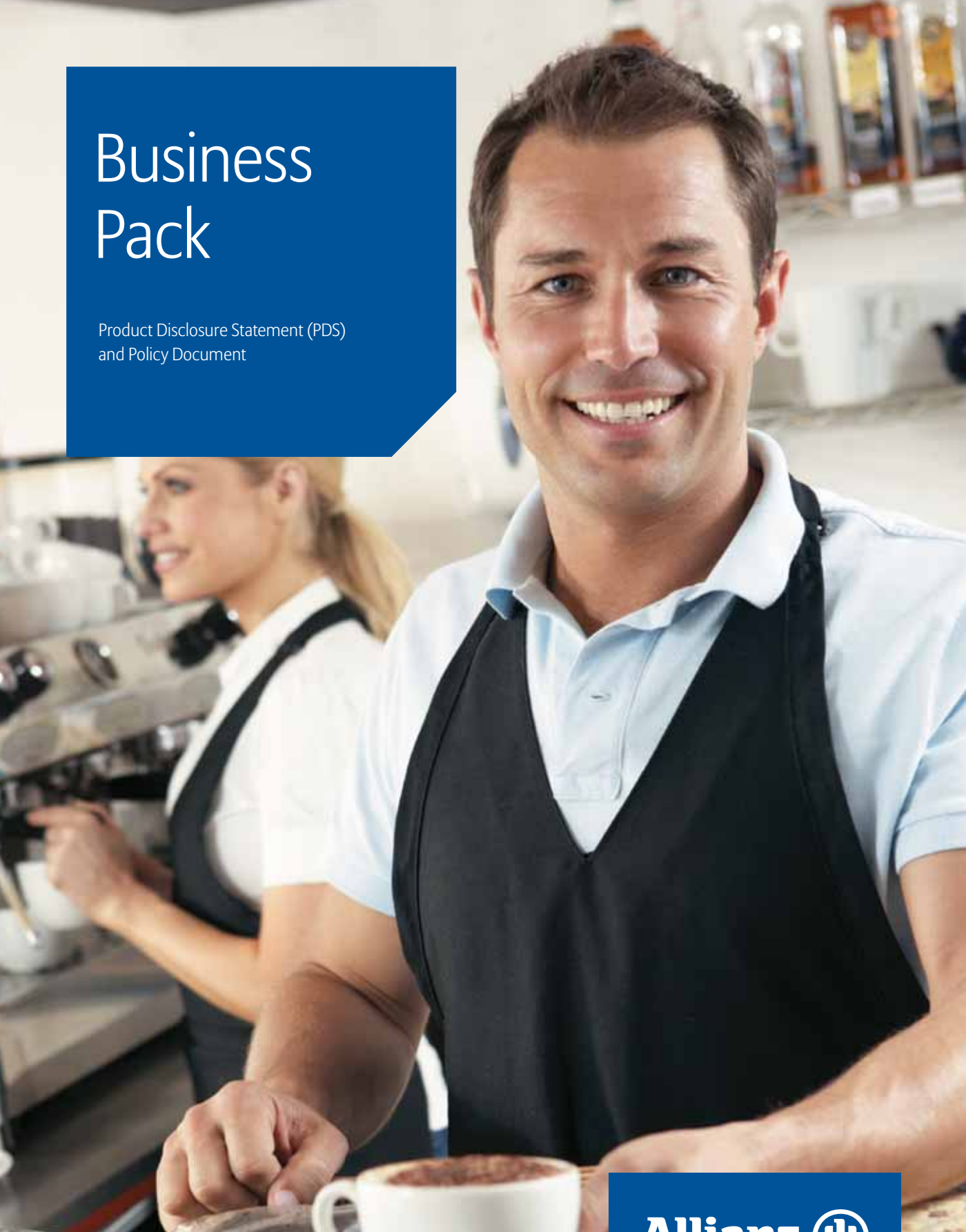


# Business Pack

Product Disclosure Statement (PDS)  
and Policy Document



**Allianz** 

  
**Steadfast**  
STRENGTH WHEN YOU NEED IT



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# Introduction

Welcome and thank you for choosing Allianz Steadfast Business Pack Policy.

## About Allianz

The insurer of this product is Allianz Australia Insurance Limited ABN 15 000 122 850 (Allianz) AFS Licence No. 234708.

Allianz is one of Australia's largest general insurers. We utilise years of local expertise, combined with global experience to offer a wide range of products and services to Our customers. As a member of the worldwide Allianz Group, We are committed to continuous improvement of Our products and services and strive to achieve this through knowledge transfer within the Group, dedicated technical research units, sharing globally new product developments and a wide range of risk management services.

## 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.

## Important information about Steadfast's advice

Any advice Steadfast gives about this Policy does not take into account any of Your particular objectives, financial situation or needs. For this reason, before You act on Steadfast's advice, You should consider the appropriateness of the advice, taking into account Your own objectives, financial situation and needs. Before You make any decisions about whether to acquire this Policy We recommend You should read this insurance Policy.

## Summary of the available covers

Cover Type	Summary of covers (See relevant Policy Section for details, relevant Limits, and specific conditions and exclusions that apply)
Section One – Business Property cover	This covers damage to Property Insured caused by sudden or unexpected or unforeseen occurrence which is not otherwise excluded and provides a number of automatic extra covers, additional benefits and an optional benefit Flood.
Section Two – Business Interruption cover	This covers Consequential Loss of income and/or profits or revenue from the interruption of or interference with Your insured Business due to Damage and provides a number of automatic extra covers, additional benefits and optional benefits.
Section Three – Theft cover	This covers loss of or damage to Property Insured at the Premises and provides a number of automatic additional benefits.
Section Four – Money cover	This covers loss of or damage to Money in Transit, Money contained in the Building during or outside Business Hours, Money in the Building at anytime while contained in a locked Safe or Strongroom and Money in Custody. It also includes a number of automatic additional benefits.
Section Five – Employee Dishonesty cover	This covers You against Loss of Property Insured (including Money) due to the fraudulent or dishonest conduct of an Employee for their own gain or the financial benefit of any other person or organisation. It also provides a number of automatic additional benefits.
Section Six – Machinery cover	This covers Insured Damage to Your Plant and Machinery including their interconnecting cabling and piping and to boilers and pressure vessels. It also provides a number of automatic additional extra covers, additional benefits and an optional benefit for deterioration of Stock in trade.
Section Seven – Electronic cover	This covers Insured Damage to Your Electronic Plant. It also provides a number of automatic extras covers, additional benefits and optional benefits.
Section Eight – Public and Products Liability cover	This covers You for amounts You are legally liable to pay as compensation for Personal Injury and/or Property Damage and/or Advertising Injury occurring within the Geographical Limit as a result of an Occurrence in connection with Your Business. It also provides a number of automatic supplementary payments.

Section Nine – Glass cover	This covers You for accidental Breakage of Glass at the Situation and provides a number of additional benefits.
Section Ten – General Property cover	This covers loss or damage to General Property. You can choose Accidental Damage cover or restricted cover. It provides an optional benefit for Fire.
Section Eleven – Transit cover	This covers damage to Property Insured whilst in Transit anywhere within the Commonwealth of Australia caused by a defined event.
Section Twelve – Personal Accident and Sickness cover	This provides for payment of: <ul style="list-style-type: none"> <li>• a set percentage of the Capital Sum Insured if the Insured Person suffers an Injury resulting in a Defined Event; or</li> <li>• a weekly benefit for Temporary Total Disablement as a result of an insured Injury or Sickness or a Temporary Partial Disablement as a result of an insured Injury.</li> </ul> It also provides a number of automatic additional benefits and optional benefits.

## About this insurance

This is an important document. You should read it carefully before making a decision to purchase this insurance. It will help You to:

- decide whether this insurance will meet Your needs; and
- compare it with other products You may be considering.

Please note that any recommendation or opinion in this document is of a general nature only and does not take into account Your objectives, financial situation or needs.

You need to decide if this insurance is right for You and You should read all of the documents that make up the Policy to ensure You have the cover You need.

**Preparation date: 15/11/2013.**

## Our contract with You

Where We agree to enter into a Policy with You it is a contract of insurance between Us and You (see the definition of “You” for details of who is covered by this term). The Policy consists of:

- this document which sets out the standard terms of Your cover and its limitations;
- Your current Schedule issued by Us. The Schedule is a separate document, which shows the insurance details relevant to You. It may include additional terms, conditions and exclusions relevant to You that amend the standard terms of this document. Only those sections shown as covered in Your Schedule are insured; and
- any other change to the terms of the Policy otherwise advised by Us in writing (such as an Endorsement or Supplementary PDS). These written changes may vary or modify the above documents.

These are all important documents and should be carefully read together and kept in a safe place for future reference.

We reserve the right to change the terms of the Policy where permitted to do so by law.

Any new or replacement Schedule We may send You, detailing changes to Your insurance or the Period of Insurance, will become the current Schedule, which You should carefully read and retain.

## Cooling off period and cancellation rights

You can exercise Your cooling off rights and cancel the Policy within twenty one (21) days of the date You purchased the Policy and receive a refund of the premium paid, provided You have not exercised any right or power under the Policy (e.g. made any claim) and these rights and powers have not ended.

We may deduct any reasonable administrative and transaction costs incurred by Us that are reasonably related to the acquisition and termination of the Policy and any Government taxes or duties We cannot recover, from Your refund amount.

After the cooling off period has ended, You still have cancellation rights, however We may deduct a pro rata proportion of the premium for time on risk, plus any reasonable administrative costs and any Government taxes or duties We cannot recover (refer to “General Policy conditions applicable to all Policy Sections” “Cancellation rights” on page 14, for full details).

## What is covered

Where We have entered into a Policy with You, We will insure You for:

- loss or damage caused by one or more of the covered insured events; and
- the other covered benefits, as set out in the Policy occurring during the Period of Insurance.

Other persons may be entitled to cover, but only if specified as so entitled and limited only to the extent and interest specified.

Cover is provided on the basis:

- that You have paid or agreed to pay Us the premium for the cover provided;
- of the verbal and/or written information provided by You which You gave after having been advised of Your Duty of Disclosure either verbally or in writing.

If You failed to comply with Your Duty of Disclosure or have made a misrepresentation to Us, We may be entitled to reduce Our liability under the Policy in respect of a claim and/or We may cancel Your Policy. If You have told Us something which is fraudulent, We also have the option of avoiding Your Policy (i.e. treating it as if it never existed).

Your Duty of Disclosure and the consequences of nondisclosure, are set out under the heading “Your Duty of Disclosure”, on page 6.

## Some words have special meanings

Certain words used in the Policy have special meanings. The “Words with special meaning” section of this document on pages 8 to 9 contains such terms. In some cases, certain words may be given a special meaning in a particular section of the Policy when used or in the other documents making up the Policy.

Headings are provided for reference only and do not form part of the Policy for interpretation purposes.

## Your obligation to comply with the Policy terms and conditions

You are required to comply with the terms and conditions of the Policy. Please remember that if You do not comply with any term or condition, We may (to the extent permitted by law) decline or reduce any claim payment and/or cancel Your Policy.

If more than one person is insured under the Policy, a failure or wrongful action by one of those persons may adversely affect the rights of any other person insured under the Policy.

## How to make a claim

If You need to make a claim under the Policy, please refer to “Claims” on page 12.

## How We settle claims

Where We agree to reinstate or replace damaged property, We will replace Your property with new goods or repair it using new materials. If You ask for a cash settlement instead, We will deduct an amount for wear, tear and depreciation. This amount depends on the age of the damaged item and the expected useful life.

If You replace an item without Our authority, We will only pay You what We could have replaced it for using trade discounts that are available to Us. More details around how We settle claims are provided in this document under the “What We pay” sections within each Policy Section.

## How We calculate Your premium

The amount of Your premium is determined by taking a number of different matters into account. You can seek a quote at any time.

It is important for You to know in particular that the premium varies depending on the information We receive from You about the risk to be covered by Us. The higher the risk is (e.g. high claims experience), the higher the premium will be. Based on Our experience and expertise as an insurer, We decide what factors increase Our risk and how they should impact on the premium.

We calculate Your premium on the basis of information that We receive from You when You apply for insurance. Some factors impacting premiums include:

- Your nominated Sum Insured;
- where Your Business is situated;
- the materials used in the construction of Your Building(s);
- the nature of Your Business;
- security measures used for Your Property Insured (e.g. alarms, deadlocks); and
- any additional Excess You nominate to pay above Our basic Excess. This means that when You purchase a Policy You may elect to take a higher Excess in the event of a claim, which will reduce the cost of Your premium. If You are interested in this, You should ask Your Steadfast broker to supply You with quotes based on differing amounts of Excesses.

Your premium also includes amounts that take into account Our obligation to pay any relevant compulsory Government charges, taxes or levies (e.g. Stamp Duty, GST, Emergency and Fire Services Levy) in relation to Your Policy. These amounts will be set out separately on Your Schedule of insurance as part of the total premium payable.

In cases where We are required to pay an estimated amount (e.g. for Fire Services Levies) based on criteria set by the Government, We allocate to the Policy Our estimate of the amount We will be required to pay. We may over or under recover in any particular year but We will not adjust Your premium because of this. You can ask Us for more details if You wish.

Minimum premiums may apply. In some cases, discounts may apply if You meet certain criteria We set. Any discounts/entitlements only apply to the extent any minimum premium is not reached. If You are eligible for more than one, We also apply each of them in a predetermined order to the premium (excluding taxes and Government charges) as reduced by any prior applied discounts/entitlements. Any discounts will be applied to the base premium calculated prior to any taxes being added.

When You apply for this insurance, You will be advised of the total premium amount payable, when it needs to be paid



and how it can be paid. This amount will be set out in the Schedule, which will be sent to You after the entry into the Policy. If You fail to pay We may reduce any claim payment by the amount of premium owing and/or cancel the Policy. Special rights and obligations apply to instalment premium payments as set out below.

## Instalment premiums

If You pay Your premium by instalments refer to the “General Policy conditions applicable to all Policy Sections” section for important details on Your and Our rights and obligations. Note that an instalment premium outstanding for 14 days allows Us to refuse to pay a claim.

In some cases a service fee will apply where You select to pay Your premium by instalments. We tell You the total amount payable when You apply and when and how it can be paid. This is confirmed in the Schedule We issue to You.

## Renewal procedure

Before Your Policy expires We will advise You whether We intend to offer renewal and if so on what terms.

This document also applies for any offer of renewal We may make, unless We tell You otherwise.

It is important that You check the terms of any renewal offer before renewing to satisfy Yourself that the details are correct. In particular, check the Sum Insured amounts and Excess(es) applicable to ensure the levels of cover are appropriate for You.

Please note that You need to comply with Your Duty of Disclosure before each renewal (see below).

## Your Duty of Disclosure

Before You enter into the Policy with Us, the *Insurance Contracts Act 1984* requires You to disclose to Us every matter that You know or could reasonably be expected to know is relevant to Our decision whether and on what terms Your application for insurance is acceptable and to calculate how much premium is required for Your insurance.

You have the same duty to disclose those matters to Us before You renew, extend, vary or reinstate the Policy.

The duty applies until the Policy is entered into, or where relevant, renewed, extended, varied or reinstated (Relevant Time). If anything changes between the time You provide answers or make disclosure and the Relevant Time, You need to tell Us.

## What You do not need to tell Us

You do not need to tell Us about any matter:

- that diminishes Our risk;
- that is of common knowledge;
- that We know or should know as an insurer; or
- that We tell You We do not need to know.

## Who does the duty apply to?

The Duty of Disclosure applies to You and everyone that is an insured under the Policy. If You provide information for another insured, it is as if they provided it to Us.

## What happens if the Duty of Disclosure is not complied with?

If the duty of disclosure is not complied with We may cancel the Policy and/or reduce the amount We pay if You make a claim. If fraud is involved, We may treat the Policy as if it never existed, and pay nothing.

## Privacy Notice

At Allianz, We give priority to protecting the privacy of Your personal information. We do this by handling personal information in a responsible manner and in accordance with the *Privacy Act 1988* (Cth).

