You; and/or
- b) not belonging to You but in Your physical or legal control other than:
 - i. the personal property, tools and effects of any of Your directors, partners, proprietors, officers, executives or Employees, or the clothing and personal effects of any of Your visitors;
 - ii. premises or parts of premises (including their Contents) leased or rented to, or temporarily occupied by, You for the purpose of Your Business, but no cover is provided by this Policy if You have assumed the responsibility to insure such premises;
 - iii. property being:
 - 1. premises (and/or their Contents) temporarily occupied by You for the purpose of carrying out work in connection with Your Business; and
 - 2. any other property temporarily in Your possession for the purpose of being worked upon; But no indemnity is granted for damage to that part of any property for which You are or have been working if the damage arises solely out of such work.
 - iv. any Vehicle (including its Contents, spare parts and accessories while they are in or on such Vehicle) not belonging to You or used by You, whilst any such Vehicle is in a car park owned or operated by You provided that You do not operate the car park for reward, as a principal part of Your Business;

- v. any property (except property that You own) not mentioned in clause (i) to (iv) above whilst in Your physical or legal care, custody or control where You have accepted or assumed legal liability for such property.

Provided that Our liability under this clause shall not exceed \$250,000 or the amount stated in the Schedule, whichever is the greater, in respect of any one claim or series of claims arising out of any one Occurrence.

19. Vehicles

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

- a) which is registered or required by law 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 registration has been effected),

but this Exclusion does not apply to:

1. Personal Injury where:
 - i. that compulsory liability insurance or statutory indemnity does not provide indemnity; or
 - ii. the reason or reasons why that compulsory liability or statutory indemnity does not provide indemnity do not involve a breach by You of legislation relating to vehicles;
2. any Vehicle (including any tool or plant forming part of or attached to or used in connection with such Vehicle) whilst being operated or used by You or on Your behalf as a tool of trade at Your premises or on any work site;
3. the delivery or collection of goods to or from any Vehicle;
4. the loading or unloading of any Vehicle;
5. any Vehicle temporarily in Your custody or control for the purpose of parking;
6. Property Damage caused by or arising out of the movement of any Vehicle (which is required to be conditionally registered in accordance with the law of any state or territory in Australia) in the event of Your inadvertent and unintentional failure to effect conditional registration; or
7. Property Damage arising out of the movement or removal by You or by any Employee(s) of Yours of any Vehicle or trailer not belonging to You which is interfering with access to or from Your premises or any site where You are carrying out work, provided that the maximum amount which We shall be liable to pay in respect of any one claim or series of claims arising out of any one Occurrence will be \$10,000.

Conditions

1. Cross liabilities

This Section extends to indemnify:

- a) each of the parties comprising the Named Insured, and
- b) each of the Insureds hereunder,

separately in the same manner and to a like extent as though policies had been issued in their separate names.

In particular, but without limiting the foregoing, this Section shall indemnify each of the parties described in clauses (a) and (b) above in respect of claims made by any other of such parties, provided always that:

- i. each of such parties shall be separately subject to the terms, claims conditions, General Policy Conditions, Exclusions and Definitions of this Policy in the same manner and to a like extent as though separate policies had been issued, and
- ii. in no case shall the amount payable by Us exceed the applicable Limit of Liability as specified in the Schedule (except for Defence Costs and supplementary payments which operate in addition to the applicable Limit of Liability).

2. Inspection and audit

We shall be permitted, but not obligated, to inspect Your premises and operations at any reasonable time. Neither Our right to make inspections, nor Our failure to make inspections, nor the making of any inspections, nor any report of an inspection shall constitute an undertaking, on behalf of or for the benefit of

You or others, to determine or warrant that such premises or operations are safe or healthful or are in compliance with any law, rule or regulation.

