



CGU FUSION

**EQUIPMENT BREAKDOWN
& BUSINESS INTERRUPTION**

Contents

Important Information	1	Exclusions Applicable To All Sections	14
About CGU	1	Alterations and improvements	14
Intermediary remuneration	1	Asbestos	14
General Insurance Code of Practice	1	Contractual agreements	14
Our service commitment	1	Cyber	14
Your duty of disclosure	1	Legal liability	15
Interest on unallocated premium	1	Nuclear risks	15
How CGU protects your privacy	2	Sanctions	15
Underinsurance/average	2	Terrorism	15
The agreement	2	Unoccupancy	15
		War	15
		Consequential loss	15
		Communicable diseases	15
Definitions	3		
Section 1 Equipment Breakdown	5	Conditions Applicable To All Sections	16
The cover	5	Alteration of risk	16
Basis of settlement	5	Cancellation	16
Limit of liability	5	Claims conditions	16
Additional benefits applicable to Section 1	6	Goods and services tax	17
Exclusions applicable to Section 1	6	Diligence	17
		Excess	17
Section 2 Electronic Equipment – Fire & Specified Perils	8	Fraud	17
The cover	8	Headings	17
Basis of settlement	8	Inspection	17
Limit of liability	8	Jurisdiction	18
Additional benefits	8	Payment of premium	18
Transit and temporary removal extension	8	Policy contribution	18
		Reinstatement of limit of liability	18
Section 3 Deterioration Of Stock	9	Subrogation	18
The cover	9	Transfer of interest	18
Basis of settlement	9	Termination of cover	18
Limit of liability	9		
Additional benefits applicable to Section 3	9		
Exclusions applicable to Section 3	9		
Section 4 Business Interruption	10		
The cover	10		
Basis of settlement	10		
Conditions applicable to Section 4	11		
Additional benefits applicable to Section 4	12		
Exclusions applicable to Section 4	13		
Additional Benefits Applicable To All Sections	13		
New equipment acquisitions	13		
New situation acquisitions	13		
Professional fees	14		
Reinstatement of data	14		

Important Information

About CGU

Insurance Australia Limited trading as CGU Insurance (CGU) is the underwriter of this insurance Policy. Our Australian Business Number is 11 000 016 722.

Our Australian Financial Services Licence Number is 227681.

In this Policy CGU Insurance is called "We", "Us", "Our" or "CGU".

Intermediary remuneration

CGU pays remuneration to insurance intermediaries when We issue, renew or vary a policy the intermediary has arranged or referred to Us. The type and amount of remuneration varies and may include commission and other payments. If You require more information about remuneration We may pay Your intermediary You should ask Your intermediary.

General Insurance Code of Practice

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

- to commit Us to high standards of service;
- to promote better, more-informed relations between Us and You;
- to maintain and promote trust and confidence in the general insurance industry;
- to provide fair and effective mechanisms for resolving complaints You make about Us; and
- to promote continuous improvement of the general insurance industry through education and training.

The Code Governance Committee is an independent body that monitors and enforces insurers' compliance with the Code.

Our commitment to you

We have adopted and support the Code and are committed to complying with it.

Please contact Us if You would like more information about the Code or the Code Governance Committee.

Our service commitment

CGU is proud of its service standards and supports the General Insurance Code of Practice. In an unlikely event that You are not satisfied with the way in which We have dealt with You, as part of Our commitment to customer service, We have an internal dispute resolution process in place to deal with any complaint You may have.

Please contact Your nearest CGU office if You have a complaint, including if You are not satisfied with any of the following:

- one of Our products;
- Our service;
- the service of Our authorised representatives, loss adjusters or investigators; or
- Our decision on Your claim.

Our staff will help You in any way they can. If they are unable to satisfy Your concerns, they will refer the matter to their supervisor or manager. If the manager cannot resolve the matter, the manager will escalate the matter to Our internal dispute resolution department.

Further information about Our complaint and dispute resolution procedures is available by contacting Us.

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.

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.

Interest on unallocated premium

If We are unable to issue Your insurance when We receive Your application, We are required to hold Your Premium in a trust account on Your behalf until Your insurance can be issued. We will retain any interest payable by Our bank to meet, among other things, bank fees and other bank costs We incur in operating the account.

How CGU protects your privacy

We use information provided by Our customers to allow Us to offer Our products and services. This means We may need to collect Your personal information, and sometimes sensitive information about You as well (for example, health information for travel insurance). We will collect this information directly from You where possible, but there may be occasions when We collect this information from someone else.

CGU will only use Your information for the purposes for which it was collected, other related purposes and as permitted or required by law. You may choose not to give Us Your information, but this may affect Our ability to provide You with insurance cover.

We may share this information with companies within Our group, government and law enforcement bodies if required by law and others who provide services to Us or on Our behalf, some of which may be located outside of Australia.

For more details on how We collect, store, use and disclose Your information, please read Our Privacy Policy located at www.cgu.com.au/privacy. Alternatively, contact Us at privacy@cgu.com.au or 13 15 32 and We will send You a copy.

We recommend You obtain a copy of the Privacy Policy and read it carefully. By applying for, using or renewing any of Our products or services, or providing Us with Your information, You agree to this information being collected, held, used and disclosed as set out in this Privacy Policy.

Our Privacy Policy also contains information about how You can access and seek correction of Your information, complain about a breach of privacy law, and how We will deal with Your complaint.

Underinsurance/average

The following sections of this Policy contain an underinsurance clause 'Section 2 – Electronic Equipment – Fire & Specified Perils', 'Section 3 – Deterioration of Stock and 'Section 4 – Business Interruption'. This means that if You underinsure, You may not receive full compensation in the event of a loss occurring. Underinsurance puts You in a position where You proportionally share losses.

The effect of an 80 per cent underinsurance clause, where applicable, under section 2 in relation to Electronic Equipment can be shown by using the following formula:

$$\frac{\text{The Limit of Liability for the Insured Item of Electronic Equipment}}{\text{80\% of the replacement cost in accordance with the relevant basis of settlement clause}} \times \text{Amount of loss} = \text{Maximum amount payable by Us (not exceeding Limits of Liability)}$$

The 80 per cent underinsurance formula is not applied if the Limit of Liability is 80 per cent or more of the replacement cost of the Insured Item.

The effect of an 80 per cent underinsurance clause under section 3 in relation to Deterioration of Stock can be shown by using the following formula:

$$\frac{\text{The Limit of Liability for Deterioration of Stock which shall be Your declaration of the maximum replacement value of Stock in Cold Storage at peak time}}{\text{80\% of the actual maximum replacement cost of Stock in Cold Storage at peak time}} \times \text{Amount of loss} = \text{Maximum amount payable by Us (not exceeding Limits of Liability)}$$

The 80 per cent underinsurance formula is not applied if the Limit of Liability for Deterioration of Stock is 80 per cent or more of the actual maximum replacement cost of Stock in Cold Storage at peak time.

The effect of the underinsurance clause under 'Section 4 – Business Interruption' can be shown by using the following formula:

$$\frac{\text{Your declaration of value in accordance with the relevant basis of settlement clause}}{\text{Amount required to fully indemnify You}} \times \text{Amount of loss} = \text{Maximum amount payable by Us (not exceeding Limits of Liability)}$$

Please contact us if You would like more precise details of:

- How underinsurance might affect You.
- How to calculate total new replacement value.

The agreement

This document, the Schedule and endorsements (if any) are to be read together.

The Policy forms the agreement between Us and You.

Provided You have paid or agreed to pay the Premium, then We agree, subject to the terms, exclusions, limitations and conditions contained in or endorsed on or otherwise expressed in this Policy, to cover You as described in this Policy and indemnify You in the manner and to the extent described in this Policy.

You are insured for each section of the Policy where a Limit of Liability appears on the Schedule.

Provided that:

1. the Limit of Liability for any item is shown in the Schedule;
2. where the insurance is varied by any additional benefit, endorsement, limitation, variation or extension, the insurance provided by such additional benefit, endorsement, limitation, variation or extension is subject to the terms, exclusions, limitations and conditions of the Policy in so far as they apply; and
3. We will not be liable under the Policy unless the event giving rise to a claim occurs during the Period of Insurance or any further period for which We may accept payment of Premium.