## How We Collect Your Personal Information

We usually collect Your personal information from You or Your agents. We may also collect it from Our agents and service providers; other insurers and insurance reference bureaus; people who are involved in a claim or assist Us in investigating or processing claims, including third parties claiming under Your Policy, witnesses and medical practitioners; third parties who may be arranging insurance cover for a group that You are a part of; law enforcement, dispute resolution, statutory and regulatory bodies; marketing lists and industry databases; and publicly available sources.

## Why We Collect Your Personal Information

We collect Your personal information to enable Us to provide Our products and services, including to process and settle claims; offer Our products and services and those of Our related companies, brokers, intermediaries and business partners that may interest You; and conduct market or customer research to determine those products or services that may suit You. You can choose not to receive product or service offerings from Us (including product or service offerings from Us on behalf of Our brokers, intermediaries and/or Our business partners) or Our related companies by calling the Allianz Direct Marketing Privacy Service Line on 1300 360 529, EST 8am to 6pm Monday to Friday, or going to Our website's Privacy section at [www.allianz.com.au](http://www.allianz.com.au).

## Who We Disclose Your Personal Information To

We may disclose Your personal information to others with whom We have business arrangements for the purposes listed in the paragraph above or to enable them to offer their products and services to You. These parties may include insurers, intermediaries, reinsurers, insurance reference bureaus, related companies, Our advisers, persons involved in claims, external claims data collectors and verifiers, parties that We have an insurance scheme in place with under which You purchased Your Policy (such as a financier or motor



vehicle manufacturer and/or dealer). Disclosure may also be made to government, law enforcement, dispute resolution, statutory or regulatory bodies, or as required by law.

## Disclosure Overseas

Your personal information may be disclosed to other companies in the Allianz Group, business partners, reinsurers and service providers that may be located in Australia or overseas. The countries this information may be disclosed to will vary from time to time, but may include Canada, Germany, New Zealand, United Kingdom, United States of America and other countries where the Allianz Group has a presence or engages subcontractors. We regularly review the security of Our systems used for sending personal information overseas. Any information disclosed may only be used for the purposes of collection detailed above and system administration.

## Access to Your Personal Information and Complaints

You may ask for access to the personal information We hold about You and seek correction by calling 1300 360 529 EST 8am–6pm, Monday to Friday. Our Privacy Policy contains details about how You may make a complaint about a breach of the privacy principles contained in the *Privacy Act 1988* (Cth) and how We deal with complaints. Our Privacy Policy is available at [www.allianz.com.au](http://www.allianz.com.au).

## Telephone Call Recording

We may record incoming and/or outgoing telephone calls for training or verification purposes. Where We have recorded a telephone call, We can provide You with a copy at Your request, where it is reasonable to do so.

## General Insurance Code of Practice

The General Insurance Code of Practice was developed by the Insurance Council of Australia to further raise standards of practice and service across the insurance industry through promoting better communication between insurers and customers and outlining a standard of practise and service to be met by insurers.

We keenly support the standards set out in the Code.

You can obtain more information on the Code of Practice and how it assists You by contacting Us. Contact details are provided on the back cover of this document.

## Complaints – Internal and External Complaints Procedure

If You are dissatisfied with Our service in any way contact Us and We will attempt to resolve the matter in accordance with Our Internal Dispute Resolution procedures. To obtain a copy of Our procedures contact Us on 13 2664. A dispute can be referred to the Financial Ombudsman Service (FOS) subject to its terms of reference. It provides a free and independent dispute resolution service for consumers who have general

insurance disputes falling within its terms and its contact details are:

The Financial Ombudsman Service  
Phone: 1300 78 08 08  
Post: GPO Box 3, Melbourne, Victoria 3001  
Website: [www.fos.org.au](http://www.fos.org.au)

## Financial Claims Scheme

In the unlikely event Allianz Australia Insurance Limited were to become insolvent and could not meet its obligations under this 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 and for more information see APRA website at [www.apra.gov.au](http://www.apra.gov.au) and the APRA hotline on 1300 55 88 49.

## Terrorism Insurance Act

We have determined that this Policy (or part of it) is a Policy to which the *Terrorism Insurance Act 2003* applies. We may elect to reinsure part or all of Our liability under the Act with the Commonwealth Government reinsurer, the Australian Reinsurance Pool Corporation (ARPC).

As a consequence, We may be required to pay a premium to ARPC and that amount (together with the cost of that part of the cover provided by Us and administrative costs associated with the legislation) is reflected in the premium charged to You. As with any other part of Our premium, it is subject to Government taxes and charges such as GST, Stamp Duty and where applicable, Fire Service Levy.

For further information contact Allianz or Your Steadfast broker.

## Updating this PDS

We may need to update this PDS from time to time if certain changes occur where required and permitted by law. We will issue You with a new PDS or a Supplementary PDS or other compliant document to update the relevant information except in limited cases. Where the information is not something that would be materially adverse from the point of view of a reasonable person considering whether to buy this insurance, We may issue You with notice of this information in other forms or keep an internal record of such changes (You can get a paper copy free of charge by contacting Us using Our details on the back cover of this PDS).

Other documents may form part of Our PDS and the Policy. If they do We will tell You in the relevant document.

## Further information and confirmation of transactions

If You require further information about this insurance or wish to confirm a transaction, please contact Us.

# Words with special meaning

Some words have special meaning wherever they appear in the Policy:

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

**“Animals”** means any living creature including, but not limited to, livestock, birds, fish, vermin or insects.

**“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.

**“Buildings”** means the buildings at the Premises.

Buildings includes:

1. sheds with a concrete floor and attached to foundations at the Premises;
2. customised and modified shipping containers or transportable buildings permanently located at the Premises used as workshops, lunchrooms or storage and which are permanently fixed to the ground with electrical or plumbing services, as necessary;
3. shipping containers in which the Stock in trade Your Business distributes is delivered to Your Premises or from which merchandise is either being loaded into, unloaded from or stored in before dispatch, provided the container doors are secured when unattended with padlocks with a security rating under AS4145.4 (or any subsequent amendment) of 6 or above and the padlocked container is fully enclosed by a locked cyclone fenced area at the Premises after hours;
4. shipping containers in which the Stock in trade or Contents of Your Business is stored, provided the container doors are secured when unattended with padlocks with a security rating under AS4145.4 (or any subsequent amendment) of 6 or above and the padlocked container is fully enclosed by a locked cyclone fenced area at the Premises after hours;
5. walls, gates, fences, flagpoles, floodlights and signs, permanently fixed water and fuel tanks, foundations, storage tanks and sheds, awnings, masts, antennae and aerials, fixed external signs, 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. wharves, piers and jetties.

Buildings does not include:

1. Plant and machinery
2. Stock in trade
3. Contents
4. 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 Premises 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 Property Insured which is the subject of any such work and not to any other portion of the Property Insured.
5. Land, unsealed driveways and paths, topsoil and fill, dams, bridges, canals, roadways, tunnels, railway tracks and roadways (not at the Premises).

This definition of “Buildings” is subject to the “Designation of Property” General Policy condition.

**“Business”** means the business as described in the Schedule (and, where applicable, as further described in any more specific underwriting information provided to Us at the time when this insurance was negotiated).

**“Business Hours”** means when You or any of Your Employees are at the Premises for the purpose of conducting Your Business.

**“Computer Virus”** means an executable program or computer code segment that is self-replicating, requires a host program or executable disc segment in which it can be contained and which destroys or alters the host program or other computer code or data causing undesired program or computer system operation.

**“Consequential Loss”** means loss of use, loss of earning capacity and any other consequential loss of any kind, including loss, damage, cost or expense caused directly or indirectly by or resulting from but not limited to:

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

**“Contents”** means all property at the Premises, belonging to You or for which You are responsible for.

Contents includes:

1. unused stationery and printed books;
2. where You are a tenant of a leased or rented Premises:

- i. property owner's fixtures, fittings, window blinds, floor coverings and Glass for which You are legally liable for under the terms of a lease or similar agreement;
  - ii. fixtures and fittings installed by You for Your use in the Business.
3. Money up to \$500;
  4. plant and machinery, unregistered forklifts and hoists, communication systems, fixture and fitting, signs and awnings (only if You are a tenant);
  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, media records, documents, manuscripts, plans, drawings, designs, business books, but only for the value of these materials in their unused or uninstalled state or as blank stationery;
  8. current patterns, models, moulds, dies and casts used in the Business but limited, unless repaired or replaced, to the value stated in Your financial records at the time of damage;
  9. paintings, works of art 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; or
  12. Stock in trade, but not if it is shown as a separate item on the Schedule.

Contents does not include:

1. Stock in trade, if it is shown as a separate item on the Schedule;
2. Buildings;
3. Specified Items;
4. directors' and Employees' tools of trade and personal effects;
5. jewellery, furs, bullion, articles containing gold and silver which are not Stock in trade and which exceed \$10,000 any one item;
6. Vehicles registered for road use and any other machinery whilst registered for road-related areas, caravans, trailers, Watercraft, Aircraft, Hovercraft, rolling stock and locomotives or their accessories;
7. live Animals;
8. plants, shrubs, lawns, growing crops, pastures and standing timber other than pot-plants;

9. Customer's Goods other than customer's records and documents held or created by You as part of Your Business;
10. Stock in trade of foodstuffs, of nursery plants, or Stock in trade of a pet shop;
11. Contents 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 Premises 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 Property Insured which is the subject of any such work and not to any other portion of the Property Insured;

The definition of "Contents" is subject to the "Designation of Property" General Policy condition.

**"Customer's Goods"** means:

- a. goods that belong to Your customers that are in Your physical or legal control because the Business repairs, services, maintains or stores those goods;
- b. goods that have been purchased by a customer but are in Your physical or legal control awaiting delivery;
- c. items of property at the Premises under a "sales or return" consignment agreement.

Customer's Goods do not include consigned items of property under an "agency" arrangement where You make a commission on a sale.

**"Employee"** means any person while employed by You in the Business who You can compensate by salary, wages or commission and have the right at all times to govern, control and direct in the performance of their work.

Employee includes:

1. Volunteers; and
2. students on work experience.

Employee does not include:

1. any broker, factor, consignee or contractor;
2. any member of Your Family unless that person is also Your Employee;
3. any partner, director or trustee unless that person is also Your Employee.

**"Endorsement"** means documentary evidence of an alteration to the Policy which forms part of the Policy.

**"Event"** means one incident or all incidents of a series consequent on, or attributable to, one source or original cause.

**"Excess"** means the amount, or the loss applicable to a specified period of time, expressed as an Excess on the current Schedule or elsewhere in the Policy. This is the first amount of any loss that You must pay before We pay Your claim.

**“Family”** means:

1. Your spouse, Your partner or Your de facto who lives with You;
2. Your parents and parent-in-law who lives with You;
3. Your children and children of Your spouse, partner or de facto (not being Your children) who lives with You;
4. Your brothers and sisters who lives with You.

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

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

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

**“Glass”** means

1. fixed Glass forming part of or fixed to the exterior of the Building including Glass in fixed signs; or
2. fixed internal Glass including fixed Glass in furniture, counters, shelving and showcases, fixed and hanging mirrors, fixed washbasins, sinks, toilets, toilet pans and cisterns, contained in the Building.

Glass includes External Glass, Internal Glass and Specified Glass as defined in the Glass Policy Section.

**“Hovercraft”** means any vessel, craft or device made or intended to float on or in or travel on or through the atmosphere or water on a cushion of air provided by a downward blast.

**“Input Tax Credit”** means the amount You are entitled to claim as credit against GST that You have paid.

**“Limit”** means the maximum amount We will pay under any section of the Policy and may be expressed “per accident”, “per occurrence”, “per annum” etc.

**“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.

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

**“Money”** means current coin, bank notes, currency notes, cheques, credit card sales vouchers, securities, postal orders, money orders, negotiable and non-negotiable securities and other like documents of value, phone cards and/or stored value cards, unused postage and revenue stamps, public transport tickets, private transport tickets (excluding airline tickets), bridge or highway tokens, car wash tokens, lottery tickets, authorised gift vouchers from external parties, discount vouchers, contents of franking machines and includes cash boxes, alarm bags, or any other portable container used to convey Money all belonging to You or for which You are legally responsible or have assumed a responsibility to insure but does not mean any of these in the possession of or carried by, professional Money carriers, professional carriers or common carriers.

**“Obsolete Stock”** means Stock in trade which can no longer be sold for its full value, for example Stock in trade which is out-of-season fashion, superseded computers or perishable goods beyond their use by date.

**“Period of Insurance”** means the time cover commenced to the time cover expires. The dates are shown on the current Schedule. Unless stated otherwise, cover shall expire at 4.00pm local time at the place where You arranged the cover.

**“Policy”** means this document, the Schedule and any attachment or memoranda affixed and any future documents issued to You which amends this document or the Schedule.

**“Policy Section”** means any part of this Policy numbered and described as a section.

**“Pollutants”** means any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste materials. Waste includes material to be recycled, reconditioned or reclaimed.

**“Premises”** means the places listed in the Schedule as the situation at which and from which You operate Your Business. The Premises includes Buildings and land within the legal boundaries.

**“Property Insured”** means the property as described on the Schedule in respect of each Policy Section.

**“Proposal”** means the application for insurance completed by You or on Your behalf by which You provided the information upon which We relied to enter into this Policy.

**“Rewriting of Records”** means the cost of restoration of computer records, documents, manuscripts, securities, deeds, specifications, plans, drawings, designs, business books and other records of every description.

“**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.

A Safe or Strongroom is not:

- a. a cash tin;
- b. a locked drawer in a filing cabinet or desk; or
- c. a burglary resistant container weighing less than 20 kilograms that is not fixed by expanding masonry anchor bolts to the wall or floor of the Premises.

“**Schedule**” means the most current Schedule of insurance or any future renewal Schedule, including any Endorsements issued by Us in connection with this Policy.

“**Stock in trade**” means:

1. products and material You intend to sell;
2. raw or consumable materials used by You to make or alter Your products;
3. Your products while being made, repaired or altered;
4. Customer’s Goods;
5. goods for which You are responsible.

Under the Theft Policy Section, Stock does not include Tobacco, products containing Tobacco, Cigars or Cigarettes unless they are specified on the current Schedule.

“**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 company.

“**Sum Insured**” means the relevant amount shown in the Schedule as sum insured.

“**Vehicle**” means any type of machine on wheels or on self laid tracks made or intended to be propelled by other than manual or animal power, and any trailer or other attachment to be utilised in conjunction with or drawn by any such machine.

“**Watercraft**” means any vessel, craft or thing made or intended to float on or in or travel through water, other than model boats.

“**We, Us, Our, Allianz**” means Allianz Australia Insurance Limited AFS Licence No. 234708, ABN 15 000 122 850 of 2 Market Street, Sydney NSW 2000.

“**You, Your, Yours, Yourself**” means the person(s), companies or firms named on the current Policy Schedule as the “Insured”.

## General Policy exclusions applicable to all Policy Sections

The following General exclusions apply to all sections of this Policy.

1. The Policy does not cover loss, destruction, liability, or damage:
  - a. **War**  
caused by, contributed to by or arising from any war, whether war be declared or not, hostilities or rebellion, civil war, revolution, insurrection, military or usurped power, invasion or act of foreign enemy;
  - b. **Nuclear**  
caused by, contributed to by or arising from ionising radiation or contamination by radioactivity from:
    - i. any nuclear fuel or from any nuclear waste; or
    - ii. the combustion of nuclear fuel (including any self-sustaining process of nuclear fission);
    - iii. nuclear weapons material;
  - c. **Lawful seizure**  
caused by, contributed to by or arising from the lawful seizure, detention, confiscation, nationalisation or requisition of the Property Insured;
  - d. **Intentional acts**  
subject to the provisions of the *Insurance Contracts Act 1984*, We will not pay for any loss or damage caused by either Your intentional act or by the intentional act of another party committed with Your knowledge and consent and which You were capable of preventing.
  - e. **Geographical limits**  
to Your Property Insured that is outside the Commonwealth of Australia at the time of its loss or damage, except as specifically stated otherwise in the appropriate section and We agree in writing to the contrary.
2. Except as specifically provided otherwise, this Policy does not cover:
  - a. Consequential Loss of any kind;
  - b. legal liability to pay compensation or damages;
  - c. damage caused by faults or defects known to You or any Employee whose knowledge in law would be deemed to be Yours and not disclosed to Us at the time this Policy was entered into.
3. This Policy does not cover any loss or damage to any appliance, machinery, equipment or other property which is a computer or which contains or comprises any computer technology (including computer chip or control

logic) and which fails to perform or function in the precise manner for which it was designed for any reason arising from the performance or functionality of such computer technology (including computer chip or control logic).