3. *Notification of Occurrence, claim or suit*

You shall give:

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

4. *Our rights regarding claims*

We have the following rights:

- a) We may take over and conduct the defence or settlement of any claim or issue legal proceedings for damages on your behalf in relation to any matter covered by this Section. If We do this We will do it in Your name. We have full discretion in the conduct of any legal proceedings and in the settlement of any claim. You will be required to co-operate by giving Us any statements, documents or assistance We reasonably require. This may include giving evidence in any legal proceedings.
- b) We may at any time pay to You, in respect of all claims against You arising directly or indirectly from one source or original cause:
 - i. the amount of the Limit of Liability or such other amount specified in respect thereof (after deduction of any sums already paid by Us, which sums would reduce the amount of Our unfulfilled liability in respect thereof); or
 - ii. any lesser sum for which the claims can be settled.
Upon making such payment, We shall relinquish conduct and control of, and be under no further liability under this Policy in connection with, such claims except for Defence Costs and supplementary payments:
 - iii. recoverable from You but only where incurred during the period prior to the date of such payment (whether or not pursuant to an order made subsequently); or
 - iv. incurred by Us, or by You with Our written consent, prior to the date of such payment.

5. *Right to defend, assistance and Your co-operation*

- a) In respect of any Occurrence covered under this Policy, We have the right, if We so elect, to defend any suit against You seeking Compensation or reimbursement of expenses for an Occurrence and to bring any cross claim in Your name even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as We deem fit or expedient; but We are not obligated to pay any claim or judgment or to defend any suit after Our Limit of Liability under this Policy in respect of the claim has been exhausted.
- b) If the cost of any Occurrence and Defence Costs and expenses are not likely to exceed the Excess, We may elect not to defend the suit. In these circumstances and, subject to the provisions of this Policy, You are responsible for the handling and payment of the claim and its Defence Costs and expenses up to the amount of the Excess.
- c) You must co-operate with Us and comply with the terms and conditions of this Policy, and assist as necessary in enforcing any right to contribution or indemnity from any person, corporation or organisation.

6. *Release*

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

Notwithstanding the General Policy Condition "Subrogation Waiver" of this Policy, We agree to waive all Our rights of subrogation against any such Authority or persons or parties in the event of any Occurrence for which a claim for indemnity may be made under this Policy.

7. *Allocation of the proceeds of recoveries*

Any corporation, organisation or person claiming under this insurance shall, at Our request and at Our expense, do and concur in doing and permit to be done all such acts and things that

may be necessary or may reasonably be required by Us for the purpose of enforcing any rights and remedies, or for obtaining relief or indemnity from any other organisations or persons, to which We shall be or would become entitled upon Us paying for or indemnifying You in respect of legal liability under this Policy.

Should You incur any legal liability which is not covered by this Policy:

- a) due to the application of an Excess; and/or
- b) where the amounts of any judgments or settlements exceed the applicable Sum Insured,

You will be entitled to the first call on the proceeds of all recoveries made, by either You or Us, on account of such legal liability until fully reimbursed for such uninsured amount or amounts (less the actual costs of making such recoveries where those costs are incurred by Us) and any remaining amounts will be applied to reimburse Us.

9. *Your duties in the event of an Occurrence, claim or suit You:*

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

Section 10 – Tax Audit

Definitions

Wherever appearing in this Section, the following definitions apply:

Tax Agent

means any person who is not an Insured who is registered by the Australian Taxation Office as a tax agent and who is engaged by You to prepare, or supervise the preparation of, or review all returns and statements required by the Australian Taxation Office or any state or territory government tax collection authority in respect of Your liability to pay tax.

Tax Audit Expenses

means that part of loss consisting of reasonable costs, charges or fees of a Tax Agent incurred in investigating any Tax Audit Notice.

Tax Audit Notice

means any notification from the Australian Taxation Office or any state or territory government tax collection authority of an audit of, or investigation relating to Your liability to pay tax. Tax Audit Notice does not include:

1. comprehensive risk reviews or risk management assessments;
2. specific risk reviews; or
3. prelodgement compliance reviews.

Cover

Provided this Section is shown as insured in the Schedule, We will cover Tax Audit Expenses on account of any Tax Audit Notice first made during the Policy Period up to the amount of the Sum Insured any one Loss and in the aggregate specified in the Schedule and less the Excess.