Definitions

In this Policy the singular includes the plural unless the context requires an alternative construction.

For the purpose of this Policy the following definitions apply:

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

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

Annual Gross Rentals means the Gross Rentals earned during the 12 months immediately before the date of the Breakdown.

Annual Gross Revenue means the Gross Revenue earned during the 12 months immediately before the date of the Breakdown.

Annual Turnover means the Turnover during the 12 months immediately before the date of the Breakdown.

Backup means the duplicate or original master copy of the Software or data and any subsequent updates, kept on magnetic or other media capable of being readily recopied to operational equipment.

Breakdown means sudden and unforeseen physical loss and/or physical damage to an Insured Item or part thereof necessitating immediate repair or replacement of the Insured Item or part thereof to allow normal operation to continue.

Business means the activities and operations carried out by You at the Situation as specified in the Schedule.

Cold Storage means the cold storage chamber including all parts of the refrigeration or controlled atmosphere gas generating and scrubbing plant system including the controlling switchgear necessary for the purpose of maintaining the temperature or gas concentration in the cold storage chamber at the Situation.

Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not;
- the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas between organisms; and
- the disease, substance or agent can cause or threaten bodily injury, illness, emotional distress or damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

Computer System means 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.

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.

To the extent that Damage to property insured under the Policy and any Time Element Loss directly resulting therefrom is directly occasioned by theft, burglary or forcible entry involving the use or operation of any Computer System to facilitate any physical entry or exit, such use or operation shall not be considered as a Cyber Act.

Cyber Incident means:

- a) any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
- b) 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.

Damage means:

1. Breakdown; or
2. Fire and Specified Perils; or
3. Deterioration of Stock,

or any combination of 1 to 3 above provided that the type of cover is indicated on the Schedule as forming part of Your Policy by the appearance of a Limit of Liability.

Data Carrying Media means any property insured on which Electronic Data can be stored but not the Electronic Data itself.

Data Processing Media means any property insured by this policy on which Electronic Data can be stored but not the Electronic Data itself.

Deterioration (with Deteriorated having a corresponding meaning) means spoilage, putrefaction, solidification or contamination of refrigerated Stock within Cold Storage.

Electronic 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.

Electronic Equipment means all parts of electronic equipment, and all other equipment connected to and operating from such electronic equipment (excluding underground cables) and Data Carrying Media.

Equipment means:

- a) all integral parts of electrical and mechanical items including associated switchboard controls and pressure pipe systems connected thereto;
- b) Pressure Equipment; and
- c) Electronic Equipment.

Equipment does not include any Mobile Machinery, vessel, craft or item made or intended to fly, float or travel, or stored in or mounted upon such Mobile Machinery, vessel, craft or item.

Excess where expressed as:

- a) a monetary amount – means the amount specified in the Schedule that the Insured will bear for each and every claim;
- b) a percentage – means the monetary equivalent of such percentage specified in the Schedule that the Insured will bear for each and every claim; and
- c) a time – means the monetary amount accrued for the period specified in the Schedule, beginning at the time of Damage and ending at the expiration of the period specified in the Schedule, that the Insured will bear for each and every claim. The monetary amount calculated shall only take into account the hours where the Business is in operation and not those hours where the Business is closed.

Fire and Specified Perils means sudden and unforeseen physical loss and/or physical damage to an Insured Item resulting from:

- a) fire, lightning, thunderbolt, explosion, spontaneous combustion, fermentation, heating or any process involving the application of heat;
- b) burglary, theft (or attempted theft) of an Insured Item consequent upon violent and forcible entry of securely locked: premises; vehicle; or container, containing the Insured Item;
- c) aircraft or other aerial devices or articles dropped therefrom or sonic boom;
- d) earthquake, subterranean fire, or volcanic eruption;
- e) storm, tempest, rainwater, snow, sleet, wind, hail, Flood, water from or action of the sea, tsunami, tidal wave, or high water;
- f) water, liquids or substances discharged, overflowing or leaking from fixed apparatus, fixed appliances, fixed pipes or other systems;
- g) riots, civil commotions, strikes or locked out workers or persons taking part in labour disturbances or acts of vandalism, or acts of any lawfully constituted authority in connection with the foregoing acts, or cessation of work whether total or partial;
- h) attempts by civil authorities to prevent the spread of fire; or
- i) impact by vehicle, watercraft, aircraft or animal.

Flood means the covering of normally dry land by water that has escaped or been released from the normal confines of:

- a) any lake, or any river, creek or other natural watercourse, whether or not altered or modified; or
- b) any reservoir, canal, or dam.

Gross Profit means the amount by which:

- a) the sum of the Turnover and the amount of the closing stock and work in progress shall exceed;
- b) the sum of the amount of the opening stock and work in progress and the amount of the Uninsured Working Expenses.

Note: The amounts of the opening and closing stocks and work in progress shall be arrived at in accordance with the Insured's normal accountancy methods; due provision being made for depreciation.

Gross Rentals means the money paid or payable to the Insured by tenants in respect of rental of the premises and for services rendered by or on behalf of the Insured.

Gross Revenue means the money paid or payable to the Insured for services rendered (and goods, if any, sold) in the course of the Business at the Situation.

GST means Goods and Services Tax and has the same meaning as set out in A New Tax System (Goods and Services Tax) Act 1999 and related legislation as amended from time to time.

Indemnity Period means the period beginning with the occurrence of the Breakdown and ending not later than the number of months specified in the Schedule thereafter during which the results of the Business are affected in consequence of the Breakdown.

Insured Item means any item of Equipment which belongs to You or for which You are legally responsible or have assumed a responsibility to insure.

For the purpose of interpreting section 2 of this Policy only the definition of Insured Item means any item of Electronic Equipment which belongs to You or for which You are legally responsible or have assumed a responsibility to insure.

Limit of Liability means the maximum amount We will pay for any one claim as specified in the Schedule.

Mobile Machinery means any property on wheels, on skids or self-laid tracks, designed to be moved other than by manual or animal power.

Output means the sale value of goods manufactured and/or processed by the Insured in the course of the Business.

Payroll means the remuneration paid to all employees of the Insured (including but not limited to holiday pay, sick pay, long service leave, pay and bonus) plus payments for pay- roll tax, fringe benefits tax, superannuation and pension fund contributions, workers compensation insurance premiums, accident compensation levies and the like.

Period of Insurance means the time cover commenced to the time cover expires as specified in the Schedule.

Policy means this document, the Schedule, the endorsements and any other notice We give You in writing which states that it forms part of the policy.

Premium means the amount payable by You as set out in Your Schedule including GST and any other relevant government charges.

Pressure Equipment means the permanent structure of a boiler, pressure vessel, economiser or super heater and attaching pipe systems which are subject to internal steam, gas or fluid pressure (including vacuum but other than atmospheric pressure) and including all direct attachments connected to the permanent structure.

Pressure Equipment Explosion means sudden and violent rending of the permanent structure of the Pressure Equipment by force of internal steam, gas or fluid pressure (including pressure of ignited flue gases) causing displacement of any part of the Pressure Equipment, together with forcible ejection of its contents.

Rate of Gross Profit means the rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Breakdown.

Rate of Payroll means the rate of Payroll to Turnover during the financial year immediately before the date of the Breakdown.

Schedule means the schedule document attaching to and forming part of Your Policy, including any schedule substituted for the original schedule, which specifies the Policy number and other details of Your insurance.

Section 1

Equipment Breakdown

This section forms part of Your Policy if so shown on Your Schedule.

The cover

We will indemnify You in accordance with the basis of settlement set out below for Breakdown which occurs at the Situation during the Period of Insurance.

The cover provided under this section applies whilst the Insured Item is at the Situation in a state of working or at rest, or in the process of being dismantled, moved, reassembled, or reinstalled for adjustment, cleaning, inspection, overhaul, relocation or repair.