#### 4. Terrorism

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto, this Policy excludes and does not cover death, injury, illness, 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 death, injury, illness, loss, damage, cost or expense.

An Act of Terrorism includes 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 purpose 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 the 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.

This Policy also excludes and does not cover death, injury, illness, 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.

This Terrorism exclusion will not apply to sections Theft, Money, Glass and General Property. This Terrorism exclusion will apply to the other sections of the Policy, unless otherwise provided for in the Terrorism Insurance Act.

#### 5. Electronic Data

##### a. Electronic Data – Part 1

This Electronic Data exclusion is applicable to the following sections of this Policy:

- Section One – Business Property
- Section Two – Business Interruption
- Section Three – Theft
- Section Four – Money
- Section Nine – Glass

- Section Ten – General Property

- Section Eleven – Transit

##### i. These Policy Sections do not insure:

- a. total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data;
- b. error in creating, amending, entering, deleting or using Electronic Data; or
- c. total or partial inability or failure to receive, send, access or use Electronic Data for any time or at all,

from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

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

##### ii. However, in the event that a peril listed below (being a peril insured by the relevant Policy Sections but for this exclusion) is caused by any of the matters described in paragraph (i) above, then the relevant Policy Sections, subject to all their provisions, will insure:

- physical loss of or damage or destruction to Property Insured directly caused by such listed peril, and/or
- consequential loss insured by this Policy.

Further, this exclusion does not apply in the event that a peril listed below (being a peril insured by the relevant Policy Sections but for this exclusion) causes any of the matters described in paragraph (i) above.

Accidental Damage other than non-physical Damage, fire, lightning, thunderbolt, explosion, implosion, earthquake, subterranean fire, volcanic eruption, impact by Aircraft or aerial object dropped therefrom, impact by road vehicle or animal, sonic boom, theft of Electronic Data solely where such theft is a consequence of theft of any computer and/or computer hardware and/or firmware and/or microchip and/or integrated circuit and/or similar device containing such Electronic Data, breakage of glass, the acts of persons taking part in riots or civil commotions or of strikers or of locked-out workers or of persons taking part in labour disturbances, storm and/or tempest and/or rainwater and/or wind and/or hail, water and other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or pipes at the Business Premises.

##### iii. For the purposes of the "What We pay" provision in these Policy Sections, computer systems records include Electronic Data as defined in paragraph (i) above.



Any terrorism exclusion in these Policy Sections or any Endorsement thereto prevails over this exclusion.

#### **b. Electronic Data – Part 2**

This Electronic Data exclusion is applicable to the following sections of this Policy:

- Section Six – Machinery cover
- Section Seven – Electronic cover

These Policy Sections do not cover any loss or damage of whatsoever kind arising directly or indirectly out of:

- i. total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data;
- ii. error in creating, amending, entering, deleting or using Electronic Data;
- iii. total or partial inability or failure to receive, send, access or use Electronic Data for any time or at all; or
- iv. any business interruption losses resulting therefrom, regardless of any other contributing cause or event whenever it may occur, unless such loss or Damage is a direct consequence of otherwise insured damage and provided that Electronic Data and Electronic Data Media and/or business interruption is insured by these Policy Sections.

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 such equipment.

Any terrorism exclusion in these Policy Sections or any Endorsement thereto prevails over this exclusion.

#### **6. Unoccupancy**

Unless We otherwise agree in writing, We will not pay for any loss or damage to Your Property Insured if the occurrence happens after Your Premises has been unoccupied for more than 90 consecutive days. This exclusion does not apply to damage caused by:

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

This exclusion will not apply to Premises which You own but do not occupy where 50% of the total lettable floor space (excluding common areas) are occupied.

## **Claims**

### **1. What You must do after loss, damage or accident**

Protect Yourself from any danger present.

Assist other people within Your capabilities if required.

Take reasonable steps to prevent further loss, damage or liability.

Notify the police immediately if any of Your property is lost, stolen, or maliciously damaged and provide the police with all assistance to apprehend the offending party.

Advise Us of the claim as soon as practicable and then supply Us with full written details by completing Our claim form. You or someone acting on Your behalf must complete a claim form within a reasonable time of an occurrence. If You do not, We may reduce the amount We pay if the delay causes increased costs or prevents Us investigating the claim.

Any invoices, bills, demands letters or notices You receive from other people involved in the loss, damage or accident must be sent to Us as soon as possible.

### **What You must not do after a loss or accident**

You must not admit fault or agree to pay for damage without Our consent. Do not make an offer, settle, or attempt to settle any claim against You. If You do We may not pay all or part of the claim.

You must not incur any costs or expenses or authorise repairs (other than necessary temporary repairs) without Our agreement.

### **2. Claims preparation expenses**

We will pay for costs necessarily and reasonably incurred for the preparation and negotiation of a claim for which We agree to indemnify You under this Policy. The most We will pay is \$25,000 in total any one claim, unless a higher amount is included in the particular section of the Policy.

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

This benefit is in addition to any Sum Insured or Limit of Indemnity.

### **3. Multiple Excesses**

If a claim arises from an event and You can obtain cover under more than one Policy Section, You will only be required to pay the highest single Excess applicable regardless of the number of Excesses applying to the individual Policy Sections.

Sum Insureds, Limits of Indemnity and sub-limits shall apply in addition to, and shall not be reduced by, the amount of any applicable Excess.



# General Policy conditions applicable to all Policy Sections

The following General conditions apply to all sections of this Policy.

Breach of a condition or warranty without Your knowledge or consent or error in name, description or Situation of property will not prejudice Your rights under this Policy provided notice in writing is given to Us when such breach or error comes to Your knowledge. Reasonable extra premium shall be paid if required, from the date of such breach or error.

## Accountancy records

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

## Acquisition of companies

Provided that You notify Us in writing within 30 days of the acquisition of:

- a. any company or other legal entity acquired during the Period of Insurance; or
- b. any property or liability associated with such company or any other legal entity or business undertaking or operation

and the business is of a similar occupation to that stated in the Schedule, We will provide cover subject to Your acceptance of Our terms and undertaking to pay the additional premium We may require. Our liability shall not exceed the Sum Insured, Limit of Indemnity or any sub-limit of liability applicable under the relevant Policy Section(s) making up Your Policy for each category of property.

## 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 Indemnity.

## Cancellation rights

- a. In addition to Your cooling off rights detailed earlier, You may cancel the Policy at any time by telling Us that You want to cancel it. You can do this by giving the notice to Your Steadfast broker.
- b. We have the right to cancel the Policy where permitted by and in accordance with law. For example, We may cancel:
  - i. if You failed to comply with Your Duty of Disclosure; or
  - ii. where You have made a misrepresentation to Us during negotiations prior to the issue of the Policy; or
  - iii. where You have failed to comply with a provision of the Policy, including the term relating to payment of premium; or
  - iv. where You have made a fraudulent claim under the Policy or under some other contract of insurance that provides cover during the same period of time that the Policy covers You.

The cancellation shall take effect at the earlier of the following times:

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

The notification may be delivered personally or posted to You at the address last notified to Us.

- c. Subject to (d), if You or We cancel the Policy We may deduct a pro rata proportion of the premium for time on risk, reasonable administrative and transaction costs related to the acquisition and termination of the Policy We incur and any government taxes or duties We cannot recover.
- d. In the event that You have made a claim under the Policy and We have agreed to pay the full Sum Insured for Your property no return of premium will be made for any unused portion of the premium.

## The premium

Except as otherwise expressly provided in this Policy, if this Policy is cancelled We will subtract from any premium You have paid Us, an amount to cover the period that We have already insured You for (along with GST and any relevant government charges where this is allowed). We will then return the rest of the premium to You.

## Paying by instalments

If We agree that You can pay Your total amount in a number of payments instead of all at once, this is paying by instalments.

If You are one month (or more) late in paying an instalment, We may cancel Your policy.

## 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 Period of Insurance.

## Designation of property

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

Provided always that this General Policy condition shall not apply to the Theft Policy Section with respect to Tobacco, products containing Tobacco, Cigars or Cigarettes.

Furthermore, under the Theft Policy Section, Stock in trade does not include Tobacco, products containing Tobacco, Cigars or Cigarettes unless they are specified on the current Schedule.

## How Goods and Services Tax (GST) affects any payments We make

The amount of premium payable by You for this Policy includes an amount on account of the GST on the premium.

When We pay a claim, Your GST status will determine the amount We pay.

When You are:

- (a) not registered for GST, the amount We pay is the Sum Insured/Limit of Indemnity or the other Limits of insurance cover including GST.
- (b) registered for GST, We will pay the sum Insured/Limit of Indemnity or the other Limits of insurance and where You are liable to pay an amount for GST in respect of an acquisition relevant to Your claim (such as services to repair a damaged item insured under the Policy) We will pay for the GST amount.

We will reduce the GST amount We pay for by the amount of any input tax credits to which You are or would be entitled if You made a relevant acquisition. In these circumstances, the Input Tax Credit may be claimable through Your Business Activity Statement (BAS).

You must advise Us of Your correct Australian Business Number and Taxable Percentage.

Any GST liability arising from Your incorrect advice is payable by You.

Where the settlement of Your claim is less than the Sum Insured/Limit of Indemnity or the other Limits of insurance cover, We will only pay an amount for GST (less Your entitlement for Input Tax Credit) applicable to the settlement. This means that if these amounts are not sufficient to cover Your loss, We will only pay the GST relating to Our settlement

of the claim.

We will (where relevant) pay You on Your claim by reference to the GST exclusive amount of any supply made by any business of Yours which is relevant to Your claim.

GST, Input Tax Credit (ITC), Business Activity Statement (BAS) and Acquisition have the same meaning as given to those expressions in A New Tax System (Goods and Services Tax) Act 1999 and related legislation as amended from time to time.

Taxable Percentage is Your entitlement to an Input Tax Credit on Your premium as a percentage of the total GST on that premium.

## Inflation protection

To protect You from the effects of inflation, if You have cover under the Business Property Policy Section, We will automatically increase the Sum Insured each year in line with the most appropriate price indices (as determined by Us).

If the Sum Insured increases because of index linking, the new premium and relevant government charges will be based on the new Sum Insured shown in the Schedule.

## Inspections

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

## Jurisdiction

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

## Other persons or organisations

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

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

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

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

When a claim is paid under the Policy and is also recoverable under another policy or policies, You agree to permit Us to seek contribution from the other insurer or insurers.

## Our maximum liability

Except as otherwise stated elsewhere in this Policy, the maximum amount We will pay will not exceed the amount stated in the Schedule as the Sum Insured or the Limit of Indemnity or the Limit for those sections selected.

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

## Non-imputation

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

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

## Non payment of premium by instalments – right to refuse a claim

Where You pay Your premium by instalments, You must ensure that they are paid on time because if an instalment has remained unpaid for a period of at least 14 days, We may refuse to pay a claim. We will notify You if an instalment has not been paid

## Progress payments

We will not unreasonably withhold 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.

## Reasonable care

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

1. 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;

2. maintain and look after other person's or organisation's property and buildings used or occupied by You, in accordance with Your agreement with them;
3. if Your occupation includes digging below ground at sites away from Your Premises the location of underground services must be obtained from the owners of the services by You or Your principal before the work is commenced;
4. comply with all laws and safety requirements imposed by any authority or by State or national legislation.

If You do not take reasonable precautions We may refuse to pay part or all of Your claim.

## Reinstatement of Sum Insured

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

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

We will not reinstate the Sum Insured on the Business Property or Business Interruption Policy Sections if We have paid a total loss under either of these sections.

## Rewards

We will pay You up to \$5,000 or any higher amount shown in the current 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 Business Property, Theft, Money or Glass Policy 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 exceeds the reward.

We shall not unreasonably withhold or refuse consent to the terms of any reward payable under this General Policy condition.

## Sale of salvage

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

## Single occurrence

We will not pay for loss or damage to property covered by the Policy under more than one section of the Policy in respect of the same item and occurrence unless a relevant Sum Insured has been paid out in full and You have not been fully covered for the loss or damage.

## Waiver of subrogation rights

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

However:

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

# Section One – Business Property

## About this Policy Section

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

## Definitions

Some words have special meaning wherever they appear in this Policy Section. These words and their meanings are listed below.

**“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.

**“Specified Item”** means item of painting, work of art, antiques, curios, jewellery, fur, bullion, article containing gold and silver which are not Stock and which exceed \$10,000 any one item that is specifically described on the Schedule for this Policy Section.

## Your insurance under this Policy Section

Provided “Business Property” is shown as insured or selected in the Schedule, We will cover You up to the Sum Insured for accidental loss or damage to Your Property Insured at the Premises during the Period of Insurance.

## What We pay

The maximum amount We will pay for any one claim under this Policy Section is the amount shown on the Schedule or adjusted in accordance with this Policy Section, whichever is the higher.

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

For Contents that are works of art, antiques or curios We will only pay the value of the item up to a maximum of \$10,000 for each and every item.

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

### 1. Branded Stock

We will not sell branded Stock in trade as salvage without Your consent. If You do not agree to Us selling the branded Stock in trade as salvage, We will pay the Market Value of the goods after brands, labels or names have been removed.

## 2. Building(s), Specified Items, Contents or Stock in trade

There are two methods of paying Your claims. They are "Reinstatement or replacement value" and "Indemnity value".

The claim payment method You are covered for is shown on the current Schedule.

### Reinstatement or replacement value

If the Schedule shows You are insured for "Reinstatement or replacement value", then when Buildings, Specified Items, Contents or Stock in trade are lost or damaged, We will at Our option:

- a. pay the cost of rebuilding, replacing or repairing any damaged part of Your Property Insured to the same condition as when they were new or, where appropriate, in accordance with the "Output replacement" clause set out below;
- b. rebuild the Buildings at the Premises shown on Your Schedule or at another site;
- c. replace Contents, Stock in trade or Specified Items with similar property;
- d. pay You the amount shown on the proof of purchase for Specified Items unless the Specified Items are works of art, antiques or curios; or
- e. if the Specified Items are works of art, antiques or curios, pay You the amount of a valuation by the Auctioneers and Valuers Association of Australia.

"Reinstatement or replacement value" is subject to the following conditions:

- a. If the Property Insured is lost or damaged You must commence to rebuild, replace or repair within a reasonable time of the loss or 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 has been commenced and carried out with reasonable dispatch.
- b. when rebuilding at another site, We will not pay more than We would pay to rebuild at the Premises;
- c. when any Property Insured is damaged, but not destroyed, We will not pay more than the amount which would have been called upon to pay for if that property had been destroyed;
- d. We will only pay to return the Property Insured to a condition substantially the same as, but not better or more extensive than its condition when new, using building materials readily available and in common use in Australia.

### Indemnity value

If the claim payment method is shown in the Schedule as "Indemnity value", We will at Our option:

- a. repair, reinstate or replace the Building or Contents;

- b. pay You the Market Value of the Building or Contents at the time of its loss or damage; or
- c. pay the cost of repair or replacement.

In all cases, where appropriate, We will reduce the amount We pay by an equitable amount for age, wear, tear, depreciation and will make an adjustment for the general condition and remaining useful life of the individual item or components that are damaged.

The Underinsurance/average condition in this Policy Section is amended to read:

In the event of loss or damage to property We shall be liable for no greater proportion of the loss or damage than the Sum Insured at the location bears to eighty percent (80%) of the current value of the Property Insured, provided that Our liability shall not exceed the Sum Insured stated against each item in the Schedule.

## 3. Extra cost of reinstatement

(Applicable to Buildings, machinery and plant).

Where "Reinstatement or replacement value" claim payment method is shown in the Schedule, this Policy Section extends to include the extra cost of reinstatement necessarily incurred to comply with the requirements of any Act of Parliament or regulation made under an act or by-law or the regulation of any municipal or statutory authority.

The following conditions apply:

- 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 the Policy if the work of reinstatement had been commenced and carried out with reasonable dispatch;
- b. the work of reinstatement may be carried out wholly or partially upon any other site, if the requirements of the Act, regulation or by-law necessitate it, subject to Our liability not being increased.
- c. the amount recoverable shall not include the additional costs incurred with 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 damage.