Excess

The Excess payable for this Section is shown in the Schedule and applies to each and every claim made under this Section.

Exclusions

We will not be liable for Tax Audit Expenses:

1. *Delay, Refusal or Failure to Comply*

based upon, arising from, or in consequence of any improper, unwarranted or unjustified delay, refusal or failure to comply with any request made by or on behalf of the Australian Taxation Office or any state or territory government tax collection authority, requiring the production of documents or the furnishing of information by You. A delay will not be improper, unwarranted or unjustified where You have used best endeavours to comply with the request on time, or where the delay is due to events outside Your reasonable control;

2. *Prior Inquiries*

based upon, arising from, or in consequence of inquiries from the Australian Taxation Office or any state or territory government tax collection authority related to an identified intention to conduct an audit or likely future audit;

3. *Income Earned or Services Outside Australia*

based upon, arising from, or in consequence of any audit or investigation concerning income earned or sourced outside Australia and any territories under its jurisdiction, or where the services giving rise to the audit are performed by persons or any organisation ordinarily resident outside Australia;

4. *Customs*

based upon, arising from or in consequence of any matters arising under customs legislation;

5. *Prior Notice*

based upon, arising from or in consequence of any audit or investigation, notice of which or information as to their likely conduct, was received by You or any person acting on Your behalf, prior to the Policy Period;

6. *Conduct*

based upon, arising from, or in consequence of any fraudulent act or omission or fraudulent misrepresentation committed by You or on Your behalf;

7. *Criminal Prosecution*

based upon, arising from, or in consequence of the imposition of or seeking to impose any tax, penalty tax, costs, interest, fine or any fees or expenses in connection with any criminal prosecution;

8. *Non Tax Agent Returns*

based upon, arising from or in consequence of an audit or investigation of an income return that has not been prepared or reviewed by a Tax Agent, except where the return is a prescribed sales tax return or a prescribed payroll tax return; and/or

9. *Post Audit Costs*

incurred after the audit or investigation has been completed.

Section 11 – Employee Fraud

Introduction

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

This Section of the Policy covers Your loss for theft of Your Property or Money by any of Your Employees which occurs during the Policy Period.

Definitions

Wherever appearing in this Section, the following definitions apply:

Employee Fraud

means the unlawful taking of Property by Your Employee, whether acting alone or in collusion with others, with the intent to:

1. cause loss to You; or
2. benefit any person or organisation other than You.

Property

means any property, including Money, that belongs to You or which You are legally responsible for.

You or Your

means You or Your (as defined in the General Definitions) and, for the purpose of this Section only, is extended to include:

1. any superannuation or pension scheme formed by You and exclusively for the benefit of Employees, but does not include any scheme that is administered by a professional funds manager; and
2. any welfare, social or sporting club formed with Your knowledge and consent exclusively for the benefit of Employees and their families.

Cover

We will pay up to the Sum Insured for the value of Property that is lost as a direct result of Employee Fraud that occurs during the Policy Period.

Provided that:

1. You are able to identify which of Your Employees are responsible; and
2. the Employee Fraud is discovered:
 - a) during the Policy Period; or
 - b) within one (1) year that follows the Policy Period or within one (1) year of the date upon which Your Employee committing the Employee Fraud ceased to be in Your employment, whichever occurs first.

Extra Cover

If You are covered under this Section, We will also pay or provide this Extra Cover set out below.

1. Cost of recovery

When You sustain a loss that is greater than the Sum Insured paid for this Section, We will pay up to an additional 20% of the Sum Insured for costs and expenses You have reasonably incurred in an attempt to recover lost Property.

Additional Benefits

We will also provide the following additional benefits in this Section.