Basis of settlement

In the event of Breakdown which is covered by this section of the Policy, the basis of settlement under the Policy will be:

- a) in the case of an Insured Item which can be repaired, We will at Our option pay You:
 - i. the cost of repairs necessary to restore the Insured Item to its condition immediately before the occurrence of the Breakdown using new or used parts; and
 - ii. the cost of any provisional repairs to the Insured Item if such repairs constitute a reasonable and necessary part of the final repairs and do not increase the total overall repair cost; or
- b) in the case of an Insured Item that cannot be repaired or is deemed by Us to be uneconomical to repair, We will at Our option:
 - i. replace the Insured Item with an item of similar function, type, capacity and quality; or
 - ii. pay You the cost of replacement of the Insured Item by an item of similar function, type, capacity and quality in a condition equal to, but not better than, the condition of the Insured Item immediately before the occurrence of the Breakdown.

Limit of liability

Our maximum liability under this section of the Policy shall not exceed the Limit of Liability specified in the Schedule for this section. Where specified items cover is selected in the Schedule, the Limit of Liability shall not exceed the value declared for each individual item.

Shortage in Turnover means the amount by which the Turnover during a period shall, in consequence of the Breakdown, fall short of the part of the Standard Turnover which relates to that period.

Situation means the locations described in the Schedule that are owned, leased or occupied by You.

Software means a collection of programs which cause Electronic Equipment to perform a desired operation or series of operations.

Standard Gross Rentals means the Gross Rentals during that period in the 12 months immediately before the date of the Breakdown which corresponds with the Indemnity Period (appropriately adjusted where the Indemnity Period exceeds 12 months).

Standard Gross Revenue means the Gross Revenue during that period in the 12 months immediately before the date of the Breakdown which corresponds with the Indemnity Period (appropriately adjusted where the Indemnity Period exceeds 12 months).

Standard Turnover means the Turnover during that period in the 12 months immediately before the date of the Breakdown which corresponds with the Indemnity Period (appropriately adjusted where the Indemnity Period exceeds 12 months).

Stock means the perishable goods or products for sale by You including their packaging material specified in the Schedule belonging to You or for which You are liable.

Time Element Loss means business interruption, contingent business interruption or any other consequential losses insured under this Policy.

Turnover means the money (less discounts, if any allowed) paid or payable to the Insured for goods sold and delivered and for services rendered in course of the Business at the Situation.

Uninsured Working Expenses means all purchases (less any discounts received), discounts allowed, bad debts, carriage, packing and freight, and any other uninsured working expenses specified in the Schedule.

We, Us, Our, CGU means Insurance Australia Limited trading as CGU Insurance, having the Australian Business Number 11 000 016 722 and Australian Financial Service Licence Number 227681.

You, Your, Insured means the persons, companies or firms named on the current Schedule as the 'Insured'.

Additional benefits applicable to Section 1

Expediting expenses

Following Breakdown for which liability has been admitted under this section of the Policy, We will pay reasonable expenses for:

- a) temporary repairs to Equipment;
- b) hiring of temporary Equipment;
- c) reprogramming of data to computer controlled Equipment;
- d) additional labour costs and overtime actually incurred due to Breakdown when manual methods of performing a function are used to continue the operation of Your Business; and
- e) express freight including overseas airfreight.

We will not pay for:

- i. expenses for specialists or consultants to travel from outside of Australia;
- ii. air freight by aircraft specifically chartered for the purpose;
- iii. overtime charges which exceed 50 per cent of the cost of carrying out the repairs at ordinary rates; or
- iv. any repairs or replacement of Equipment which has been hired or is on loan to You from a third party.

Our maximum liability under this additional benefit shall not exceed:

1. \$50,000 for any one claim or 20 per cent of the Limit of Liability for this section specified in the Schedule where blanket cover is specified on the Schedule, whichever is the lesser;
2. \$50,000 for any one claim or 20 per cent of the Limit of Liability specified for the Insured Item that has suffered Breakdown where specified items cover is specified on the Schedule, whichever is the lesser; or
3. the amount specified in the Schedule against "Expediting Expenses",

whichever is the greater.

The maximum liability provided under this additional benefit is in addition to:

1. the Limit of Liability for this section specified in the Schedule where blanket cover is specified in the Schedule; or
2. the Limit of Liability specified for the Insured Item that has suffered Breakdown where specified items cover is specified in the Schedule.

Loss of contents undergoing direct processing

Following Breakdown that has been indemnified under this section of the Policy, We will pay the reasonable cost to replace contents undergoing direct processing in an Insured Item which are lost, damaged or spoiled as a result of Breakdown of the Insured Item in which the contents are undergoing direct processing.

This additional benefit does not provide any cover for Deterioration of Stock.

Our total liability under this additional benefit is limited to \$2,500 which is in addition to:

1. the Limit of Liability for this section specified in the Schedule where blanket cover is specified in the Schedule; or
2. the Limit of Liability specified for the Insured Item that has suffered Breakdown where specified items cover is specified in the Schedule.

Refrigerant cost or insulating oil

Following Breakdown that has been indemnified under this section of the Policy, We will pay the cost of replacing liquids or refrigerant gas for air conditioning or refrigeration units and insulating oil from transformers or capacitors.

We will not pay for loss of gas or liquid resulting from leakage from glands, seals, gaskets, joints or fatigue-fractured pipes.

Our total liability in respect of a claim under this additional benefit shall not exceed:

1. the Limit of Liability for this section specified in the Schedule where blanket cover is specified in the Schedule; or
2. the Limit of Liability specified for the Insured Item that has suffered Breakdown where specified items cover is specified in the Schedule.

Exclusions applicable to Section 1

We will not pay for:

1. loss or damage directly or indirectly caused by, or arising from, or in consequence of any of the following:
 - a) fire, extinguishing of fire and any subsequent demolition, dismantling and clearance of debris, lightning, thunderbolt, explosion (other than Pressure Equipment Explosion), spontaneous combustion, fermentation, heating or any process involving the direct application of heat; or
 - b) theft, or attempted theft; or
 - c) aircraft or other aerial devices or articles dropped therefrom or sonic boom; or
 - d) earthquake, subterranean fire or volcanic eruption; or
 - e) storm, tempest, rainwater, snow, sleet, wind, hail, Flood, water from or action of the sea, tsunami, tidal wave or high water; or
 - f) water, liquids, or substances discharged, overflowing or leaking from apparatus, appliances, pipes or other systems, unless such apparatus, appliances, pipes or other systems form part of the Insured Item; or
 - g) riots, civil commotions, strikes or locked out workers or persons taking part in labour disturbances or acts of vandalism, or acts of any lawfully constituted authority in connection with the foregoing acts, or cessation of work whether total or partial; or