Our total liability under this clause "Extra cost of reinstatement" will be limited to:

- i. the sub-limit of liability shown in the current Schedule for "Extra cost of reinstatement" which shall be in addition to the Sum Insured; or

if no sub-limit of liability is stated:

- ii. 10% of the total Sum Insured for this Policy Section; or
- iii. the balance of the Sum Insured for this Policy Section whichever is the greater.

The underinsurance condition of this Policy Section will not be applied to the amount payable under this clause.

#### 4. Loss of floor space

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

- a. any Act of Parliament or regulation thereunder, or
- b. any by-law or regulation of any municipal or other statutory authority

We shall pay, in addition to the amount payable on reinstatement of such Buildings, the difference between:

- i. the actual costs incurred in reinstatement subject to the reduced floor space ratio index (plot ratio), and
- ii. the estimated cost of reinstatement at the time of damage had the reduced floor space ratio index (plot ratio) not applied.

Our total liability under the claim payment method "Reinstatement or replacement value", for additional costs of compliance and under this "Loss of floor space" clause shall not exceed the Sum Insured in respect of the Buildings which are the subject of the claim.

#### 5. Output replacement

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

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

#### 6. Stock in trade

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

- a. pay the Market Value of the Stock in trade at the time of the loss or damage;
- b. pay You the Market Value of Obsolete Stock or its purchase price (net of GST), whichever is the lesser, but no more than the original cost to You;
- c. replace or repair the Stock in trade with property or materials equal to or of a similar standard and specification as the Stock in trade at the time it was lost or damaged; or
- d. pay the cost of repair or replacement of the lost or damaged Stock in trade.

#### Extra covers

When damage to Property Insured is covered by this Policy Section, We will pay for the following costs that are incurred as a result of that damage.

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

##### 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 loss or damage to the new additions or installations up to an additional:

- a. \$500,000; or
- b. 20% of the total Sum Insured on Buildings and Contents, whichever is the lesser amount.

##### 2. Catastrophe inflation protection

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

- a. pay up to an additional 20% of the Sum Insured on Buildings, and
- b. increase the amounts payable under the "Capital Additions" (relating to Buildings only) extra cover and "Prevention of imminent damage" additional benefit of this Policy Section by 20%;

for any additional costs incurred in rebuilding that can directly be attributed to increases in the price of services and materials as a direct result of the Catastrophe.

We shall not pay more than the increased building costs which are actually incurred by You as a direct result of the Catastrophe.

We will not pay any amount under this extra cover if You choose not to rebuild the Buildings (or any part of them) at



the Premises shown on Your Schedule. We will not increase the Sum Insured to pay for damage to any Property Insured other than Buildings.

We will not pay any claim under this extra cover if Your Schedule shows the Building as being insured for "Indemnity value".

Increase in building costs means the difference between the cost of reinstatement actually incurred in accordance with the "What We pay" provisions of this Policy Section and the cost of reinstatement that would have applied had the event not occurred.

### 3. Discharge of mortgages

We will pay the reasonable legal costs of discharge of a mortgage or mortgages on Buildings, Contents or Stock in trade following settlement of a claim under this Policy on a total loss basis. We will pay up to \$25,000 any one Event.

### 4. Floating Stock

Where We pay a claim for loss of or damage to Stock in trade at the Premises, We will pay more than the Stock in trade Sum Insured at that Premises to account for the temporary transfer of Stock in trade between Premises provided that:

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

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

We will not pay more than the total of the Stock in trade Sum Insured for all Premises.

### 5. Government fees

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

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

### 6. Landscaping

We will pay for loss of or damage to landscaping at the Premises. We will also pay resultant expenses necessarily 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 growing plants, shrubs, garden plots and lawns (including rock work, retaining walls, ornamentation and edging pertaining thereto). We will not pay more than \$50,000 or 20% of the Sum Insured at the Premises specified in the Schedule in respect of any one Event. This extra cover is included in the Sum Insured for Buildings.

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

### 7. Loss of land value

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

We will not pay more than:

- a. 20% of the Sum Insured for Buildings shown on the Schedule; or
- b. \$100,000;

whichever is the lesser.

The Underinsurance/average condition does not apply to this extra cover, which is in addition to the Sum Insured shown on the Schedule.

### 8. Playing surfaces

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

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

### 9. Professional fees

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



The cost of professional fees are included in the Sum Insured for Buildings. If the Sum Insured has been exhausted, We will pay up to \$5,000.

We will not pay any claim under this extra cover if Your Schedule shows that Building is insured for "Indemnity value".

## 10. Removal and disposal of trees and branches

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

## 11. Removal of debris including necessary temporary repairs

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

We will pay You up to \$100,000 or 20% of the total Sum Insured on Building and Contents shown on the Schedule for the damaged Premises whichever is the greater (in addition to the Sum Insured) or the higher amount shown in the current Schedule for removal of debris or if this is insufficient and You have not exhausted Your Sum Insured on the damaged items requiring demolition and/or removal of debris, We will pay up to the remaining balance of the Sum Insured.

## 12. Seasonal increase in Stock

If You have insured Stock in trade as a separate item to Your Contents, the Sum Insured on Stock is increased by 50% for:

1. a. eight (8) weeks prior to and including Christmas Day;  
b. three (3) weeks after and including 26 December;
2. a. six (6) weeks prior to and including Easter Tuesday;  
b. one (1) week after but not including Easter Tuesday.
3. a. six (6) weeks prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter) where You can reasonably demonstrate that the Stock in trade levels during that period have risen by more than 20% above standard levels and that the increase has happened solely for the purpose of meeting additional customer demand associated with the happening of that festive, religious or ethnic event; and  
b. one (1) week after the same festive, religious or ethnic event or celebration.
4. Any other period shown on the current Schedule, in lieu of the covers in 1–3 above.

If Your Sum Insured for Stock in trade is included in another item on the current Schedule We will only apply the increase to the portion of the Sum Insured which relates to Stock in trade.

## 13. Taking inventory

We will pay up to \$5,000 for the reasonable costs and expenses incurred by You in taking inventory (including unpacking, repacking and restacking) to identify, quantify and value any Property Insured damaged during the Period of Insurance including examination of Property Insured not belonging to You but in Your care, custody or control.

## 14. Undamaged foundations

If foundations are not destroyed following an occurrence and any Government or Statutory Authority requires reinstatement of the Property Insured to be carried out on another site, the abandoned foundations will be considered as destroyed. If the resale value of the original building site is increased due to the presence of the abandoned foundations, the increase in resale value will be paid to Us at the time of sale.

## Additional benefits

We will also provide the following additional benefits, subject to the exclusions and conditions of this Policy.

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

### 1. Damage to Glass in vacant Buildings

If You own but do not occupy any Buildings shown as insured under this Policy Section at a Premises, We will cover You for the following costs directly related to the breakage of Glass in the Period of Insurance in a rentable area of the Building that is vacant at the time of the breakage:

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

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

We will not cover You under this additional benefit for any breakage:

- a. of Glass caused by or arising out of fire or the application of heat;

- b. of Glass:
  - i. when in transit or whilst being fitted into position or removed from its fitting;
  - ii. in light fittings;
  - iii. that is cracked or imperfect prior to breakage;
  - iv. that is not fit for the purpose intended; or
- c. that is in a glasshouse.

We will not pay for the breakage of:

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

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

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

The Excess that applies to this additional benefit is:

- a. the Excess shown on the Schedule; or
- b. \$500

whichever is the higher.

## 2. Directors and Employees tools of trade and personal effects

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

We will not pay more than \$5,000 for any one person for any one Event. Any amount We pay for this additional benefit is included in the Sum Insured for Contents. This additional benefit provides cover to You. It does not provide any insurance cover to any director or Employee.

## 3. Fire brigade attendance fees

We will pay up to \$100,000 for any statutory charges payable by You to a fire brigade or fire fighting authority for attendance at a fire or chemical emergency involving Property Insured and for the cost of refilling Your fire fighting appliances used in putting out a fire at or adjoining the Premises and threatening the Property Insured. This additional benefit is in addition to Your Sum Insured. The Excess that applies to this additional benefit is \$500.

## 4. General Property – Fire cover

Where Your Schedule shows You have selected cover under Section Ten – General Property, We will cover You under this Business Property Policy Section for damage arising from fire to General Property insured under Section Ten – General Property whilst away from the Premises.

We will not pay more than:

- a. the Sum Insured shown in the Schedule for Section Ten – General Property for all General Property;
- b. the sub-limit specified for any item contained in Section Ten – General Property.

No cover will be provided where You have taken the optional benefit – Fire under Section Ten – General Property.

## 5. Limited transit

We will cover You for loss of or damage to Stock in trade or Contents during the Period of Insurance which are in transit in or on any Vehicle owned or operated by You anywhere in Australia away from Your Premises, including storage during the transit, but only for damage caused by collision or overturning of the conveying Vehicle or any of the following Events:

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

We will not cover You for more than:

- a. \$50,000 or
- b. 20% of the highest Sum Insured for Contents or Stock in trade at any one Premises.

## 6. Prevention of imminent damage

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

- a. to extinguish a fire on or in the vicinity of Your Premises which causes or threatens loss or damage to Your Property Insured;
- b. to prevent or diminish imminent damage to Your Property Insured;
- c. for the temporary protection and safety of Your Property Insured at the Premises, including the employment of security services; or
- d. to remove Property Insured from the Premises if the purpose of the removal was to prevent or minimise damage insured under this Policy 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 Period of Insurance.

We will not pay for:

- a. any fines, penalties, or liability incurred by You; or
- b. any loss or damage to Your property.

## 7. 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, whilst located at Your Premises or off site anywhere in the Commonwealth of Australia, by an occurrence. We will not pay You for any financial loss caused by the loss of Your records under this extra cover.

We will pay You in addition to Your Sum Insured, up to \$25,000 or any higher amount for Rewriting of Records shown in the current Schedule.

## 8. Temporary cover for new premises

We will cover You for loss or damage occurring during the Period of Insurance to Buildings, Contents and Stock in trade at any new premises provided that:

- a. You first occupy the new premises during the Period of Insurance;
- b. the business carried on, at or from the new premises is the same as the Business shown on the Schedule;
- c. the property at the new premises is of the same nature as the Buildings, Contents and Stock in trade located at a Premises and would have been covered if they were located at a Premises;
- d. the buildings at the new premises are constructed of the same materials as the Buildings at any Premises and have the same or superior protection systems as those at any Premises.

We will not cover You under this additional benefit for any loss or damage at the new premises that occurs more than 60 days after You first occupy the new premises. If We agree to continue the cover You must pay any additional premium that We may require.

The maximum amount We will pay for this additional benefit is 50% of the highest Sum Insured for any Premises shown on the Schedule.

## 9. Temporary removal of Stock in trade and Contents

We also cover Your Property Insured while temporarily removed to any other premises within the Commonwealth of Australia.

We will not cover Vehicles or trailers, Watercraft, caravans or motorcycles unless they are:

- i. Stock in trade of Your Business; or

- ii. forklift trucks or similar appliances that are normally used for hauling or lifting goods at Your Premises.

We will not cover Stock in trade that is on consignment to other parties, unless it is owned by You or is property for which You are responsible.

The maximum amount We will pay for this additional benefit will be 20% of the Sum Insured.

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.

## 10. Theft of external property

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

We will not cover You for more than \$5,000 in the aggregate during the Period of Insurance for all claims under this additional benefit.

We will not pay for any loss or damage caused by Your Family or Your tenants.

We will not pay any claims under this additional benefit if You have selected cover under Section Three – Theft of the Policy.

## 11. 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 Premises used to hold or carry liquid provided that the bursting, leaking, discharging or overflowing has caused or may reasonably be expected to cause damage to Property Insured. We will not cover the repair or replacement of such apparatus, appliances, tanks, pipes or other systems.

## Optional benefit

### Flood

When "Flood" is shown in the current Policy Schedule, We will cover loss of or damage to Property Insured caused by Flood.

## Exclusions

1. We will not cover You for loss or damage insurable under any other Policy Section or Policy Sections of this Policy. This exclusion does not apply to any loss or damage which would only be insurable under any other Policy Section or Policy Sections because it fell within an extra cover or additional benefit in that Policy Section.
2. We will not cover You for loss or damage caused by:
  - a. wear and tear, gradual deterioration, scratching, marring, developing flaws, normal upkeep or any gradual cause;

- b. mechanical, hydraulic, electrical breakdown or electronic failure or malfunction;
- c. corrosion, rust, oxidation, any form of Fungus, wet or dry rot, dampness of atmosphere, variation in temperature, evaporation, disease, shrinkage;
- d. change in colour, flavour, texture or finish;
- e. inherent vice or latent defect;
- f. loss of weight or exposure to light;
- g. creeping, heaving, normal settling, shrinkage, seepage, vibration, expansion in buildings, pavements, roads, car parks and the like;
- h.
  - i. error or omission in design, plan or specification or failure during testing;
  - ii. faulty materials or workmanship;
 provided that this Exclusion 2(h) shall not apply to subsequent loss or damage to Your Property Insured (not otherwise excluded) resulting from an event referred to in this exclusion;
- i. loading or unloading;
- j. infidelity, dishonesty, embezzlement, misappropriation, or fraud including forgery, erasure, counterfeiting by You or any Employee;
- k. erosion, subsidence, landslide or mudslide or any other earth movement but We will cover loss or damage caused by a landslide or subsidence 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;
- l. demolition ordered by any lawful authority as a result of failure by You to comply with any lawful requirement;
- m. the action of the sea or high water, unless caused by or arising from a direct consequence of an earthquake or seismological disturbance;
- n. Flood;
- o. faults or defects known to You or any Employee whose knowledge in law would be deemed to be Your knowledge and not disclosed to Us at the time this insurance was arranged, extended, varied or renewed;
- p. the cessation of work (whether total or partial), interruption or retarding of any process or operation as a result of any industrial dispute;
- q. data processing or Media failure or breakdown or malfunction of a processing system including operator entry or omission;
- r. deliberate and unauthorised corruption, amendment or erasure of data by You or Your directors, partners, Employees, officers or any other person who has an

interest in the Property Insured whether acting alone or in collusion with any other person;

- s. Computer Virus;
- t. the gaining of unauthorised access to Your computer via any communication system by any person other than You or Your directors, partners, Employees, officers or any other person who has an interest in the property;
- u. an electrical device (including wiring) caused by a surge in electrical current;
- v. the operation or presence of any computer program that alters or erases data or programs in a manner that is undesired by You;
- w. 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 can resume normal operation;
- x. explosion or implosion of any pressure vessels (including any boilers):
  - i. where the load on the safety valve upon the particular pressure equipment was in excess of the manufacturer's specification at the time of any damage;
  - ii. where any safety valve limiting pressure was removed or rendered inoperative;
  - iii. failure of the supply of water, gas, electricity or fuel.

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

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

- a. Property Insured while it is undergoing any process where damage results from it being processed;
- b. any Building, Contents and Stock in trade if the Building is vacant awaiting or undergoing demolition, unless We have agreed otherwise;
- c. Animals, plants, or growing crops;
- d. Glass or signs except where You are a tenant of a building and are required by the lease to insure Glass; or
- e. any tangible property where the loss or damage was caused during the course of its processing or manufacture.

4. We will not cover loss or damage caused by or arising from:

- a. theft other than physical damage to Property Insured at the Premises during theft or any attempted theft and/or theft of parts of the Building 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. the incorrect siting of Buildings as a result of error in design or specification, faulty workmanship or non-compliance with the requirements of any lawful authority;
- d. any unexplained inventory shortage or disappearance resulting from clerical or accounting errors, or shortage in the supply or delivery of materials or goods;
- e. contamination, pollution, smoke or smut except where caused directly by fire, lightning, explosion, impact by any road vehicle or Animal, Aircraft or other aerial devices or articles dropped by them, falling communication masts, towers, antennae or dishes, falling buildings or structures or parts thereof, meteorite, riot, civil commotion, persons taking part in an industrial dispute, persons acting maliciously, earthquake, storm, the bursting, overflowing or discharge of tanks, apparatus or pipes containing water or liquid of any kind, or sprinkler leakage;

## Limitations on cover if You have cover under this Policy Section

### Earthquake

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

### Storm, Rainwater, Wind, Hail or Snow

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

## Specific conditions applicable to this Policy Section

These conditions apply to all covers and claims under this Policy Section.