1. *Continuity of cover*

If this Section has been taken up in substitution for any prior employee fraud/crime policy/fidelity policy or similar coverage held by You with any other insurer and cover under this Section commences immediately after cover under the prior policy/coverage ends, then, for any Employee Fraud discovered during the Policy Period where that Employee Fraud is not covered by the previous policy/coverage solely because it was not discovered during the policy period of the previous policy/coverage or any applicable extended reporting period, we will pay the lesser of:

- i. the amount which would have been payable under the prior policy/coverage if the prior policy/coverage had continued in force or had applied at the date of discovery of the Employee Fraud; or
- ii. the Sum Insured at the date of substitution.

provided that:

- a) the amount of the loss shall form part of and will not be in addition to the Sum Insured; and
- b) the Property lost would have been covered under this Section if this Section had been in force when the Employee Fraud causing the loss was committed.

2. *Unidentifiable employee*

If You suffer Employee Fraud, but are unable to identify the specific Employee whose conduct has given rise to the loss, We will pay for the loss, provided that:

- a) You have insured for the conduct of all Employees; and
- b) You can demonstrate to Our reasonable satisfaction that the loss was caused by the dishonest conduct of one or more Employees.

Conditions

1. *Auditors and Accountants*

We will accept as proof of Your loss, a certified statement from Your auditors or accountants that shows the value of the Property that is lost.

2. *Automatic reinstatement*

When the Sum Insured is reduced following the discovery of Employee Fraud covered by this Section, We will automatically increase the reduced amount to the Sum Insured shown in the Schedule.

Provided that:

- a) You pay the additional premium that We require;
- b) the maximum amount We will pay for all acts of Employee Fraud involving a specific Employee remains limited in the aggregate to the Sum Insured; and
- c) such reinstatement shall occur only once.

Limitations of Cover

1. *Excess*

The Excess payable for this Section is shown in the Schedule and applies to each and every claim made under this Section.

2. *Discovery*

We will not pay for any loss caused by a particular Employee that occurs after:

- a) You become aware of an act of Employee Fraud by that particular Employee; or
- b) You suspect that an Employee has committed an act of Employee Fraud.

3. *Reduced Sum Insured*

The Sum Insured for the Policy Period will be reduced by any payment made or due to be made under this Section.

Exclusions

We will not pay for:

1. *Trading losses*

any loss resulting directly or indirectly from trading in Securities or derivatives whether or not in Your name and whether or not in a genuine or fictitious account.

2. *Inventory/Profit and loss*

loss where proof of its existence or amount depends on any comparison of inventory records with a physical count or a profit and loss computation.

Special Condition

1. *Recoveries*

Following a loss, You must retain, to the extent allowed by law, all Monies and other assets that are due to any of Your Employees involved in the loss as We will treat these Monies or assets as a deduction from the amount of the loss.



About Chubb in Australia

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Chubb Target Market
Determination

Chubb Business Pack
Steadfast Client Trading
Platform

CHUBB®

Chubb Target Market Determination

Important Information

This Target Market Determination (**TMD**) is required under section 994B of the Corporations Act 2001 (Cth) and has been prepared by the product issuer Chubb Insurance Australia Limited (**Chubb**) AFSL 239687 ABN 23 001 642 020. The TMD is designed to assist customers, distributors and Chubb staff to understand who this product has been designed for and who it is not suitable for. The TMD identifies triggers for Chubb to review the target market and sets out the conditions and restrictions on distribution of the product described below. It also sets out the reporting obligations of Chubb's distributors. This document is not a Product Disclosure Statement (**PDS**) and is not a summary of the product features or terms of the product. This document does not take into account any person's individual objectives, financial situation or needs and is not intended to constitute personal advice. Persons interested in acquiring this product should carefully read the PDS before deciding whether to purchase this product.

This TMD is effective from the date of publication until its replacement or withdrawal.

Where a word is capitalised in this TMD and not otherwise defined, the definition of the word can be found in the policy wording/PDS.

The PDS for the product can be found here [Chubb Business Pack Steadfast Client Trading Platform](#).

Target Market Determination

1. Details

Product Name/s:	Chubb Business Pack Steadfast Client Trading Platform (PDS reference code 21PDSBIZSCTP02) (the Product)
Publication Date of TMD:	1 August 2021
Initial Review Date:	1 August 2023 (2 years from date of publication)
Frequency of Product Reviews:	Every 2 years from date of publication, subject to intervening review triggers as outlined in section 4 of this TMD

2. Product Target Market

What is the Product?