- h) attempts by civil authorities to prevent the spread of fire; or
 - i) unexplained inventory shortages or disappearances; or
 - j) unloading on delivery to, or loading prior to dispatch from, the Situation; or
 - k) demolitions ordered by Government or Public or Local Authorities; or
 - l) erosion, subsidence, or collapse or any other movement of earth; or
 - m) steam, condensation or oxidation; or
 - n) impact by vehicle, watercraft, aircraft or animal; or
 - o) testing and commissioning, intentional overloading or experiments; or
 - p) faults or defects known to You or any employee whose knowledge in law would be deemed to be Your knowledge and not disclosed to Us at the time this insurance was arranged, extended, varied, renewed or reinstated; or
 - q) any process of heat treatment, welding, grinding, cutting, drilling, shaping or the application of tools to the Insured Item other than for the purpose of lifting the Insured Item; or
 - r) an Insured Item which has been operated in an unsafe condition; or
 - s) an Insured Item not complying with Australian standards, codes or laws.
2. any cost of repair or replacement of:
- a) exchangeable parts and tools of all kinds including, but not limited to drills, crushers, patterns for casting, knives, saw blades, stones, stamps or fuses; or
 - b) replaceable parts including, but not limited to, conveyor belts, sieves, hoses, rubber, textile and plastic linings, bands, brushes, electrical contacts, heating elements, batteries, glass bulbs and tubes, x-ray tubes, diodes, tyres, ropes, chains, belts, seals, parts made of glass, porcelain or ceramics; or
 - c) foundation blocks, refractory or brick lining of furnaces, ovens and containers, firing grids or burner nozzles; or
 - d) fuels, filters, operating media (which does not include refrigerant gas), oils, or lubricants; or
 - e) catalysts, chemicals, contact agents,
- unless any of the above are damaged as a result of Breakdown insured under this section of the Policy and not otherwise excluded.
3. repair or replacement necessitated by;
- a) wasting or wearing out of any parts caused by, or resulting from, ordinary use or working or gradual deterioration; or
 - b) blisters, imperfections in laminations, flaws or grooving; or
 - c) rust, corrosion, cavitation, erosion, oxidation, deposits of scale, sludge or other sediment; or
 - d) slowly developing deformation or distortion; or
 - e) any direct consequences of progressive or continuous influences from working or atmospheric conditions, chemical action, moisture or change in temperature other than accidental contact with acids or other corrosive substances, causing Breakdown which manifests itself within 24 hours of such accidental contact,
- but We will be liable for Breakdown to an Insured Item resulting from such causes, other than the Insured Item immediately affected.
4. the cost of:
- a) maintenance work including but not limited to the tightening of loose parts, recalibration or adjustments; or
 - b) alteration, additions, improvements or overhauls whether carried out in the course of repairing damage or as a separate operation; or
 - c) modification or alteration of Insured Items to enable them to operate with a more ozone-friendly refrigerant gas as required by the United Nations Environmental Protection Montreal Protocol with respect to substances which deplete the ozone layer, unless conversion is necessitated by Breakdown; or
 - d) replacement of lighting equipment, reticulated liquid and gas piping and ducting; or
 - e) electrical mains or cables, other than electrical distribution cabling contained within a building; or
 - f) repairs to valves, fittings, glands, joints, gaskets, pipes, lines and connections which are defective or leaking.
5. Breakdown for which the manufacturer, supplier or repairer of the Insured Item is responsible either by law or under contractual obligations.

Section 2

Electronic Equipment – Fire & Specified Perils

This section forms part of Your Policy if so shown on Your Schedule.

The cover

We will indemnify You in accordance with the basis of settlement set out below for Fire and Specified Perils which occur at the Situation during the Period of Insurance.

The cover provided under this section applies to Insured Items of Electronic Equipment only and whilst the Insured Item is at the Situation in a state of working or at rest, or in the process of being dismantled, moved, reassembled, or reinstalled for adjustment, cleaning, inspection, overhaul, relocation or repair.

Basis of settlement

In the event of Fire and Specified Perils which are covered by this section of the Policy, the basis of settlement under the Policy will be:

- a) in the case of an Insured Item which can be repaired, We will at Our option pay You:
 - i. the cost of repairs necessary to restore the Insured Item to its condition immediately before the occurrence of the Fire and Specified Perils using new or used parts; and
 - ii. the cost of any provisional repairs to the Insured Item if such repairs constitute a reasonable and necessary part of the final repairs and do not increase the total overall repair cost; or
- b) in the case of an Insured Item that cannot be repaired or is deemed by Us to be uneconomical to repair, We will at Our option:
 - i. replace the Insured Item with an item of similar function, type, capacity and quality; or
 - ii. pay You the cost of replacement of the Insured Item by an item of similar function, type, capacity and quality in a condition equal to, but not better than, the condition of the Insured Item immediately before the occurrence of the Fire and Specified Perils.

Limit of liability

Our maximum liability under this section of the Policy shall not exceed the Limit of Liability specified in the Schedule for the Insured Item that has suffered from Fire and Specified Perils.

Provided that the Limit of Liability specified in the Schedule for an Insured Item must not be less than 80 per cent of the replacement cost of the Insured Item. For the basis of settlement clause above, the replacement cost is that necessary to restore the Insured Item to its condition immediately before the occurrence of the Fire and Specified Peril.

If at the time of loss an Insured Item is found to have a Limit of Liability less than 80 per cent of the replacement cost of the Insured Item in accordance with the basis of settlement clause, the basis of settlement will be limited to the same proportion of the cost as the Limit of Liability bears to 80 per cent of the replacement cost.

Additional benefits

Systems manual costs

Following Fire and Specified Perils that has been indemnified under this section of the Policy, We will pay the cost of replacement of system manuals.

Our total liability under this additional benefit is limited to \$5,000 unless otherwise shown in the Schedule.

Transit and temporary removal extension

For an Insured Item which is indicated in the Schedule as having this extension applying, the cover under section 2 of this Policy is extended to include cover for Fire and Specified Perils occurring during the Period of Insurance during the temporary removal of that Insured Item from the Situation to anywhere in Australia but not:

- a) whilst in storage or whilst being transported for storage or during permanent removal from the Situation;
- b) if stolen from any unlocked vehicle;
- c) whilst unattended in the open air; or
- d) whilst in transit as checked baggage or cargo.

Section 3

Deterioration Of Stock

This section forms part of Your Policy if so shown on Your Schedule.

The cover

We will indemnify You in accordance with the basis of settlement set out below for Deterioration of Stock which occurs at the Situation during the Period of Insurance due to:

1. a rise or fall in the temperature of the Cold Storage resulting from:
 - a) Breakdown under section 1 where liability has been accepted under section 1 for such Breakdown; or
 - b) a change in the concentration of gases in the Cold Storage; or
 - c) failure of thermostats or operation or failure of pressure controls or other limiting devices. This will not include loss due to the manual operation of switches or valves; or
 - d) failure of the public electricity supply at the terminal point of the supply authority's feed to the Situation caused by:
 - i. sudden and unforeseen physical loss and/or physical damage to the supply authority's system necessitating immediate repair to allow continuation of use; or
 - ii. a deliberate act of the supply authority performed for the sole purpose of safeguarding life or protecting a part of the supply authority's system; and
2. contamination of Stock directly by contact with refrigerant gas or liquid leaking from an Insured Item.

Basis of settlement

In the event of a claim for Deterioration of Stock we will, at Our option, either:

- a) replace the Deteriorated Stock; or
- b) pay Your actual cost to replace the Deteriorated Stock.

Limit of liability

Our maximum liability under this section of the Policy shall not exceed the Limit of Liability for Deterioration of Stock specified in the Schedule which shall be the value declared by You to be the maximum replacement cost of the Stock in Cold Storage at peak time.

Provided that We shall not be liable to pay You a greater proportion of the amount of loss than the Limit of Liability specified in the Schedule bears to 80 per cent of the actual maximum replacement cost of Stock in Cold Storage at peak time.

Additional benefits applicable to Section 3

Disposal costs

In addition to the amount We pay under the basis of settlement, We will pay the reasonable disposal costs You may incur for charges to dispose of the Deteriorated Stock, subject to Our prior consent. Our Limit of Liability for disposal of the Deteriorated Stock will be limited to \$2,500 less any Excess applicable or the amount specified in the Schedule.

Seasonal increase

The Limit of Liability for this section of the Policy will automatically increase by 30 per cent during the following periods:

- a) 60 days before New Year's Day and 10 days following New Year's Day; and
- b) 30 days before Good Friday and 10 days after Good Friday; or
- c) as otherwise indicated on the Schedule.

Exclusions applicable to Section 3

This Policy does not cover Deterioration of Stock arising out of:

1. improper storage or packing before, during or after refrigeration;
2. inherent defect in the refrigerated Stock; or
3. damage to Stock that are alive or pharmaceutical or bacterial in nature.

Section 4

Business Interruption

This section forms part of Your Policy if so shown on Your Schedule.

The cover

If the Business carried on by You is interrupted or interfered with as a result of Breakdown, occurring during the Period of Insurance, for which a claim has been paid or liability admitted, or such claim would have been paid or liability admitted but for the application of an Excess under section 1 of this Policy, We will, after taking into account any sum saved during the Indemnity Period in respect of such charges and expenses of the Business as may cease or be reduced in consequence of the interruption or interference, indemnify You in respect of the loss arising from such interruption or interference in accordance with the basis of settlement clause set out below, where the Schedule specifies that cover is insured. Our maximum liability shall not exceed the Limit of Liability specified on the Schedule for an item where the Schedule specifies that item is insured.