### Leased building clause

Without prejudicing Your position under this Policy 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.

### Release

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

## Storage premises

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

## 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 Policy Section which is in breach of any terms or conditions, We will cover You for Your loss or damage as per this Policy Section, provided:

1. 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
2. You notify Us within a reasonable amount of time of becoming aware of the breach
3. You agree to pay a reasonable increase in premium for the additional risk.

## Underinsurance/average

In the event of loss or damage covered under this Policy Section, We will not be liable for more than that proportion of damage which; in respect of Buildings, Contents, Stock in trade and Specified Items the Sum Insured on the total amount for Buildings, Contents, Stock in trade and Specified Items at the Premises, at the time of the commencement of each Period of Insurance bears to eighty percent (80%) of the full insurable value of such Buildings, Contents, Stock in trade and Specified Items;

Conditions:

1. Our liability is limited to the Sum Insured at the Premises as shown in the Schedule.
2. This clause will not apply if the amount of any damage does not exceed ten percent (10%) of the Sum Insured at the Premises.

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

### Example:

Total value \$200,000

80% of value = \$160,000

Sum Insured \$144,000

Therefore if a \$100,000 loss occurs, We would pay  
 $(\$144,000/\$160,000) \times \$100,000 = \$90,000$

We would pay \$90,000.

# Section Two – Business Interruption

## About this Policy Section

This Policy Section only forms part of Your Policy when “Business Interruption” is shown as insured or selected in the Schedule.

There are three covers available in this Policy Section:

- Part A – Annual Revenue basis
- Part B – Weekly Revenue basis
- Part C – Insurable Gross Profit basis

## Definitions

Some words have special meaning wherever they appear in this Policy Section. These words and their meanings are listed below.

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

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

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

**“Damage”** means physical loss, destruction or damage (occurring during the Period of Insurance) from the operation of a peril or event insured against under the “Business

Property” Policy Section, the “Theft” Policy Section, the “Money” Policy Section, the “Glass” Policy Section or the “General Property” Policy Section of Your Policy.

**“Gross Income”** means the money paid or payable to You for goods sold, services rendered or rental received less the purchase price of Stock in trade.

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

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

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

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

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

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



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

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

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

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

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

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

**“Uninsured Working Expenses”** means the working expenses of Your Business which You have elected not to

insure under this Policy Section, and which are shown in Your Schedule.

**“Weekly Revenue”** means the money paid or payable to You each week as a:

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

## Part A – Annual Revenue basis

### What You are covered for

In the event of interruption of or interference with Your Business in consequence of Damage to any Property Insured or any part thereof or used by You at the Premises for the purpose of Your Business, We will pay You in respect of each item selected by You and shown in the current 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 Damage under the relevant Policy section of Your Policy, or another insurer has paid for or admitted liability in respect of such Damage;
- c. We would have paid for or admitted liability in respect of such Damage under the relevant Policy Section of this Policy, or another insurer would have paid for or admitted liability in respect of such Damage but for the application of an Excess; and
- d. Our liability in no case will exceed in respect of each item the Sum Insured shown in the current Schedule for that item.

The insurance under this Policy Section 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 expenses (if selected)



## What We pay

### Item 1. Annual Revenue

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

The amount payable as indemnity under Item 1 will be:

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

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

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

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

- Item 2. Additional increase in cost of working – see “Common Clauses to Parts A, B and C”.
- Item 3. Accounts receivable – see “Common Clauses to Parts A, B and C”.
- Item 4. Claim preparation expenses – See “Common Clauses to Parts A, B and C”.

## Part B – Weekly Revenue basis

### What You are covered for

In the event of interruption of or interference with Your Business in consequence of Damage to any Property Insured or any part thereof used by You at the Premises for the purpose of Your Business, We will pay You in respect of each item selected by You and shown in the current 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 Damage under the relevant Policy Section of Your Policy,

or another insurer has paid for or admitted liability in respect of such Damage;

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

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

The insurance under this Part 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 expenses (if selected)

## What We pay

### Item 1. Weekly Revenue

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

- Item 2. Additional increase in cost of working – see “Common Clauses to Parts A, B and C”.
- Item 3. Claim preparation expenses – see “Common Clauses to Parts A, B and C”.

## Part C – Insurable Gross Profit basis

### What You are covered for

In the event of interruption of or interference with Your Business in consequence of Damage to any Property Insured or any part thereof used by You at the Premises for the purpose of Your Business, We will pay You in respect of each item selected by You and shown in the current 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 Damage under the relevant Policy Section of Your Policy, or another insurer has paid for or admitted liability in respect of such Damage;

- c. We would have paid for or admitted liability in respect of such Damage under the relevant Policy Section of this Policy, or another insurer would have paid for or admitted liability in respect of such Damage, but for the application 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.

The insurance under this Part provides protection with regard to loss under:

- Item 1.** Gross Profit (if selected)
- Item 2.** Additional increase in cost of working (if selected)
- Item 3.** Accounts receivable (if selected)
- Item 4.** Claim preparation expenses (if selected)
- Item 5.** Rent Receivable (if selected)

### What We pay

#### Item 1. Gross Profit

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

The amount payable as indemnity under this item will be:

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

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

Provided that if the Sum Insured for this item at the commencement of each Period of Insurance is less than the sum produced by applying the Rate of Gross Profit to eighty percent (80%) of the Annual Turnover (or its proportionately increased multiple where the Indemnity Period exceeds twelve months), the amount payable will be reduced so that We will be liable for no greater proportion of the loss under this item than that which the Sum Insured bears to eighty percent (80%) of the Annual Turnover (or its proportionately increased multiple, if appropriate).

This provision will not apply if the amount of the claim does not exceed 10% of the Sum Insured for this item.

**Item 2.** Additional increase in cost of working – See Common Clauses to Parts A, B and C.

**Item 3.** Accounts receivable – See Common Clauses to Parts A, B and C.

**Item 4.** Claim preparation expenses – See Common Clauses to Parts A, B and C.

**Item 5.** Loss of Rent Receivable

This item is limited to loss of Rent Receivable and additional expenditure.

The amount payable will be:

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

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

Provided that if the Sum Insured for loss of Gross Profit at the commencement of each Period of Insurance is less than the sum produced by applying the Rate of Gross Profit to eighty percent (80%) of the Annual Turnover (or its proportionately increased multiple where the Indemnity Period exceeds twelve months), the amount payable for loss of Gross Profit only will be reduced so that We will be liable for no greater proportion of the loss under this item than that which the Sum Insured bears to eighty percent (80%) of the Annual Turnover (or its proportionately increased multiple, if appropriate).

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

## Common clauses to Parts A, B and C

The following clauses are applicable to Parts A, B and C.

### Accumulated Stocks

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

## Alternative trading

If during the Indemnity Period, goods are sold, work is performed or services are rendered elsewhere than at the Premises 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 Annual Revenue, Weekly Revenue or Turnover (as the case may be) during the Indemnity Period.

## 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 Damage for the purpose of avoiding or diminishing reduction in Revenue or Weekly Revenue or Turnover and/or resuming and/or maintaining normal business operations and/or services.

## Item 3. Accounts receivable

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

- a. determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the Damage occurs
- b. calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the year immediately preceding the month in which the Damage occurs, as compared with such average for the same months of the preceding year
- c. the amount determined under (a), increased or decreased by the percentage calculated under (b) above, will be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said Damage occurs
- d. the amount determined under (c) above will be increased or decreased in conformity with the normal fluctuation in the amount of accounts receivable during the fiscal month involved, consideration being given to the experience of Your Business since the last day of the last fiscal month for which statements have been rendered less:
  - i. the amounts of such accounts evidenced by records not suffering Damage or otherwise established or collected by You

- ii. an amount to allow for probable bad debts that would normally have been uncollectable by You
- iii. all unearned interest and service charges, and
- iv. settlement or term discounts normally allowed.

## Item 4. Claim Preparation and Proving Expenses

In addition to the amount payable under General Condition "Claim preparation expenses" of this Policy We will pay You up to the amount shown in the current Schedule for the costs of such reasonable professional fees as may be payable by You and other such reasonable expenses necessarily incurred by You and not otherwise recoverable, for preparation and negotiation of claims under this Policy Section.

## Government incentives

The word "Gross Profit", "Revenue" and "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. We will pay for the reduction in Your Gross Profits, Gross Income or Weekly Income in relation to Your Business where such interruption results from the loss of Government approved incentives, subsidies or market development allowances to which You would have been entitled.

## New business

In the event of Damage occurring at the Premises 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 Policy Section:

**"Annual Turnover"** means the actual Turnover achieved during Your first year of operations, from the commencement of Your Business to the date of the Damage, converted to a 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 Damage.

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

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

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

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

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

### Salvage sale

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

- a. Clause a. of Item 1 “Gross Profit” of this Policy Section shall, for the purpose of such claim, 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 Damage, fall short of the Standard Turnover, from which shall be deducted the Gross Profit actually earned during the period of the salvage sale.
- b. The definition of Shortage in Turnover shall, for the purpose of such claim, mean: the amount by which the Turnover during a period (less the Turnover for the period of the salvage sale) shall, in consequence of the Damage, fall short of the part of the Standard Turnover which relates to that period, from which shall be deducted the pay-roll paid out of the proceeds of the salvage sale.

### Sum Insured

Our liability to You will in no case exceed in respect of each item the Sum Insured expressed against that item in the current Schedule. “Extra covers” and “additional benefits” are within the total Sum Insured of this 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 Sum Insured for that item.

### Turnover Output

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

For the purpose of this Policy Section, “Output” shall mean the sale and/or invoice value of goods manufactured and/or processed by You in the course of Your Business at the Premises.

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 that at the Premises 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.

### Extra covers

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

#### 1. Contractual fines and penalties

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

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

The amount payable shall not exceed 20% of the total Sum Insured for Gross Profit.

#### 2. Explosion of pressure vessels

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

#### 3. Infectious disease, etc.

We will also pay You for interruption or interference with Your Business due to closure or evacuation of the whole or part of the Premises during the Period of Insurance by order of a competent government, public or statutory authority as a result of:

- a. vermin or pests or defects in the drains or other sanitary arrangements, occurring at the Premises.
- b. the outbreak of a notifiable human infectious or contagious disease occurring within a 20 kilometre radius of the Premises;
- c. injury, illness or disease caused by the consumption of food or drink supplied at or from Your Premises during the Period of Insurance;
- d. murder or suicide occurring at the Premises; or
- e. shark or crocodile attack occurring within a 20 kilometre radius of the Premises during the Period of Insurance.

However, there is no cover under extra cover 3. a. and c. due to Highly Pathogenic Avian Influenza in Humans or any other disease declared to be a quarantinable disease under the *Quarantine Act 1908* (including amendments).

#### 4. Motor Vehicles owned or operated by You

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

#### 5. Prevention of access

We will cover You for interruption to Your Business that is caused by or results from Damage to property in the vicinity of the Premises which shall prevent or hinder the use or access to the Premises provided that:

- a. the damage would have been covered under Section One – Business Property if the property in the vicinity of the Premises had been insured under that Policy Section;
- b. the damage prevents or hinders the use of or access to the Premises;
- c. the damage results in the interruption of or interference with Your Business.

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

### Additional benefits

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

We will pay You (depending on the Part of this Policy Section which is applicable to You) for:

- a. loss of Revenue
- b. loss of Weekly Revenue, or
- c. loss of Gross Profit,

resulting from interruption of or interference with Your Business as a result of Damage occurring during the Period of Insurance to, or as a direct result of:

#### 1. Computer installation

We will treat damage to computer installations, including ancillary equipment and data processing Media, utilised by You in the Commonwealth of Australia other than at the Premises as Damage for the purposes of this Policy Section provided that:

- a. the damage would have been covered under Section One – Business Property if the computer facilities had been insured under that Policy 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. Customers and suppliers – unspecified

We will treat damage to unspecified property at the Premises of:

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

all within the Commonwealth of Australia as Damage for the purposes of this Policy Section, provided that Our liability will not exceed 20% of the Sum Insured applicable to this Policy 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

if the following apply:

- i. the damage would have been covered under Section One – Business Property if the documents and electronic data files had been insured under that Policy Section;
- ii. the damage results in interruption of or interference with Your Business.

as Damage for the purpose of this Policy Section.

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

#### 4. Loss of Attraction

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

- a. the damage to the property of the major tenant would have been covered under Section One – Business Property if such damage had been to Property Insured under that Policy Section;

- b. the damage results in reduced pedestrian count in the shopping complex; and
- c. the damage results in interruption of or interference with Your Business.

### 5. Roads, bridges and railway lines

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

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

### 6. Storage sites/Temporary removal

We will cover You for interruption to Your Business that is caused by or results from Damage to Your Property Insured stored or being processed at any premises in the Commonwealth of Australia not occupied by You. 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 the Commonwealth of Australia and outside of the Premises occupied by You, up to an amount not exceeding 20% of the Sum Insured in respect of any one occurrence.

### 8. Utilities

We will treat damage to the following utilities:

- a. any land-based telecommunications system within the Commonwealth of Australia which supplies Your Business;
- b. any electricity supply system;
- c. water supply or sewerage works; or
- d. gas supply system,

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

- i. the damage would have been covered under the Section One – Business Property if such damage had been to Property Insured under that Policy Section;

- ii. the damage results in hindering or stopping the supply of electricity, gas, water or telecommunications to the Premises or sewage from the Premises; or
- iii. the damage results in interruption of or interference with Your Business.

We will not pay for the first 48 hours where the utility which was damaged is not at or immediately adjacent to the Premises.

## Specific conditions applicable to this Policy Section

### Adjustment of premium

We will reduce Your premium for Part A – Annual Revenue or Part C – Insurable Gross Profit cover at the end of each Period of Insurance if the Annual Revenue or Gross Profit (as the case may be) earned during the previous 12 months accounting period is less than the Sum Insured. The adjustment rate is 50% of the difference between the premium payable for the Annual Revenue or Gross Profit Sum Insured and for the Annual Revenue or Gross Profit earned.

Any payment made by Us for a claim under Part A – Annual Revenue or Part C – Insurable Gross Profit is to be included in the Annual Revenue or Gross Profit earned for the purpose of this adjustment.

### Books of account

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



# Section Three – Theft

## About this Policy Section

This Policy Section covers the loss of Your Contents or Stock in trade from theft, attempted theft, armed hold up or an actual or threatened assault. You are not covered for theft of Contents and Stock in trade kept in the open air.

## Definitions

The following words have the following meanings for this Policy Section only.

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

1. All Contents, Stock in trade, excluding Money and Tobacco/Cigarettes
2. Tobacco/Cigarettes
3. Specified items listed in the Schedule

“**Tobacco/Cigarettes**” means cigarettes, cigars and tobacco used by You in the Business.

## Your insurance under this Policy Section

Provided “Theft” Policy Section is shown as insured or selected in the Schedule, We will cover You for loss of or damage to Your Contents and Stock in trade occurring during the Period of Insurance at Your Premises caused by one or more of the following:

1. any person who forcibly and violently enters or attempts to enter the Premises;
2. any person unlawfully concealed on the Premises;
3. any person who threatens or commits physical violence to You, Your Employees or other persons;
4. armed hold-up at the Premises;
5. any person who breaks into any locked cabinet and/or counter and/or showcase which is located on the Premises.

## What We pay

At Our option, We will:

- a. With respect to Stock in trade:
  - i. pay You the Market Value of the Stock in trade at the time of the loss or damage;
  - ii. pay You the value of Obsolete Stock or its purchase price, whichever is the lesser, but no more than the original cost to You;
  - iii. replace or repair the Stock in trade with property or materials equal to or of a similar standard and specification as the Stock in trade before it was damaged; or

- iv. pay the cost of repair or replacement of the Stock in trade.
- b. With respect to electronic equipment or Contents:
    - i. repair or replace the electronic equipment or Contents; or
    - ii. pay You the cost of repair or replacement of the electronic equipment or Contents.
  - c. the Sum Insured for a specified item.