This Product offers various types of insurance covers designed to meet the needs of small businesses within specified industries as a single insurance package.

Key covers/attributes

- ✓ The Product provides broad cover for property losses and liability exposures.
- ✓ The Product covers small businesses (being a business with a turnover of up to \$10 million or with asset values of up to \$10 million) in the following industries:
 - Administrative and Support Services,
 - Arts and Recreation Services,
 - Education and Training,
 - Financial and Insurance Services,
 - Healthcare,
 - Information Media and Telecommunications,
 - Manufacturing,
 - Motor Trades,
 - Other Services,
 - Professional,
 - Scientific and Technical Services,
 - Real Estate Services,
 - Retail,
 - Trades,
 - Postal and Warehousing, and
 - Wholesale Trade,(the **Relevant Industries**).
- ✓ The Product can be tailored to suit various insurance needs, including:
 - Property Damage,
 - Business Interruption,
 - Theft,
 - Money,
 - Glass,
 - General Property,

-
- Electronic Equipment Breakdown,
 - Machinery Breakdown,
 - Public & Products Liability,
 - Tax Audit, and
 - Employee Dishonesty,

(the **Relevant Insurances**).

Key exclusions

- ✗ The Product excludes claims arising from (amongst other things):
 - Terrorism,
 - War, and
 - Confiscation (for example, nationalisation of assets),
note: the above exclusions do not extend to Cyber cover under Section 11, as well as:
 - Radiation,
 - Communicable Disease,
 - where a property has been unoccupied for more than 90 days (with certain write-backs into cover), and
 - Cyber and Data loss (with respect to certain coverages and in certain circumstances).

Customers the Product was designed for

This product is targeted at consumers who:

- ✓ have a small business (being a business with a turnover of up to \$10 million or with asset values of up to \$10 million) within a Relevant Industry;
- ✓ have an interest in insuring their small business against exposures that could be covered by the Relevant Insurances.

Classes of Customers

The class of consumers for whom this product is targeted can be categorised as a small businesses in the Relevant Industries.

While the Product is not designed to provide property damage cover for residential property, the Product may, in certain circumstances, provide incidental cover for a residential property that is covered for certain business related exposures.

As such, although the Product is designed to provide cover for small businesses (being a business with a turnover of up to \$10 million or with asset values of up to \$10 million), it may incidentally also provide other types of insurance. Despite this, the Product is not a substitute for retail home insurance.

Customer's likely objectives, financial situation, and needs

Objectives	The likely objective of consumers in this target market is to protect their businesses from a range of potential business related losses, including property losses and liabilities to third parties.
Financial situation	The likely financial situation for consumers in this target market is broad. Businesses in a range of financial positions may seek to protect themselves against the losses and liabilities covered by the Product.
Needs	<p>The target market includes small businesses that likely need coverage for certain business related exposures.</p> <p>Below are some examples of business related exposures for which a customer may need cover (and for which the Product may provide cover).</p> <p>A small business that:</p> <ul style="list-style-type: none">• owns or rents property may benefit from cover for Property Damage and Business Interruption;• owns physical personal property may benefit from cover for Theft and General Property;• owns money (including negotiables, for example cash; non-negotiable, for example crossed cheques; or electronic funds), may benefit from cover for Money;• owns glass or a property containing glass may benefit from cover for Glass;• uses electrical equipment may benefit from cover for Electronic Equipment Breakdown;• uses machinery may benefit from cover for Machinery Breakdown;• is at risk of incurring legal liability, for example for personal or property injury, or for unintentional libel, defamation, infringement of copyright etc., may benefit from cover for Public & Products Liability;• is at risk of employee theft and may benefit from cover for Employee Dishonesty; and• completes a tax return and may benefit from cover for Tax Audit.