Basis of settlement

Item 1 (a) – Gross profit

The insurance under this item is limited to actual loss of Gross Profit due to: a) reduction in Turnover; and b) increase in cost of working; and the amount payable as indemnity thereunder shall be:

- a) in respect of reduction in Turnover: the amount produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall, in consequence of the Breakdown, fall short of the Standard Turnover; and
- b) in respect of increase in cost of working: the additional expenditure necessarily and reasonably incurred by You for the sole purpose of avoiding or minimising the reduction in Gross Profit during the Indemnity Period in consequence of the Breakdown, but not exceeding the reduction in Gross Profit thereby avoided,

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

Provided that if the declared value of Gross Profit at the commencement of the Period of Insurance be less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover (or its proportionately increased multiple thereof, where the Indemnity Period exceeds 12 months), the amount payable hereunder shall be proportionately reduced.

This item excludes the cost of reinstatement of data.

Item 1 (b) – Gross revenue

The insurance under this item is limited to loss of Gross Revenue due to: a) reduction in Gross Revenue; and b) increase in cost of working; and the amount payable as indemnity thereunder shall be:

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

less any sum saved during the Indemnity Period in respect of such charges and expenses of the Business as may cease or be reduced in consequence of the Breakdown. Provided that if the declared value of Gross Revenue declared at the commencement of the Period of Insurance is less than the Annual Gross Revenue (or the appropriate multiple if the Indemnity Period exceeds 12 months) the amount payable hereunder shall be proportionately reduced.

This item excludes the cost of reinstatement of data.

Item 1 (c) – Gross rentals

The insurance under this Item is limited to loss of Gross Rentals due to: a) reduction in Gross Rentals; and b) increase in cost of working; and the amount payable as indemnity thereunder shall be:

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

less any sum saved during the Indemnity Period in respect of such charges and expenses of the Business as may cease or be reduced in consequence of the Breakdown. Provided that if the declared value of Gross Rentals declared at the commencement of the Period of Insurance is less than the Annual Gross Rentals (or the appropriate multiple if the Indemnity Period exceeds 12 months), the amount payable hereunder shall be proportionately reduced.

This item excludes the cost of reinstatement of data.

Item 2 – Payroll

The insurance under this item is limited to loss in respect of Payroll due to: a) reduction in Turnover; and b) increase in costs of working; and the amount payable as indemnity thereunder shall be:

- a) in respect of reduction of Turnover:
- i. during the portion of the Indemnity Period beginning with the occurrence of the Breakdown and ending not later than the number of weeks thereafter specified in the Schedule as the 'Initial Period': the sum produced by applying the Rate of Payroll to the Shortage in Turnover during the said portion of the Indemnity Period, less any saving during the said portion of the Indemnity Period, through reduction in consequence of the Breakdown in the amount of Payroll paid; and
 - ii. during the remaining portion of the Indemnity Period: the sum produced by applying the Rate of Payroll to the Shortage in Turnover during the said remaining portion of the Indemnity Period specified in the Schedule as 'Remainder', less any saving during the said remaining portion of the Indemnity Period, through reduction in consequence of the Breakdown, in the amount of Payroll paid; but not exceeding the sum produced by applying the percentage of the Rate of Payroll specified in the Schedule to the Shortage in Turnover during the said remaining portion of the Indemnity Period, increased by such amount as is deducted for savings in the amount of Payroll paid under the terms of clause a) i. of this item.

At Your option, the number of weeks referred to in clause a) i. above may be increased to the number of weeks specified in the Schedule under the heading "Consolidated Period" provided that the amount arrived at under the provisions of clause a) ii. shall not exceed such amount as is deducted under clause a) i. for savings effected during the said increased number of weeks.

- b) in respect of increase in cost of working:
- so much of the additional expenditure described in clause a) of Item 2 as exceeds the amount payable thereunder, but not more than the additional amount for loss of Payroll which would have been payable in respect of loss of Payroll under the provisions of Clauses a) i. and ii. of this item had such expenditure not been incurred.

Provided that if the declared value of insured Payroll at the commencement of the Period of Insurance be less than the sum produced by applying the 'Payroll Limits' on the Schedule to the sum produced by applying the Rate of Payroll to the Annual Turnover (or its proportionately increased multiple thereof, where the Indemnity Period exceeds 12 months) the amount payable shall be proportionately reduced.

This item excludes the cost of reinstatement of data.

Item 3 – Additional increased cost of working

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

This item excludes the cost of reinstatement of data.

Conditions applicable to Section 4

Turnover elsewhere after breakdown

Where the Schedule specifies that Gross Profit is insured, if, during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the Situation for the benefit of the Business either by You or by others on Your behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

Gross rentals elsewhere after breakdown

Where the Schedule specifies that Gross Rentals are insured, if during the Indemnity Period the Business shall be conducted elsewhere than at the Situation, the Gross Rentals derived from such other premises shall be brought into account in arriving at the Gross Rentals during the Indemnity Period.

Gross revenue elsewhere after breakdown

Where the Schedule specifies that Gross Revenue is insured, if during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the Situation for the benefit of the Business either by You or by others on Your behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Gross Revenue during the Indemnity Period.

Departmental clause

If the Business is conducted in departments, divisions or locations, of which the independent trading results are ascertainable, the provisions of the basis of settlement shall apply separately to each department, division or location affected by the Breakdown.

New business

In the event of Breakdown occurring at the Situation before the completion of the first year's trading of the Business the terms "Rate of Gross Profit", "Annual Turnover", "Standard Turnover", "Rate of Payroll", "Standard Gross Rentals", "Annual Gross Rentals", "Standard Gross Revenue" and "Annual Gross Revenue" shall bear the following meanings and not as stated within the definitions section of the Policy:

Rate of Gross Profit means the rate of Gross Profit earned on the Turnover during the period between the date of the commencement of the Business and the date of the Breakdown.

Annual Turnover means the proportional equivalent, for a period of 12 months, of the Turnover realised during the period between the commencement of the Business and the date of the Breakdown.

Standard Turnover means the proportional equivalent, for a period equal to the Indemnity Period, of the Turnover realised during the period between the commencement of the Business and the date of the Breakdown.

Rate of Payroll means the rate of Payroll to Turnover during the period between the date of the commencement of the Business and the date of the Breakdown.

Standard Gross Rentals means the proportional equivalent for a period equal to the Indemnity Period, of the Gross Rentals realised during the period between the commencement of the Business and the date of the Breakdown.

Annual Gross Rentals means the proportional equivalent, for a period of 12 months of the Gross Rentals realised during the period between the commencement of the Business and the date of the Breakdown.

Standard Gross Revenue means the proportional equivalent for a period equal to the Indemnity Period, of the Gross Revenue realised during the period between the commencement of the Business and the date of the Breakdown.

Annual Gross Revenue means the proportional equivalent, for a period of 12 months of the Gross Revenue realised during the period between the commencement of the Business and the date of the Breakdown.

Adjustments

Adjustments shall be made to the Rate of Gross Profit, Annual Turnover, Standard Turnover, Rate of Payroll, Standard Gross Rentals, Annual Gross Rentals, Standard Gross Revenue and Annual Gross Revenue as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Breakdown or which would have affected the Business had the Breakdown not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which, but for the Breakdown, would have been obtained during the relative period after the Breakdown.

In adjusting any loss, account shall be taken and equitable allowance made if any Shortage in Turnover due to the Breakdown is postponed by reason of the Turnover being temporarily maintained from accumulated stocks of finished goods.

Turnover/Output alternative

Upon agreement between Us and You, the term "Output" may be substituted for the term "Turnover" and, for the purpose of this section of the Policy "Output" shall mean the sale and/or invoice value of goods manufactured and/or processed by You in the course of the Business at the Situation. Provided that only one such term, either Output or Turnover, shall be operative in connection with any one event involving Breakdown.