For each Category or Categories, We will not pay more than the Sum Insured shown on the current Schedule for this Policy Section, except to the extent stated under the headings “Extra covers” and “Additional benefits”.

## Extra covers

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

### 1. Damage to Buildings

We will cover You for the cost to repair Your Property Insured caused by a theft or attempted theft. The maximum amount We will pay for this extra cover is \$10,000. This Limit is in addition to the Sum Insured.

### 2. Damage to rented Buildings

We will cover You for damage to Premises that You occupy as a tenant if You are legally liable for that damage under the terms of Your lease, provided such damage occurs as a result of theft or attempted theft of Property Insured occurring during the Period of Insurance. The Limit under this extra cover is \$10,000 or the amount shown in the Schedule. This Limit is in addition to the Sum Insured.

### 3. Seasonal increase of cover

All Theft cover Sum Insured are increased by 50% for:

- a. eight (8) weeks prior to and including Christmas Day;
- b. three (3) weeks after and including 26 December;
- c. six (6) weeks prior to and including Easter Tuesday;
- d. one (1) week after but not including Easter Tuesday;
- e. six (6) weeks prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter) where You can reasonably demonstrate that the Stock levels during that period have risen by more than 20% above standard levels; and that the increase has happened solely for the purpose of meeting additional customer demand associated with the happening of that festive, religious or ethnic event or celebration, and
- f. one (1) week after the same festive, religious or ethnic event or celebration.

Any other period shown on the current Schedule, in lieu of the covers in a. to f. above.

#### 4. Temporary protection and security guards

We will pay the reasonable and necessary cost of temporary protection and repairs and the employment of guards/watchmen for the safety and protection of the Building pending repair of damage to the Building caused by a theft or attempted theft. We will not pay more than \$10,000 for any one claim. If an occurrence results in a claim being paid under this Policy Section and another Policy Section, the highest single Limit under the relevant Policy Section applies. The benefit of Temporary Protection and security guards shall not be cumulative under this Policy.

This extra cover operates in addition to the Sum Insured.

### Additional benefits

We will also provide the following additional benefits in this Policy Section.

Unless stated to the contrary, any amounts payable under these additional benefits are included in the Sum Insured specified in the Schedule.

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

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

We will not pay more than to \$5,000 for any one person and \$10,000 overall in respect of any one claim. This Limit is in addition to the Sum Insured.

This additional benefit provides cover to You. It does not provide any insurance cover to any director or Employee.

#### 2. Employee dishonesty

We will cover You for loss of Stock in trade, Contents or electronic equipment as a direct result of dishonesty by any of Your Employees occurring during the Period of Insurance, which is discovered within forty five days of the Employee dishonesty occurring.

This additional benefit does not cover:

- a. any loss arising from the conduct of an Employee after You have knowledge of or information about any prior act of fraud or dishonesty by the Employee;
- b. any loss arising from the conduct of an Employee outside the Commonwealth of Australia;
- c. any loss where You are unable to identify which Employee is responsible;
- d. any loss or part of a loss arising from the conduct of an Employee, where the proof of the loss, either as to its

occurrence or as to its amount, is dependent upon an inventory stock-take or a profit and loss calculation;

- e. fraud or dishonesty committed by Your Family; or
- f. fraud or dishonesty committed by any of Your Employees committed with Your connivance.

Exclusion 3 under this Policy Section, so far as it relates to loss or damage due to theft or attempted theft committed by an Employee, does not apply to this additional benefit.

Our liability under this additional benefit is limited to \$5,000 for any one occurrence. This Limit is in addition to the Sum Insured. If You are also insured under the Money Policy Section and /or the Employee Dishonesty Policy Section, the benefits payable for Employee dishonesty shall not be cumulative and shall be limited to \$5,000 in the aggregate per occurrence.

#### 3. Death benefit

If any person is injured while protecting or attempting to protect the property from theft and death results from that injury within twelve (12) months, We will pay \$10,000 to the estate of that person. If You are also insured under the Money Policy Section, the benefits payable for death following assault shall not be cumulative and shall be limited to \$10,000 in the aggregate. This Limit is in addition to the Sum Insured.

#### 4. Illegal electronic fund transfer

If the Policy covers Contents and, following entry into the Premises arising from one of the events listed under the heading "Your insurance under this Policy Section", We will pay financial loss sustained by You arising from the electronic transfer of funds from Your bank account to a bank account not controlled by You.

We will not pay:

- a. any financial loss arising from the misuse or illegal use of corporate credit cards or financial transaction cards by Your Employees or any other person acting in collusion with Your Employee or by any member of Your Family;
- b. transfer of money via electronic funds transfer which was enabled by:
  - i. a key; or
  - ii. use of details of a combination, code or password that are left in the Building outside Business Hours;
- c. more than \$5,000 in total for any one loss or Event.

#### 5. Illegal use of corporate financial transaction card

If the Policy covers Contents and any corporate credit and/or debit card used by the Business is lost or stolen during the Period of Insurance, We will pay any financial loss sustained by You 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 \$5,000 in total for any one loss or Event.

## 6. Replacement of locks, keys and combinations

Following an occurrence covered by this Policy Section We will pay the reasonable cost of:

- a. replacing locks, keys, magnetics keys or cards or similar devices or combinations used in Your Business if:
  - i. 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;
  - iii. circumstances have allowed the unauthorised duplication of keys, magnetic keys or similar devices;
- b. opening Safes and Strongrooms because of the theft of keys or combinations during a theft;
- c. replacing and developing security film exposed because of theft or attempted theft;
- d. restoring the security system to its former functionality following a theft or attempted theft that is covered by this Policy Section.

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.

The maximum amount We will pay for each occurrence is \$10,000. This Limit applies in addition to the Sum Insured.

If You are also insured under Section Four – Money, the benefit payable for “Replacement of locks, keys and combinations” shall not be cumulative and shall be limited to \$10,000 in the aggregate.

## 7. Rewriting of Records

We will pay for the cost of additional clerical and professional costs, incurred by You to rewrite Your necessary business records if they are lost, destroyed or damaged whilst located at Your Premises or off site anywhere in the Commonwealth of Australia, by an occurrence which You are covered for in this Policy Section. We will not pay more than \$25,000 during any one Period of Insurance. This Limit is in addition to the Sum Insured.

## 8. Temporary cover for new premises

We will cover You for loss of Stock in trade, Contents or electronic equipment at any new premises which You first occupy during the Period of Insurance provided that:

- a. cover is limited to a period of 60 consecutive days from the day that You first use the new premises;
- b. cover is not available to property that cannot be correctly designated to one of the Categories that are shown as insured in the Schedule;
- c. cover is only available to Stock in trade, Contents or electronic equipment that is of a similar type to that insured by this Policy Section;
- d. for each specific Category of property shown in the Schedule cover is limited to 50% of the Sum Insured for that Category; or
- e. if more than one Premises is shown in the Schedule then this 50% limitation will apply to the lowest Sum Insured that applies to the specific Category of property;
- f. the new premises have building and security features that are similar to those at one of the Premises shown in the Schedule having the same occupation.

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

If We agree to cover Stock in trade, Contents or electronic equipment at the new premises, You must pay any additional premium We ask for.

## 9. Temporary removal

We also cover Your Property Insured while temporarily removed to any other premises within the Commonwealth of Australia.

Provided that:

- a. We will not cover Tobacco, products containing Tobacco/Cigarettes, cigars or alcoholic beverages;
- b. We will not cover 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. the maximum amount We will pay for this additional benefit will be 20% of the Sum Insured;
- d. this additional benefit will not apply to any Property Insured, which has been removed for a period greater than 90 days without Our prior written consent.

## 10. Theft of external property

We will cover You for loss or damage as a result of theft or attempted theft occurring during the Period of Insurance to Contents that are securely and permanently attached (other than by means of a flexible or tensile cord to a power point) to the outside of the Building.

We will not cover You for more than:

- a. \$10,000; or
- b. the Contents Sum Insured

whichever is the lesser during the Period of Insurance.

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

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

The amount We will pay is limited to:

- a. \$10,000 (or the amount shown in the current Schedule whichever is the higher) for any one occurrence, by theft or attempted theft of Contents other than:
  - i. electronic equipment,
  - ii. Stock in trade or
  - iii. Customer's Goods
- b. \$20,000 (or the amount shown in the current Schedule whichever is the higher) for any one occurrence, by theft or attempted theft of Your electronic equipment which is not Stock in trade or Customer's Goods.

We will not cover You if the theft or attempted 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.

## **Exclusions**

1. We will not pay under the Theft Policy Section for loss of or damage to:
  - a. Money and negotiable instruments in excess of \$500;
  - b. jewellery, furs, bullion, property made of gold or silver or precious stones exceeding \$10,000 any one loss and \$2,000 any one item unless they are Stock in trade;
  - c. Vehicles unless they are:
    - i. Stock in trade;
    - ii. fork lift trucks and similar appliances that are used for hauling or conveying goods at the Premises;
  - d. Glass unless it is Stock in trade;
  - e. loss of or damage to Property Insured from any open space, whether fenced or unfenced, outside the walls of the buildings except as expressly provided under additional benefit "Theft of external property".
2. We will not pay under the Theft Policy Section for loss of or damage to property caused by:
  - a. any person lawfully on Your Premises

- b. any person who does not steal or intend to steal property.

3. We will not pay under the Theft Policy Section for loss of or damage to property caused by or in any way contributed to by dishonest acts by You, Your directors, partners, Employees or any members of Your Family, other than by an Employee following forcible and violent entry.
4. Loss from a Safe or Strongroom or security enclosure opened by a key or by the use of details of a combination, either of which has been left on Your Premises while closed for business, is not covered for more than \$500 any one Event.
5. We will not pay under the Theft Policy Section for unexplained disappearances or unexplained shortages, whether resulting from clerical or accounting errors or shortages in supply or delivery of materials to or by You.

## **Specific conditions applicable to this Policy Section**

These conditions apply to this Policy Section.

1. Monitored burglar alarms

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

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

2. Valuables

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

3. Reinstatement

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

# Section Four – Money

## About this Policy Section

This Policy Section covers the loss of or damage to Your Business' Money from defined events shown as insured on the Schedule. The Money may be In Transit or in the Building at Your Premises.

## Definitions

Some words have special meaning wherever they appear in this Policy Section. These words and the meanings are listed below:

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

**"In Custody"** means in 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 the Commonwealth of Australia. Money in transit includes Money while contained in the night safe, night depository chute or Automatic Teller Machine of any Financial Services Provider. Our liability ceases at the time Your Financial Services Provider ceases trading on the next business day following the deposit therein.

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

**"Money"** has the meaning in the "Words with special meaning" and includes (for the purposes of this Policy Section only) funds held in electronic form in a bank account.

## Your insurance under this Policy Section

Provided Money is shown as insured or selected in the Schedule, We will cover You for loss of or damage to Money which occurs during the Period of Insurance as a result of the defined events described below and shown on the current Schedule.

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

## What We pay

We will pay You the amount of any Money that is lost or damaged.

If You have selected one Sum Insured for Money, the maximum amount We will pay is the Sum Insured shown on the Schedule.

If You have selected a different Sum Insured for each of the defined events listed above, the maximum amount We will pay, in respect of:

- a. Money In Transit at the time of the loss or damage is the Money In Transit Sum Insured;
- b. Money in the Building during Business Hours at the time of the loss or damage is the Money contained in the Premises during Business Hours Sum Insured
- c. Money in the Building outside Business Hours at the time of the loss or damage is the Money contained in the Premises outside Business Hours Sum Insured;
- d. Money in the Business Premises in securely locked Safe or Strongroom at the time of the loss is the Money contained in the Premises only whilst contained in a securely locked Safe or Strongroom Sum Insured;
- e. Money in Custody at the time of the loss or damage is the Money in personal custody Sum Insured.

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

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

- a. if the securities can with Our approval be replaced, the cost of replacement paid or payable by You, or
- b. if the securities cannot or are not to be replaced by You, the greater of
  - i. the price for which You purchased them, or
  - ii. the closing market value on the last business day prior to the date of discovery by You of the loss or destruction of the securities, or 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,
- c. 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 arbitration.

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.

If the Safe or Strongroom is lost or damaged, We will at Our option:

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

We will not pay the cost of alterations, improvements or overhauls carried out when the lost or damaged Safe or Strongroom is repaired or replaced.

## Excess

The Excess that applies is shown on the Schedule.

## Extra covers

If We agree to pay a claim under this Policy Section for loss or damage to Money, We will also pay or provide the extra covers set out below.

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

### 1. Seasonal increase of cover

All Money cover Sums Insured are increased by 50% for:

- a. eight (8) weeks prior to and including Christmas Day;
- b. three (3) weeks after and including 26 December;
- c. six (6) weeks prior to and including Easter Tuesday;
- d. one (1) week after but not including Easter Tuesday;
- e. six (6) weeks prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter) where You can reasonably demonstrate that the Stock levels during that period have risen by more than 20% above standard levels and that the increase has happened solely for the purpose of meeting additional customer demand associated with the happening of that festive, religious or ethnic event or celebration, and

- f. one (1) week after the same festive, religious or ethnic event or celebration.

Any other period shown on the current Policy Schedule, in lieu of the covers in a. to f. above.

## 2. Temporary protection and security guards

We will pay You the costs necessarily and reasonably incurred by You in effecting temporary protection and the employment of guards/watchmen to safeguard the Money at the Premises as a result of theft or attempted theft of Money occurring during the Period of Insurance and that is insured under this Policy Section. The maximum amount We will pay for each occurrence is \$10,000. If an occurrence results in a claim being paid under this Policy Section and another section of the Policy, the highest single Limit under the relevant Policy Section applies. The extra cover of "Temporary protection and security guards" shall not be cumulative under this Policy.

## Additional benefits

We will also provide the following additional benefits, subject to the exclusions and conditions of this Policy.

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

### 1. Bank and public holidays extension

The sums insured for Money cover are automatically increased by 100% or \$75,000 whichever is the lesser on days that are gazetted bank or public holidays.

This increase shall apply up until bank closing time on the next business day after such holiday. This additional benefit does not apply to damage to Safes and Strongrooms and the "Seasonal increase of cover" extra cover.

### 2. Counterfeit currency

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

### 3. Directors and Employees tools of trade and personal effects

We will cover You for loss or damage to the tools of trade and personal effects of Your directors, officers and Employees during a theft or attempted theft covered under this Policy Section.

Cover is limited to \$5,000 any one person and \$10,000 overall in respect of any one loss. If You are also insured under Section Three – Theft, the benefits payable under this additional benefit shall not be cumulative.

This additional benefit provides cover to You. It does not provide any insurance cover to any director or Employee.



#### 4. Employee dishonesty

We will cover You for loss of Money as a direct result of theft or dishonesty by any of Your Employees occurring during the Period of Insurance, which is discovered within forty-five days of its occurrence. Exclusion 1. c., of this Policy Section, so far as it relates to loss or damage due to theft or attempted theft committed by an Employee, does not apply to this additional benefit.

This additional benefit does not cover:

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

Our liability under this additional benefit is limited to \$5,000 for any one occurrence. If You are also insured under Section Three – Theft and /or Section Five – Employee Dishonesty, the benefits payable for Employee dishonesty shall not be cumulative and shall be limited to \$5,000 in the aggregate per occurrence.

#### 5. Death benefit

If any person is injured while protecting or attempting to protect Money from theft or attempted theft and death results from that injury within twelve months, We will pay the estate of that person \$10,000. This amount is in addition to any amount We pay for loss of Money. If You are also insured under the Theft Policy Section, the benefits payable for death following assault shall not be cumulative and shall be limited to \$10,000 in the aggregate.

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

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

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

A Limit of \$10,000 any one occurrence applies to this additional benefit.

#### 7. Replacement of locks, keys and combinations

Following an occurrence covered by this Policy Section We will pay the reasonable cost of:

- a. replacing locks, keys, magnetic keys or cards or similar devices or combinations used in Your Business and the cost of opening Safes and Strongrooms. This additional benefit shall also apply if there are reasonable grounds to suspect that:
  - i. keys or combinations have been stolen or duplicated without Your authority;
  - ii. keys, magnetic keys or card or similar devices are accidentally lost;
  - iii. the combinations become known by an unauthorised duplication of keys, magnetic keys or card or similar devices.
- b. replacing and developing security film exposed because of theft or attempted theft;
- c. opening Safes and Strongrooms because of the theft of keys or combinations during a theft of Money covered under this Policy Section.