Customers the Product was not designed for

This product is not suitable for those customers who:

- × do not have a small business (i.e. consumers who have a business with a turnover of more than \$10 million);
- × are not a small business within a Relevant Industry;
- × are not a small business that could benefit from a Relevant Insurance.

Why Product is consistent with the Target Market

Chubb views that the Product is consistent with the target market as the target market comprises small businesses within the Relevant Industries and the product provides cover for liabilities those businesses are likely to incur. It is therefore likely that the Product will meet the needs, or go towards meeting the needs, of those in the target market.

3. Conditions/Restrictions on product Distribution

Restriction/Condition	Description
Method of distribution	This Product may be distributed by Chubb's approved network of licenced insurance brokers who are part of the Steadfast Group Limited (Steadfast) (ABN 98 073 659 677 AFS Licence No. 254928) broker network (Distributor).
Underwriting criteria	The distributor is required to distribute the product in accordance with Chubb's underwriting criteria.
Promotional material	Any promotional material which is used by the Distributor in relation to the Product must be pre-approved by Chubb and must contain an electronic link to this TMD.
Distribution in accordance with TMD	The Product must only be distributed in accordance with this TMD and the contractual arrangements in place between Chubb and the Distributors.

Explanation

Customers that obtain the Product in accordance with the distribution conditions set out above are more likely to be in the target market for this product because a qualified insurance broker is acting on their behalf and can assess the customers objectives and financial situation.

4. Product Review

Periods of review:	Mandatory periodic reviews of the TMD will occur at least every 2 years subject to intervening review triggers (see below).
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Review triggers:

Review triggers are events that suggest the TMD may no longer be appropriate and may trigger a review **prior** to periodic review as set out above. The review triggers for this product are set out below.

1.	Any material change to the Product, including a change to the PDS.
2.	Changes to relevant laws, regulatory guidance, or industry codes.
3.	Any determination of or feedback from regulators, the Australian Financial Complaints Authority, a court or a tribunal suggesting that the target market may no longer be appropriate (including the use of Product Intervention Powers).
4.	The nature of feedback regarding the Product, including whether complaints have increased significantly from consumers or distributors.
5.	Distribution or purchasing of the Product in a manner significantly inconsistent with the TMD.

5. Reporting Obligations

Chubb's third party distributors must report the following information to tmd.reporting@chubb.com in order to ascertain whether or not the TMD remains appropriate to assist us in improving our product for our customers.

Distributor Reporting Obligations

Type of Report	Description	Reporting Period
Complaints	<p>The number of complaints received regarding the Product during the reporting period and the nature and details of the complaints.</p> <p>Complaint is defined in the Australian Securities and Investment Commission (ASIC) Regulatory Guide RG 271.</p>	<p>Quarterly (10 business days after the quarter has closed)</p> <p>(even when the number of complaints received is zero)</p>
Significant dealings	<p>A significant dealing in the Product which is not consistent with this TMD must be notified to ASIC. What amounts to a "significant dealing" will be determined by the circumstances of each case but generally:</p> <ul style="list-style-type: none"> • regard should be had to the proportion of consumers purchasing the product who are not in the target market, the actual or potential harm to those consumers, and the nature and extent of the inconsistency of distribution with the TMD; • Distributors should also have regard to current ASIC guidelines when determining what may constitute a significant dealing; • if in doubt, Distributors must report the dealing to Chubb, so that Chubb can undertake the necessary assessments. <p>The report must include:</p> <ul style="list-style-type: none"> • Date(s) of the significant dealing; • Description of the significant dealing; • Why the dealing is considered significant; • How the significant dealing was identified; • What steps, if any, have been taken in relation to persons affected by the significant dealing; • Steps which have been, or will be, taken to ensure that the significant dealing does not occur again. 	<p>Within 10 business days of becoming aware of the significant dealing.</p>
Sales information	<p>The number of sales of the Product (only if the Distributor has binding authority).</p>	<p>In accordance with contractual arrangements.</p>

6. Appropriateness

The issuer has assessed the Product's key attributes and formed the view that it is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market as described within this TMD.

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