If the Output alternative set out above is used, the condition titled "Turnover elsewhere after Breakdown" in this section of the Policy shall be altered to read as follows:

"Where the Schedule specifies that Gross Profit is insured, if during the Indemnity Period goods shall be manufactured and/or processed other than at the Situation for the benefit of the Business either by the You or by others on Your behalf the sale and/or invoice value of the goods so manufactured and/or processed shall be brought into account in arriving at the Output during the Indemnity Period",

and the definition of Gross Profit shall be altered to read:

"The difference between the sale value of production and the amount of the Uninsured Working Expenses".

Additional benefits applicable to Section 4

Additional rental or lease re-establishment costs

We will pay the additional rental or lease re-establishment costs incurred as a direct result of Breakdown to any item of Electronic Equipment, if at the time of Breakdown, for which a claim is payable, there is a lease or hire contract in force which is cancelled and replaced by a new contract in respect of Electronic Equipment similar to the items damaged.

Provided that:

- a) Our liability under this additional benefit will not exceed 25 per cent of the Limit of Liability for loss of Gross Profit, Gross Revenue or Gross Rentals as applicable;
- b) Our liability will cease when the Business is no longer affected by the Breakdown, or after a period of two years commencing from the time of the Breakdown, whichever shall first occur; and
- c) the Limit of Liability shown on the Schedule for Gross Profit, Gross Revenue or Gross Rentals, as applicable, is not otherwise exhausted.

Public utilities

We shall be liable for loss resulting from interruption of or interference with the Business in consequence of sudden and unforeseen physical loss or physical damage to land based equipment not owned or operated by You, which is used to supply steam, gas, air, water, refrigeration, electricity, telephone or internet services to a Situation specified in the Schedule, provided that:

- a) the equipment is of a type described in the definition of Equipment;
- b) the equipment is owned either by the building owner at the Situation, a public utility or an entity contracted by You or the building owner for such public utility services;
- c) the damage to the equipment would have been covered under this Policy and not otherwise excluded if the equipment was owned or operated by You; and
- d) the equipment is located on or within 1,000 metres of the Situation. If the equipment is a reticulating system, the 1,000 metres shall be calculated from the point of where the damage to the reticulating system occurred.

Our Limit of Liability is the amount stated in the Schedule for "Public Utilities".

A separate Excess may be stated in the Schedule as applying to this additional benefit and if so will apply to loss arising under this additional benefit

Prevention of access

We shall be liable for loss resulting from interruption of or interference with the Business as a direct result of sudden and unforeseen physical loss or physical damage to equipment not owned or operated by You, which prevents or hinders the use or access to the Situation specified in the Schedule, provided that:

- a) the equipment is of a type described in the definition of Equipment; and
- b) the equipment is located at or adjacent to the Situation; and
- c) the damage to the equipment would have been covered under this Policy and not otherwise excluded if the equipment was owned or operated by You.

The period of cover under this clause is limited to 2 consecutive weeks, or the period specified in the Schedule for "Prevention of Access – Maximum Period of Cover", whichever is the greater.

A separate Excess may be stated in the Schedule as applying to this additional benefit and if so will apply to loss arising under this additional benefit

Return premium

In the event that the Gross Profit, Gross Revenue, Gross Rentals, or a proportionately increased multiple thereof where the Indemnity Period exceeds 12 months, earned or Payroll paid during the accounting period of 12 months most nearly concurrent with the Period of Insurance, is less than the Limit of Liability thereon as certified by Your accountants or auditors, a pro-rata return of Premium not exceeding 50 per cent of the annual Premium paid will be made in respect of the difference.

Provided that:

- a) if a claim has been paid or became payable in the period for which an adjustment is to be made under this clause, the amount paid or payable for the claim will be included in the calculation of the Gross Profit earned for the period; and
- b) no return of Premium will be allowed, unless You lodge Your accountant's or auditor's certificate with Us within 12 months of the Period of Insurance for which the return of Premium is claimed.

Exclusions applicable to Section 4

We will not pay for any interruption or interference to the Business caused by or happening through:

1. the perils or circumstances set out in the exclusions applicable to section 1 of this Policy where a claim for Breakdown is excluded by such peril or circumstance; or
2. the perils or circumstances set out in the general exclusions of this Policy.

Additional Benefits Applicable To All Sections

New equipment acquisitions

If You purchase or acquire Equipment which is similar to Insured Items insured under this Policy We will automatically provide cover for 90 days, unless the Period of Insurance ends sooner, for such Equipment under the sections of the Policy which the Schedule shows forms part of Your Policy provided that:

- a) the value of the purchased or acquired Equipment does not exceed the Limit of Liability;
- b) You provide Us with written notice within 90 days of purchasing or acquiring the Equipment;
- c) the purchased or acquired Equipment has become Your responsibility;
- d) You have fulfilled all relevant provisions for installation and certification and the purchased or acquired Equipment has operated satisfactorily for 8 hours following commissioning and hand over;
- e) You pay any additional premium and statutory charges which We require for the addition to the Policy of the purchased or acquired Equipment; and
- f) if such additions are unacceptable to Us, We shall, within 7 days of receiving Your notice, give You reasonable notice that the additional Equipment is unacceptable to Us and on expiry of the specified period the additional Equipment shall no longer be covered.

New situation acquisitions

If You purchase or acquire a new situation during the Period of Insurance, we will automatically provide cover for any Damage at the new situation for up to 90 days, unless the Period of Insurance ends sooner, under the sections of the Policy which the Schedule shows forms part of Your Policy provided that:

- a) the new situation is located in Australia;
- b) the value of any relocated, purchased or acquired Equipment at the new situation does not exceed the Limit of Liability for "New Situation Acquisitions" on Your Schedule;
- c) You provide Us with written notice within 90 days of purchasing or acquiring the new situation;
- d) You pay any additional premium and statutory charges which We require for the addition to the Policy of the purchased or acquired equipment; and
- e) if such additions are unacceptable to Us, We shall, within 7 days of receiving Your notice, give You reasonable notice that the additional situation is unacceptable to Us and on expiry of the specified period the additional situation shall no longer be covered.

Professional fees

Following Damage that has been indemnified under this Policy, We will pay reasonable professional fees and other expenses necessarily incurred by You, for producing or certifying information required by Us and preparation of claims made under this Policy.

Our total liability under this additional benefit is limited to \$10,000 or the amount specified in the Schedule for "Professional Fees", whichever is the greater.

Provided that this cover excludes any costs incurred in relation to Your employees producing, or certifying information, or preparing any claims made under this Policy.

Reinstatement of data

We will pay You up to \$25,000 or the Limit of Liability specified in the Schedule against "Reinstatement of Data", whichever is the greater, less the applicable Excess for:

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

However:

- a) We shall only be liable for costs and expenses incurred within a period of 12 months following the Damage occurring within the Period of Insurance; and
- b) this extension only applies whilst the Data Carrying Media, and the Software is:
 - i. at the Situation; or
 - ii. at a media storage situation; or
 - iii. temporarily at an alternative situation for processing purposes; or
 - iv. in transit between any of the situations at b) ii. or b) iii. or the Situation.

Whilst We are insuring reinstatement of data, in the event of Damage You must be able to provide Us with documents or such other reasonable information we request as proof of Your ownership and licence to use such Software. Unless You are prevented by licence conditions, You must keep Backups of the Software in a secure location. If the Software was written by or for You, or substantially modified by You or on Your behalf, insurance is provided on the condition that a complete Backup is kept at a secure offsite location or in a fireproof safe at Your Situation updated at least on a weekly basis (but more often if prudent to do so) unless no changes have been made to the Software since the last Backup. Such Backup must be periodically tested (i.e. at least once every 2 months or sooner if substantial Software modifications have been made) to verify that the Backup procedure is correct and that the Backup is complete and useable.

When we make a request, we will only ask you for documents or information that are relevant to your claim and we will tell you why they are needed.

Exclusions Applicable To All Sections

This Policy does not cover any of the following:

Alterations and improvements

We will not be responsible for the costs of any alterations, improvements, maintenance or overhauls carried out on the occasion of the repair or replacement.

Asbestos

Actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of or in any way involving asbestos or any materials containing asbestos in whatever form or quantity.

Contractual agreements

Any loss or damage arising out of liability assumed by You by contractual agreement, unless such liability would have attached to You notwithstanding such contract or agreement.