A Limit of \$10,000 any one occurrence applies to this additional benefit.

If You are also insured under Section Three – Theft, the additional benefit payable for “Locks, keys and combinations” shall not be cumulative and shall be limited to \$10,000 in the aggregate.

#### 8. Temporary cover for new premises

Cover is extended to include Money at, or In Transit to or from any new premises occupied by You after the commencement of the Period of Insurance, within Australia, for 30 days from first being used by You (unless the Period of Insurance or Your occupancy of such premises ends sooner, whichever shall first occur), but the cover is limited to:

- a. the Business described in the Schedule, and
- b. the Money insured described in the Schedule.

Our maximum liability under this additional benefit is limited to 20% of the Sum Insured shown in the Schedule in relation to each item of Money covered under this Policy Section.

Full details of such additional property are to be supplied to Us within 30 days of Your commencement to use the property. If We agree to cover Money at the additional location, We may require payment of an additional premium.

## 9. Traveller's Money

We will cover You for loss of Money belonging to You, occurring while such Money is in Your personal custody, or in the custody of Your Employee, up to \$10,000, while travelling anywhere in the world in connection with Your Business.

### Exclusions

1. We will not pay for loss or damage caused by:
  - a. clerical or accounting errors
  - b. errors in receiving or paying out Money
  - c. dishonest acts of Your directors, partners, Employees or any member of Your Family other than theft by an Employee following visible forcible and violent entry.
2. We will not pay for loss of or damage to:
  - a. Money whilst contained in an unattended Vehicle that is not locked
  - b. Money from a Safe or Strongroom opened by a key or by use of a combination which has been left on the Premises outside Business Hours
  - c. Money, except as provided under additional benefit – "Traveller's Money", whilst it is outside the Commonwealth of Australia
  - d. Money that does not belong to You in or from an Automatic Teller Machine.

# Section Five – Employee Dishonesty

## About this Policy Section

This Policy Section covers the theft of Your Money, Contents or Stock in trade by any of Your Employees either acting alone or in collusion with others.

### Definitions

Some words have special meaning wherever they appear in this Policy Section. These words and their meanings are listed below:

**"Claim documents"** means:

1. the documentation created in the preparation of, or evidencing, a claim; and
2. all records and documents that may assist Us to investigate:
  - a. a claim; or
  - b. a Loss; or
  - c. Your right of recovery in consequence of a Loss; including electronic records, computer records, video and audio recordings, working papers, internal memoranda, reports, accounting records and audit documents.

**"Employee"** means:

1. a person:
  - a. employed by You under a contract of service; or
  - b. assigned, by any agency whose business it is to furnish personnel, to perform Employee duties for You, in the ordinary course of Your Business, during the Period of Insurance, and whom You have the right to direct in the detail of that person's performance of work;
2. a former Employee during a period of not more than 30 days following the cessation of that person's service;
3. a Group of Employees, which means:
  - a. two or more Employees acting in collusion;
  - b. an Employee acting alone and also acting as a member of a group of Employees;
  - c. two or more groups of Employees having an Employee in common,

but Employee does not include:

1. a person who is not directly paid remuneration by You other than as described in 1. b. above; or

2. a person who is one of Your directors or trustees, except when performing acts within the scope of the usual duties of an Employee; or
3. a person who is a member of any committee that examines or audits or has custody of or access to Your Money, negotiable instruments or goods.

“**Limit of Indemnity**” means the Limit of Indemnity of Employee Dishonesty insurance shown in the Schedule for all Losses during the Period of Insurance.

“**Limit per Employee**” means the Limit per Employee for Employee Dishonesty insurance, shown in the Schedule, in respect of any Loss or all Losses caused by an act or acts of the one Employee.

“**Loss**” means direct loss:

1. of:
  - a. Money;
  - b. negotiable instruments; or
  - c. goods;

which belong to You, or are in Your possession and for the loss of which You are liable;
2. occurring in the ordinary course of Your Business;
3. caused directly by an act of fraud or dishonesty:
  - a. of an Employee; and
  - b. committed within twelve (12) months before discovery by You of the act of fraud or dishonesty, and
4. discovered by You:
  - a. during the Period of Insurance; or
  - b. if this Policy Section is not renewed or is cancelled, within twelve (12) months after the Period of Insurance or the date of cancellation for this Policy Section;

but in either case no later than twelve (12) months after the cessation of employment of the relevant Employee, and does not include cover for any indirect or Consequential Loss whatsoever.

“Money” has the meaning in the “Words with special meaning” and includes, for the purposes of this Policy Section only, funds held in an electronic form in a bank account.

## Your insurance under this Policy Section

Provided “Employee Dishonesty” is shown as insured or selected in the Schedule, We will insure You for Loss of Money, Contents or Stock in trade as a result of any act of fraud or dishonesty committed by any of Your Employees, either acting alone or in collusion with others, that is first discovered by You during the Period of Insurance.

## What We pay

1. for Property Insured, We will at Our option:
  - a. pay to You the amount of the Loss of Property Insured; or
  - b. reinstate or replace that property, but in so doing We will not be bound to reinstate or replace exactly and completely, but only as circumstances permit and in a reasonably sufficient manner;
2. for Money, We will pay You the amount of Your Loss.

Our total liability for all Losses and Claims preparation costs during the Period of Insurance shall not exceed the Sum Insured shown on the Schedule.

Notwithstanding that the act of fraud or dishonesty may have been committed during more than one Period of Insurance, Our liability for all Losses relating to acts of fraud or dishonesty committed by one Employee, or any Group of Employees, or any number of Group of Employees that contain one common Employee, will not exceed the Limit or Sum Insured per Employee shown on the Schedule.

Our liability will be reduced by the sum of all moneys to which an Employee who caused a Loss would have been entitled, but which are retained by You or which You are entitled to retain.

We will be liable only for that part of the Loss that exceeds the Excess shown on the Schedule or on any Endorsement to this Policy Section.

## Extra cover

If We agree to pay a claim under this Policy Section for fraud or dishonesty We will also pay for the extra covers set out below.

### 1. Claims preparation costs

We will also pay the reasonable cost of auditor's fees and other reasonable expenses incurred by You with Our consent, for the preparation of claims under this Policy Section.

We will not pay more than \$5,000 under this extra cover during any one Period of Insurance. Any amounts payable under the extra cover apply in addition to the Sum Insured.

## Additional benefits

We will also provide the following additional benefits in this Policy Section.

Unless stated otherwise below, any amounts payable under these additional benefits do not apply in addition to the Sum Insured.

## 1. Retroactive cover

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

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

## 2. Superannuation funds

The meaning of You, Your, includes 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.

## 3. Welfare, social or sporting club

The meaning of You, Your, includes any welfare, social or sporting club formed with Your knowledge and consent exclusively for the benefit of Employees and their families.

## Exclusions

We will not pay for any Loss:

- a. arising from an act committed by an Employee after You have knowledge of, or reasonable cause to suspect, the commission by the Employee of an act of fraud or dishonesty, unless if, when You first obtained the knowledge or reasonable cause for suspicion:
  - i. the Money, negotiable instruments or goods that are the subject of the Loss were in the possession of the Employee; and
  - ii. You immediately took all the reasonable action to regain possession of the Money, negotiable instruments or goods
- b. if the only proof of loss is shortage revealed by accounting records or inventory stock-take.
- c. arising from the dishonesty of an Employee discovered:
  - i. within 60 days of expiry of the Period of Insurance; or
  - ii. 12 months after termination of the employment of the relevant Employee(s).

- d. arising from the dishonesty of an Employee outside the Commonwealth of Australia.
- e. where You are unable to identify which Employee is responsible unless You can satisfactorily demonstrate to Us that the loss was caused by the dishonest conduct of one or more Employees;
- f. or part of a Loss arising from the dishonesty of an Employee, where the proof of the Loss, either as to its occurrence or as to its amount, is dependent upon an inventory stock-take or a profit and loss calculation;
- g. arising from fraud or dishonesty by any of Your Employees committed with Your connivance; or
- h. of use, Loss of earning capacity and any other Consequential Loss.

## Specific conditions applicable to this Policy Section

### 1. Notification of Loss

You must:

- a. notify Us in writing within 21 days after discovery by You of Loss, or any act of fraud or dishonesty that may give rise to a Loss or after You first have reasonable cause for suspicion thereof; and
- b. deliver to Us as soon as practicable, but no later than 3 months after the notice in a., the Claim Documents and full details in writing of the Loss and of Your claim under this Policy Section.

### 2. Notification of alteration of risk

You must as soon as practicable notify Us in writing of any change that will or might increase the risk, including:

- a. a change in the nature of Your Business;
- b. Your non-observance of the system of audit, supervision and checks which, in connection with this Policy Section, You stated to Us that You observe;

so that We may either cancel the Policy Section or agree to the variation of its terms and conditions.

### 3. Prevention of further loss after discovery

You must, immediately when You discover Loss, take all reasonable steps to regain possession of the Money, negotiable instruments or goods and take all reasonable steps to prevent further Loss occurring.

### 4. Our rights of conduct and recovery

- a. We will, upon Your notice to Us of a Loss, have the right to recover the Loss and We will have full discretion in the recovery of the Loss;
- b. You must not in any way prejudice Our right or ability to recover a Loss;

- c. You must co-operate with Us fully in the recovery of a Loss.

## 5. Accumulation of Sum Insured

Any amount payable to You under this Policy Section will not accumulate with any other cover that may be available for the same loss under Section Three – Theft Policy Section and/or Section Four – Money Policy Section of this Policy.

# Section Six – Machinery

## About this Policy Section

This Policy Section covers Insured Damage to Machinery at Your Premises.

## Definitions

Some words have special meaning wherever they appear in this Policy Section. These words and their meanings are listed below:

**“Boilers, Pressure Vessels and Pressure Pipe Systems”** means the permanent structure of those Insured Items which are subject to internal steam, gas or fluid pressure (other than atmospheric pressure) including all direct attachments connected to the permanent structure and includes with respect to Boilers the rotating, reciprocating or electrical apparatus attached to them.

**“Controlled Atmospheric Conditions”** means an atmosphere in which oxygen, carbon dioxide and nitrogen concentrations as well as temperature and humidity are regulated.

**“Insured Damage”** means sudden and unforeseen physical loss or destruction of or damage to an Insured Item due to any cause not excluded under this Policy Section (and such extensions to this Policy Section) which You have selected to be insured under this Policy Section and which occurs at the Premises during the Period of Insurance and which requires immediate repair or replacement to allow continuation of use.

**“Insured Item”** means any item specified in the current Schedule.

**“Limit Any One Loss”** means the maximum amount We will pay for any one claim as specified in the Schedule and applies where blanket cover has been selected.

**“Plant and Machinery”** means electrical and mechanical items including electronic and other integral parts of the Insured Items including Boilers, Pressure Vessels and Pressure Pipe Systems as defined above.

**“Sum Insured”** means the relevant sum stated opposite each Insured Item as specified in the Schedule and applies where ‘specified items’ cover has been selected.

## Your insurance under this Policy Section

If any Insured Item of Plant and Machinery or any part of an Insured Item of Plant and Machinery specified in the Schedule suffers Insured Damage during the Period of Insurance, We will indemnify You in respect of such loss or damage as provided in the “What We pay” provision of this Policy Section. This insurance applies whilst the Insured Item is within the Premises and working or at rest or being dismantled, moved, reassembled or reinstalled for the purpose of cleaning, adjustment, inspection, repair, overhaul

or relocation but only after completion of successful initial commissioning at the Premises.

## What We pay

1. In the event of Insured Damage under this part We will at Our option pay You, up to the Sum Insured or Limit Any One Loss (whichever is selected) less the applicable Excess, the reasonable cost of repair or replacement necessary to return the Insured Item to its former state of operation including:
  - a. cost of dismantling, re-erection, cleaning up and removal of debris
  - b. replacement of refrigerant, lubricating or insulating oil lost from an Insured Item as a direct result of Insured Damage
  - c. charges for overtime and work on public holidays where necessarily and reasonably incurred
  - d. freight within the Commonwealth of Australia by any recognised scheduled service
  - e. overseas air freight by any recognised scheduled service and/or overseas labour, and
  - f. the cost of temporary repairs and/or hire of a temporary replacement item during the time taken to repair damage to any Insured Item.

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

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

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

3. We shall not be required to replace the Insured Item exactly, but only as circumstances permit or the cost of replacement of the Insured Item by an item of similar function, type, capacity and quality and in a condition equal to but not better than the condition of the Insured Item when new.
4. The value of any salvage will be subtracted from any amount payable under this part.
5. The amount of each claim otherwise payable shall be reduced by the amount of the Excess shown in the Schedule.

6. Where components or manufacturer's specifications are no longer available due to obsolescence, the basis of settlement will be the cost which would have been incurred if the components or specifications had still been available.
7. Notwithstanding any other clause in this part Our liability under this part shall not exceed the Sum Insured in respect of the Insured Item which has suffered Insured Damage.

## Extra covers

If We agree to pay a claim under this Policy Section for an Insured Item which suffers and Insured Damage, We will also pay or provide extra covers set out below.

Any amount payable under these extra covers apply in addition to the insured amount.

### 1. Hazardous substances

If a hazardous substance is involved in or released by an Insured Damage to the Insured Item, We will cover You for the increase in the cost to repair, replace, clean up or dispose of, damaged Property Insured.

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

### 2. Inflation protection

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

### 3. Repair costs

The cost of consulting engineers' fees (excluding fees for preparing a claim) necessarily incurred with Our written consent, in the reinstatement of Plant and Machinery.

Provided that where the Sum Insured is exhausted We will pay an additional amount up to \$5,000 in respect of this extra cover.

## Additional benefit

### Additional items

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

1. cover for additional items shall not exceed the total Sum Insured for the items already insured under this part.
2. You give Us written notice within 90 days of the hire or purchase and commissioning of the item(s) and pay the appropriate extra premium on a pro rata basis together with any applicable statutory charges.



3. the items are as far as You are aware, suitable for service, free from material defect and in sound working condition.
4. the items shall not be insured until successfully commissioned and all relevant statutory provisions for inspection and certification have been fulfilled.
5. the Limits and Excess as shown on the Schedule shall be the same as for similar items already insured.

## Optional benefit

The following optional benefit does not apply unless stated in the current Policy Schedule.

### Deterioration of Stock in trade in cold storage

#### What You are covered for under this optional benefit

We will indemnify You up to the Sum Insured for loss of or damage to the Stock as specified whilst contained in the cold storage spaces cooled by the Insured Items nominated in the Policy Schedule and caused by deterioration or putrefaction as a result of:

- a. Insured Damage to the refrigeration machinery for which a claim has been admitted under this Policy Section
- b. operation of or failure to operate controls or protective devices within the refrigeration machinery; but this does not include loss caused by the manual operation or manual setting of controls or protective devices
- c. contamination of the stored Stock in trade by the accidental escape of refrigerant into the cold chamber
- d. sudden leakage of refrigerant from the refrigeration machinery or pipe systems forming part of the refrigeration machinery occurring during the Period of Insurance at the Premises
- e. sudden and unforeseen failure of the public power supply
- f. accidental failure of supply services which directly affects the refrigeration or freezer unit,
- g. a supply authority intentionally interfering with a public service but only to the extent that this is necessary to safeguard life or any part of the public supply and the supply authority's interference is not caused directly or indirectly by fire, Flood, storm or any natural cause.

#### Loss minimisation

If deterioration occurs or is likely to occur to such Stock in trade by any of the above causes 1. a., 1. b., 1. c., 1. d. or 1. e., We will pay any reasonable expenses incurred by You to prevent or minimise the loss of Stock in trade.

#### What We pay

If We agree to pay for a claim for deterioration of refrigerated Stock in trade, We will at Our option, pay the cost of replacing the refrigerated Stock in trade or replace that Stock in trade.

We are not liable to pay more than the purchase price You paid for the Stock in trade, together with any handling costs You incurred. If deterioration occurs or is likely to occur to Stock in trade by any of the events specified in paragraphs a. to g. above, We will also pay the reasonable costs incurred by You to prevent or minimise the loss of or damage to Stock in trade.