Cyber

We will not be liable for 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:

- a) any Cyber Act, including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act;
- b) any Cyber Incident, including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Incident, unless any Damage to property insured and any Time Element Loss are the direct result of a Cyber Incident, which has not been directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act, and such Damage is directly caused by the following perils if otherwise covered under the Policy:
 - i. theft, burglary or forcible entry;
 - ii. storm, windstorm, hail, tornado, cyclone, hurricane;
 - iii. fire, lightning or explosion;
 - iv. earthquake, volcanic eruption or tsunami;
 - v. Flood, freeze or weight of snow;
 - vi. aircraft impact or vehicle impact or falling objects;
 - vii. water damage;
 - viii. a change in temperature affecting refrigerated goods; or
 - ix. machinery or electronic Breakdown, including collapse or explosion of Pressure Equipment; or

- c) any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Electronic Data, including any amount pertaining to the value of such Electronic Data.

Provided however should Data Carrying Media owned or operated by You suffer Damage insured by this Policy, then this Policy will cover the cost to repair or replace the Data Carrying Media itself plus the costs of copying the Electronic Data from back up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the Electronic Data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Carrying Media. However, this Policy excludes any amount pertaining to the value of such Electronic Data, to You or any other party, even if such Electronic Data cannot be recreated, gathered or assembled.

This exclusion does not apply to any amounts payable under the additional benefit 'Reinstatement of data' or loss directly caused by acts of fraud or dishonesty by Your employee(s) provided these acts are otherwise covered under this Policy.

Legal liability

Legal liability of any nature whatsoever.

Nuclear risks

- a) Any loss or damage to property eligible for insurance by the relevant local Nuclear Insurance Pool and/or Association; or
- b) loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from:
- i. ionising radiation from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
 - ii. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
 - iii. any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter; or
 - iv. the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter.

The exclusion in this sub-clause iv. does not extend to radioactive isotopes, other than nuclear fuel or nuclear waste, when such isotopes are on the property insured and are being prepared, stored or used in the normal course of operations by the Insured for the commercial, agricultural, medical, scientific or other similar peaceful purposes for which they were intended.

Sanctions

We will not be liable to provide any cover, pay any claim or provide any benefit under this policy (including any refund of premium), to the extent that such cover, claim, benefit or refund may contravene or expose us to any sanction, prohibition or restriction under United Nations resolutions or any trade or economic sanctions, laws or regulations of any country.

Terrorism

Notwithstanding any provision to the contrary within this Policy, or any endorsement thereto, it is agreed that this Policy excludes loss, damage, cost or expense directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any Act of Terrorism, as defined herein, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

This Policy also excludes loss, damage, cost or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any action in controlling, preventing, suppressing, retaliating against, or responding to any Act of Terrorism.

Unoccupancy

We will not pay a claim where the Situation becomes unattended and remains so for a period of more than 60 consecutive days during which time Damage occurs, unless Our written consent to the Situation being unattended has been previously obtained.

War

Any loss or damage occasioned by or through or in consequence directly or indirectly of any of the following occurrences:

- a) war, invasion, act of foreign enemy, hostilities, or warlike operations (whether war be declared or not), civil war; or
- b) mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power.

Furthermore any loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to the excluded perils specified in this clause is also excluded from this Policy.

Consequential loss

We will not pay for consequential loss of any kind, except as herein provided in section 4. This exclusion includes but is not limited to direct or indirect financial or economic loss such as loss of use, loss of profits or depreciation, liquidated damages, compensation, fines and penalties.

Communicable diseases

Any loss, damage, liability, cost or expense of whatever nature directly or indirectly caused by, arising from, contributed to by, or in connection with:

- a) disease; or
- b) a Communicable Disease; or
- c) any disease determined to be a 'listed human disease', or any disease in respect of which a 'biosecurity emergency' or 'human biosecurity emergency' is declared, under the *Biosecurity Act 2015* (Cth) including any amendment, replacement, re-enactment, successor, equivalent or similar legislation including delegated legislation; or

Conditions Applicable To All Sections

The following conditions apply to the Policy:

Alteration of risk

You must notify Us as soon as reasonably possible of any proposed alterations or modifications to the Business activities of the Insured and of any proposed departure from the working conditions and any changes in the circumstances which prevailed when the Policy came into existence which You know (or which a reasonable person in the circumstances could be expected to know) would materially increase the risk of a claim under this Policy. If any such alteration, modification, departure or change increases the risk of Damage or loss and We have not provided Our written consent to that alteration, modification, departure or change, then in the event of Damage, We may reduce or refuse to pay any claim.

Cancellation

You may cancel the Policy at any time by giving Us written notice. Such cancellation will be effective from the date We receive Your written notice. We will refund the Premium less an amount:

- a) which covers the period for which You were insured;
- b) for reasonable administrative costs relating to the issue and cancellation of the Policy; and
- c) for any government taxes or duties that are non-refundable.

We will not refund any Premium in respect of any Insured Item or Stock for which We have paid a claim or for which You are entitled to make a claim.

We may cancel the Policy in accordance with the provisions of the Insurance Contracts Act 1984 (Cth). We will refund Your Premium less an amount which covers the period for which You were insured.

Claims conditions

1. In the event of Damage or loss which may result in a claim under this Policy, You must:
 - a) notify Us as soon as reasonably possible by telephone, email or facsimile and complete a claim form giving an indication of the circumstances, nature and extent of the event;
 - b) take all reasonable steps within Your power to minimise loss or Damage and prevent further loss or Damage;
 - c) advise the nearest police station in the case of property lost, stolen, vandalised or Damaged and obtain a written police report if requested by Us;
 - d) if You are unable to obtain a written police report, please contact us to discuss alternatives;
 - e) supply, at Your cost, all such proof, information and other evidence with respect to the claim as We may reasonably require;

- d) any disease determined by the World Health Organization to be a Public Health Emergency of International Concern (PHEIC); or
- e) any 'notifiable infectious disease' as defined under the *Health Act 1956* (NZ) including any amendment, replacement, re-enactment, successor, equivalent or similar legislation including delegated legislation; or
- f) any 'notifiable organism' as defined under the *Biosecurity Act 1993* (NZ) including any amendment, replacement, re-enactment, successor, equivalent or similar legislation including delegated legislation; or
- g) Highly Pathogenic Avian Influenza (HPAI) in humans; or
- h) Severe Acute Respiratory Syndrome (SARS); or
- i) rabies; or
- j) cholera; or
- k) smallpox; or
- l) any pandemic, epidemic or any other outbreak of infectious disease; or
- m) any:
 - i. mutation of; or
 - ii. fear or threat (actual or perceived) of; or
 - iii. action taken to control or prevent or suppress; orany of the diseases, conditions or circumstances described in this exclusion.

Provided however, this exclusion will not apply to Damage insured under Section 1 Equipment Breakdown, Section 2 Electronic Equipment Fire & Specified Perils and 3 Deterioration of Stock or loss and additional costs or expenses insured under Section 4 Business Interruption caused by the following perils subject to all other provisions of the Policy:

fire, lightning, thunderbolt, explosion, spontaneous combustion, fermentation, heating or any process involving the application of heat, burglary, theft (or attempted theft) of an Insured Item consequent upon violent and forcible entry of securely locked premises, vehicle, or container containing the Insured Item, aircraft or other aerial devices or articles dropped therefrom or sonic boom, earthquake, subterranean fire, volcanic eruption, storm, tempest, rainwater, snow, sleet, wind, hail, Flood, water or action of the sea, tsunami, tidal wave, or high water, water, liquids or substances discharged, overflowing or leaking from fixed apparatus, fixed appliances, fixed pipes or other systems, riots, civil commotions, strikes, locked out workers, persons taking part in labour disturbances, acts of vandalism, or acts of any lawfully constituted authority in connection with the foregoing acts, cessation of work whether total or partial, attempts by civil authorities to prevent the spread of fire, impact of vehicle, watercraft, aircraft, animal, trees or branches of trees, communication masts, towers, antennae, satellite dishes, watercraft, meteorites, or theft of Electronic Data solely where such theft is accompanied by theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing such Electronic Data.

For the avoidance of doubt "any loss, damage, liability, cost or expense" includes any cost to clean up, decontaminate, disinfect, remove, replace, monitor and/or test for such diseases, conditions or circumstances described in this exclusion.

- f) preserve the parts affected of any Insured Item and make them available for inspection by Us or Our representative at a reasonable time and place;
- g) ensure that no repairs are undertaken or physical evidence of any Damage or loss removed without Our consent first being obtained. You should seek Our prior written consent before incurring any costs for repairs to ensure You will be able to claim those costs back on Your policy. If You do not obtain Our prior written consent, We will only pay reasonable costs up to the amount We would have agreed to pay had You obtained Our agreement first.

If You do not comply with these conditions, We may, in the event of Damage or loss reduce, or refuse to pay, a claim under the Policy.

The course of action We take when You do not comply with these conditions will be considered in each circumstance based on what impact or effect Your failure to meet Your responsibilities caused or contributed to the claim.

You should seek Our prior written consent before incurring any costs for repairs to ensure You will be able to claim those costs back on Your policy. If You do not obtain Our prior written consent, We will only pay reasonable costs up to the amount We would have agreed to pay had You obtained Our agreement first.

2. When Damage or loss occurs, You may appoint a licensed repairer of Your choice, but:

- a) You must make the Insured Item available for inspection by Us, Our employees or agents at a reasonable time and place; and
- b) We reserve the right to invite, accept, adjust or decline estimates, or to arrange at Our expense for the removal of the Insured Item to an inspection by other repairers for quotation purposes.

Any such inspection shall not amount to a representation as to ownership, fitness for purpose, safety or compliance with any law or regulation.

3. In respect of any claim for Damage or loss under this Policy:

- a) We will act reasonably in exercising Our discretion in the conduct of all negotiations and proceedings in respect of such claim; and
- b) You must assist and cooperate with Us in all matters arising out of Damage or loss as We may reasonably require in connection with the conduct of proceedings, including recovery of costs from any party responsible for any Damage or loss; and
- c) You must notify Us of any other insurance that wholly or partly covers the same Damage or loss.

We will keep You reasonably informed and updated with the progress of proceedings.

Goods and services tax

Where We make a payment under this Policy for the acquisition of goods, services or other supply, We will reduce the amount of the payment by the amount of any input tax credit that You are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 in relation to that acquisition, whether or not that acquisition is actually made.

Where We make a payment under this Policy as compensation instead of payment for the acquisition of goods, services or other supply, We will reduce the amount of the payment by the amount of any input tax credit that You would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 had the payment been applied to acquire such goods, services or other supply.

Diligence

You must:

- a) take all reasonable precautions to protect the Insured Items and Stock; and
- b) take all reasonable steps to comply with all legal requirements and instructions of manufacturers and suppliers regarding safety, installation and maintenance of the Insured Items; and
- c) ensure that any safety devices, where fitted or required, are in place and fully operational at all times.

The course of action We take when You do not comply with this condition will be considered in each circumstance based on what impact or effect Your failure to comply caused or contributed to the claim.

Excess

The amount of each claim otherwise payable shall be reduced by the amount of the Excess or Excesses shown in the Schedule and the value of any salvage obtained following a claim.

Fraud

If You make a claim under the Policy which is fraudulent or dishonest in any way, or You collude with anyone in order to make a fraudulent or dishonest claim under the Policy, We are entitled to cancel the Policy and refuse to pay such claim.

Headings

Headings have been included for ease of identification of particular clauses and sections. These headings do not form part of this Policy and have no contractual force.

Inspection

You must allow Us or Our representatives to inspect any Insured Items or Stock at any reasonable time and place. Any such inspection shall not amount to a representation as to ownership, fitness for purpose, safety or compliance with any law or regulation.

Jurisdiction

Should any dispute arise between You and Us over the application of this Policy, such dispute shall be determined in accordance with the law of Australia and the states and territories thereof where the Policy was issued.

In relation to any dispute arising out of or incidental to this contract of insurance, the parties agree to submit to any court of competent jurisdiction in a state or territory of Australia where the Policy was issued.

Payment of premium

When You take out Your insurance, You need to pay Your annual premium by the due date specified on Your Schedule. If Your premium is overdue, We will send You a notice outlining the overdue amount and when it needs to be paid. A payment is unpaid if it cannot be deducted from Your nominated account or credit card, or if it is not received in cash.

If Your premium remains unpaid after the time period specified in the notice We send, We will:

- cancel Your policy for non-payment;
- refuse to pay any claim for an incident occurring after the cancellation date.

If You need to make a claim when Your policy is overdue, and before Your policy has been cancelled for non-payment, We will require You to pay the overdue amount as part of the claim settlement process. Alternatively, where the settlement method allows We can reduce the settlement payment by the overdue amount.

Policy contribution

In the event that Damage or loss is also insured by any other insurance policy or policies, the Insurance Contracts Act 1984 (Cth) will apply to any contribution under the Policy to the claim for Damage.

If You make claim under this Policy, You must advise Us in writing of any other insurance that wholly or partly covers the Damage or loss.

Reinstatement of limit of liability

Following a claim being paid under this Policy, the amount paid in relation to such claim will be automatically reinstated from the date of the Damage or loss. Provided that our maximum liability under this Policy for any one claim shall not exceed the Limit of Liability specified in the Schedule.

Subrogation

Subject to the Insurance Contracts Act 1984 (Cth), We have the right to recover any payments made, or to be made, under the Policy from any party who You may be able to hold liable for the loss or Damage We have paid and:

- a) You and any other party entitled to cover under the Policy must provide Us with all information, documentation and co-operation We may reasonably require in relation to such recovery; and

- b) We will act reasonably in exercising Our discretion in the conduct, defence or settlement of any claim and the right to take any action in Your name; and
- c) You and any other party entitled to cover under the Policy must fully co-operate with us in any legal proceedings available to Us and must provide Us with all information and documentation We reasonably require in connection with the conduct of proceedings; and
- d) if We make any recovery as a result of such claim or legal proceedings against another party, You may only recover from Us any amount (if any) by which the amount recovered by Us exceeds the amount We paid You in relation to the loss or Damage.

When We make a request, We will only ask You for information, documentation or co-operation that is relevant to Our entitlement to make a claim against anyone else, or conduct, defend or settle any legal action, and We will tell You why it is needed.

We will keep You reasonably informed and updated with the progress of proceedings.

Transfer of interest

No interest in this Policy can be transferred without Our written consent.

Termination of cover

Notwithstanding anything contained herein to the contrary, if during any period in respect of which this Policy is in force:

- a) You cease to carry on the Business, or any part of the Business is disposed of, permanently discontinued, or Your interest in the Business or such part thereof ceases otherwise than by death; or
- b) You (being a corporation) are placed in liquidation (or provisional liquidation), are placed under official management, enter into a scheme of arrangement, have receivers and/or managers appointed over Your assets or undertakings; or
- c) You (being a natural person) become bankrupt or enter into a scheme of arrangement or compromise or composition with creditors,

then the insurance cover provided to You under this Policy in respect of such Business shall automatically and forthwith cease.

In the event of the Indemnity Period having begun to run in respect of any claim relating to such Business or part thereof, the Indemnity Period shall thereupon be at an end.

Provided that this condition shall not apply if We have agreed in writing for the continuance of cover in respect of the circumstances described in clauses a), b) or c) above.

Notes

CONTACT DETAILS

ENQUIRIES 13 24 81
CLAIMS 13 24 80

MAILING ADDRESS
GPO BOX 9902 IN YOUR CAPITAL CITY

[CGU.COM.AU](https://www.cgu.com.au)

SYDNEY GPO Box 244 Sydney NSW 2001	MELBOURNE 181 William St Melbourne VIC 3000	BRISBANE 189 Grey St South Bank QLD 4101	PERTH 46 Colin St West Perth WA 6005	ADELAIDE 80 Flinders St Adelaide SA 5000
--	---	--	--	--



Insurer
Insurance Australia Limited
ABN 11 000 016 722 AFSL 227681
trading as CGU Insurance