We will not pay more than the Sum Insured shown on the current Schedule for this optional benefit, except to the extent stated under "Seasonal increase of cover".

#### Seasonal increase of cover

An increase of fifty percent (50%) in the Sum Insured under this extension shall apply during the following periods:

- a. eight (8) weeks prior to and including Christmas Day;
- b. three (3) weeks after and including 26 December;
- c. six (6) weeks prior to and including Easter Tuesday;
- d. one (1) week after but not including Easter Tuesday;
- e. six (6) weeks prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter) where You can reasonably demonstrate that the Stock levels during that period have risen by more than 20% above standard levels; and that the increase has happened solely for the purpose of meeting additional customer demand associated with the happening of that festive, religious or ethnic event or celebration, and
- f. one (1) week after the same festive, religious or ethnic event or celebration.

Any other period shown on the current Policy Schedule, in lieu of the covers in a. to f. above.

#### What You are not covered for under this optional benefit

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

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

### Specific conditions applicable to this optional benefit

In respect to Stock in trade that is kept in cold storage under Controlled Atmospheric Conditions, You must keep adequate records, for each chamber, of the temperature, humidity and gas concentrations, as well as the time(s) and date(s) when each chamber is opened. You must provide Us with those records upon request.

## Exclusions

We will not pay for:

1. Loss or damage caused by or arising from:
    - a. fire, smoke or soot
    - b. extinguishing a fire including subsequent demolition or repair work
    - c. lightning
    - d. chemical explosion (other than explosion of flue gas in Boilers)
    - e. impact of land-borne Vehicle, Aircraft or water-borne craft
    - f. earthquake, subterranean fire or volcanic eruption
    - g. landslip or subsidence
    - h. storm, tempest, Flood, windstorm or cyclone
    - i. water escaping, discharged or leaking from any source which is external to the Plant and Machinery insured
    - j. theft or burglary
    - k. intentional or malicious damage, or
    - l. the carrying out of tests involving abnormal stresses, including the intentional overloading of any Insured Item.
  2. The cost of:
    - a. replacement of expendable items such as belts, filters, fuses, electric heating elements, electrical contacts, thermostats, TX valves, cutting blades, crushing surfaces, parts made of glass, porcelain or ceramics, chains, seals, links, dies and moulds, conveyor belting, lubricants, fuel and any transfer media
    - b. replacement of unserviceable component parts worn through normal machine operation
    - c. adjustment, cleaning, purging or recharging of refrigeration or air conditioning equipment
    - d. replacement of refractory or brickwork forming part of an Insured Item.
- unless necessary as part of the rectification of Insured Damage not otherwise excluded under this Policy Section.
3. The cost of:
    - a. maintenance work including but not limited to the tightening of loose parts, recalibration or adjustments
    - b. alteration, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or as a separate operation
    - c. modification or alteration of insured plant to enable it to operate with a more ozone-friendly refrigerant gas as required by the UNEP (United Nations Environmental Protection) Montreal Protocol with respect to substances which deplete the ozone layer, unless conversion is necessitated by Insured Damage
    - d. replacement or repair, caused by gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation)
    - e. replacement of lighting equipment, reticulated electrical wiring, reticulated liquid and gas piping and ducting
    - f. repair of scratches chipping or discolouration to painted or polished surfaces, unless resulting from Insured Damage
    - g. repair of slowly developing deformation, distortion or fatigue of any part
    - h. repair of blisters, laminations, flaws or grooving even when accompanied by leakage
    - i. repairs to valves, fittings, glands, joints, gaskets, pipes, lines and connections which are defective or leaking
    - j. repairs to shaft keys requiring tightening, fitting or renewal
    - k. damage caused by the movement of foundations, masonry or brick work, or
    - l. removal or installation of underground pumps and well casings. Unless specifically noted on the Schedule, this exclusion does not apply to submersible pumps.
  4. Consequential Loss of any kind or description whatsoever.
  5. Insured Damage to any item being moved, if caused by dual lifting.
  6. Anything to the extent You are entitled to recover the costs of labour or parts under a maintenance agreement, warranty, guarantee or indemnity in Your favour by the manufacturer of the relevant item or any other person.

## Specific conditions applicable to this Policy Section

1. Newly installed items

At the end of each Period of Insurance You shall furnish Us with details of any items newly installed or which have been deleted during the Period of Insurance. Additional

or return premiums shall be calculated corresponding to the type and value of the items and the Period of Insurance from the time of completion of the successful commissioning of the items. Provided that Our liability for all additional items will not exceed fifty percent (50%) of the total Sum Insured or Limit Any One Loss as stated in the Schedule.

2. Inspection

You shall permit Us or Our representative at all reasonable times the right to inspect and examine any items insured by this insurance.

3. Claims and repair procedure

(See also the General Policy condition headed "Claims")

In the event of any Insured Damage which might give rise to a claim under this insurance You must preserve the parts affected and make them available for inspection by Us or Our representative.

4. Upon notification of any loss or damage being given to Us, You may carry out repairs or make good any minor damage, but in all other cases You must give Us or Our representative an opportunity to inspect the loss or damage before any repairs or alterations are effected. If no inspection is carried out by Us or on Our behalf within a period of time which is reasonable having regard to the location of the risk, weather conditions and/or other relevant factors, You may proceed with such repairs or replacement.

5. Nothing contained in this Policy Section or in any other condition of this insurance will relieve You of any obligation to take such steps as are necessary to ensure that the operation of the Insured Items is at all times carried out so as to minimise the risk of any claim being made under this insurance.

6. Insurance cover will cease for any Insured Item which has sustained damage and is operated unless it has been repaired properly and without delay.

7. You shall notify Us in writing of any intended alterations of or departure from normal working conditions which You know (or a reasonable person in the circumstances could be expected to know) would materially increase the risk.

## Section Seven – Electronic

### About this Policy Section

This Policy Section covers Breakdown of Insured Item of Electronic Plant at Your Premises.

### Definitions

Some words have special meaning wherever they appear in this Policy Section. These words and their meanings are listed below:

**"Breakdown"** means a sudden and unforeseen mechanical, electrical or electronic malfunction or failure which becomes apparent at the time it occurs and requires immediate repair or replacement to enable normal operation to continue.

**"Dollar Excess"** means the amount specified in the Policy Schedule that You shall first contribute towards each claim, arising out of the one occurrence.

**"Electronic Data"** means the information stored on the Electronic Data Media.

**"Electronic Data Media"** means the discs or tapes used in the computer to store the information.

**"Electronic Plant"** means all computers, word processors including ancillary equipment attached thereto, Software, other electronic equipment and associated air conditioning equipment as specified in the Schedule as Insured Items.

**"Excess"** means for the purposes of this Policy Section, the Excess may be a Dollar Excess or a Time Excess. We will subtract the applicable Excess from the claim otherwise payable and We will then pay to You the amount of loss or damage up to the applicable Sum Insured.

**"Insured Damage"** means sudden and unforeseen physical loss or destruction of or damage to an Insured Item due to any cause not excluded under this Policy Section (and such extensions to this Policy Section) which You have selected to be insured under this Policy Section of Your Policy and which occurs at the Premises during the Period of Insurance and which requires immediate repair or replacement to allow continuation of use.

**"Insured Item"** means any item specified in the current Schedule.

**"Indemnity Period"** means the period not exceeding three months from the date increased working costs are first incurred during which the results of Your Business shall be affected in consequence of the Insured Damage.

**"Sum Insured"** means the relevant sum stated opposite each Insured Item as specified in the Schedule.

**"Software"** means the collection of programs which cause a computer to perform a desired operation or series of operations.

**"Time Excess"** means the number of days specified in the Schedule during which You must bear the loss.

## Your insurance under this Policy Section

If any Insured Item of Electronic Plant or any part of an Insured Item of Electronic Plant specified in the Schedule suffers Insured Damage, We will indemnify You, as provided in the "What We pay" provision of this Policy Section, in respect of the Insured Damage. Cover under this Policy Section applies while the Insured Item is:

- a. working or at rest, and/or
- b. being dismantled or moved for the purpose of cleaning, inspection, overhaul, repair or relocation or during such operations themselves or whilst being subsequently re-erected at the Premises
- c. being moved to or from any service contractor away from the Premises but within Australia.

## What We pay

1. In the event of Insured Damage to an Insured Item of Electronic Plant We will pay the cost of replacement or repairs necessary to return the Insured Item to its former state of operation including:

- a. cost of dismantling, re-erection, cleaning up and removal of debris;
- b. charges for overtime and work on public holidays where necessarily and reasonably incurred;
- c. freight within the Commonwealth of Australia by any recognised scheduled service;
- d. overseas air freight by any recognised scheduled service or overseas labour;
- e. the cost of temporary repairs and/or hire of a temporary replacement item during the time taken to repair damage to any Insured Item

provided that the costs in clauses 1. b., 1. c. 1. d. and 1. e. are limited to 50% of the normal cost of repair payable under this Policy Section and shall be payable in addition to the Sum Insured.

- f. any customs duties and dues.
2. No deduction will be made for depreciation of parts replaced except for valves, tubes (including picture and x-ray tubes) and light sources. We will deduct a proportion of the replacement cost of these items being the proportion which the period of use up to the time of failure bears to the normal service life expected by the manufacturer or supplier.
3. All Insured Damage which can be repaired, must be repaired, however, should the item be uneconomical to repair due solely to the nature of the Insured Damage, settlement will be the lesser of the Sum Insured for the Insured Item as stated in the Schedule, and

- a. for Insured Items less than six years old the cost of replacement of the Insured Item by an item of similar function, type, capacity and quality and in a condition equivalent to but not better than, the condition of the Insured item when new; or
  - b. for Insured Items six years or older, the installed value of the Insured Item will be depreciated by 10% per annum for each year of service to a maximum of 70%.
4. The value of any salvage will be subtracted from the amount payable under this basis of settlement
5. If more than one Insured Item is lost or damaged in one occurrence, We will apply only the highest of the Excesses applicable to such Insured Items.
6. The amount of each claim otherwise payable shall be reduced by the amount of the Excess for this Policy Section shown in the Schedule.

## Additional benefits

### Additional items

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

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

### Repair costs

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

## Inflation protection

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

## Optional benefits

The following optional benefits do not apply unless stated in the current Schedule.

### Electronic Data and Electronic Data Media

#### What You are covered for

We will indemnify You for Insured Damage to the Electronic Data and Electronic Data Media insured under this extension as specified in the Schedule caused solely as the result of Insured Damage covered under this Policy Section to an Insured Item which is specified in the Schedule.

We will extend cover under this optional benefit to include restoration of lost information which results from loss or damage to an Electronic Data processing system which is not owned by You and which You are not responsible to insure but which is being used by You at the time the loss or damage to that system occurs in circumstances which would give rise to indemnity under this Policy Section if it was insured under this Policy Section.

#### Basis of settlement

We will pay You for such Insured Damage up to the Sum Insured less the applicable Excess specified in the Schedule including:

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

and provided:

- c. We shall only be liable for costs and expenses incurred within a period of twelve (12) months following the Insured Damage within the Period of Insurance
- d. This extension only applies whilst the insured Electronic Data Media is:
  - i. at the Premises
  - ii. at a media storage situation, or

- iii. temporarily at an alternative situation for processing purposes or in transit between any of these situations.
- e. The amount of each claim otherwise payable shall be reduced by the amount of the Excess shown in the Schedule.

#### What You are not covered for under this optional benefit

We will not pay for:

- a. Loss or distortion of Electronic Data contained on the Electronic Data Media while mounted in or on any machine for use or processing unless such loss or distortion occurs:
  - i. at the Premises due to Insured Damage to an Insured Item which is specified in the Schedule, or
  - ii. at another situation temporarily for processing purposes due to Insured Damage to the Insured Item which would be indemnifiable if the Insured Item were insured under this Policy Section
- b. Loss or distortion caused by Computer Virus
- c. Wasting or wearing away or wearing out caused by or naturally resulting from ordinary use or working or gradual deterioration
- d. Loss or damage caused by atmospheric conditions, moisture or changes in temperature unless directly resulting from damage to air-conditioning equipment which would be indemnifiable if the equipment were insured under this Policy Section
- e. Consequential Loss of any kind or description whatsoever
- f. Work undertaken without Our approval other than for minor temporary or provisional repairs. There is no cover under this extension with respect to any Insured Item which has been operated without being satisfactorily repaired following Insured Damage.

#### Specific condition applying to this optional benefit

It is a condition precedent to indemnity under this optional benefit that You must have duplicate copies of updated file media stored off site at alternative premises.

### Additional increase in cost of working

#### What You are covered for

- a. We will indemnify You as set out in basis of settlement below up to the Sum Insured for any additional costs of operating Your Business directly resulting from interruption or interference to Your Business as defined in the Schedule but only if:
  - i. the interruption or interference is as a result of Insured Damage to Electronic Plant covered under this Policy Section, and
  - ii. the interruption or interference is caused solely as a result of Insured Damage.

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

To the extent that the Sum Insured for this optional benefit is not otherwise exhausted, We will also pay for reasonable professional fees of accountants or auditors and any necessary and reasonable expenses payable by You for preparation and proving a valid claim .

#### **Basis of settlement**

- a. We will pay You for the additional expenditure incurred over and above the normal expenses which would have been incurred by You for the operation of Your Electronic Plant by the use of substitute equipment to maintain normal business operation during the interruption up to the Sum Insured specified in the Schedule, less the applicable Excess including:
  - i. the actual hire charges incurred for the rental of substitute equipment, and
  - ii. the cost of additional personnel and transport expenses incurred with the use of the substitute equipment.
- b. The Indemnity Period and the Time Excess shall commence upon the commencement of use of substitute Electronic Plant.
- c. We shall be liable for additional expenditure incurred during the actual period of the interruption but not exceeding the Indemnity Period.
- d. We will not be liable for loss, damage or costs incurred by You during the Time Excess.
- e. The amount of each claim otherwise payable shall be reduced by the amount of the Excess shown in the Schedule.

#### **What You are not covered for under this optional benefit**

We will not pay for:

- a. The costs incurred during:
  - i. interruption due to the carrying out of alterations, additions or improvements to Electronic Plant
  - ii. interruption due to the carrying out of cleaning, adjustment, inspection or maintenance of Electronic Plant, or
  - iii. the extension of any interruption due to any measure, restriction or regulation imposed by any government, public or local authority.

(b) Additional costs incurred where the period of interruption otherwise applicable is increased beyond four (4) weeks due to delay in the repair or replacement of items manufactured outside Australia where such delay results from:

- i. measures, restrictions or regulations imposed by any government, public or local authority
- ii. the time required to procure replacement parts or complete items in overseas markets
- iii. the time required to transport or ship component parts or complete items between the Situation and any overseas place of repair or replacement
- iv. the time required to engage and transport overseas specialists or consultants to assist in or supervise local repairs.

#### **Specific condition applying to this optional benefit**

For the purpose of this optional benefit only, Exclusion 5. of this Policy Section does not apply.

## **Exclusions**

We will not pay for:

1. Insured Damage to Electronic Data and Electronic Data Media, but subject to any optional benefit selected by You.
2. Insured Damage caused by atmospheric conditions, moisture or change in temperature unless directly resulting from damage to or malfunction of air conditioning equipment.
3. The cost of:
  - a. replacement of expendable items such as batteries, valves, x-ray and picture tubes, belts, chains, tapes, cards, ribbons, filters, tubes, electric heating elements or electrical contacts, or
  - b. replacement of component parts worn through normal use or operationunless necessary as part of the rectification of Insured Damage not otherwise excluded under this Policy Section.
4. The cost of:
  - a. maintenance work
  - b. alterations, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or as a separate operation
  - c. replacement or repair following gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation)
  - d. repairs of scratches to painted or polished surfaces unless resulting from Insured Damage, or



5. Anything to the extent You are entitled to recover the costs of labour or parts under a maintenance agreement or warranty, guarantee or indemnity in Your favour by the manufacturer of the relevant Insured Item or any other person.
6. Loss or damage caused by Computer Viruses or other disruptive programming techniques.
7. Consequential Loss of any kind or description whatsoever.
8. Loss or damage caused by or arising from:
  - a. spontaneous combustion, fermentation, heating or any process involving the direct application of heat to the Insured Item;

provided that when Your Schedule shows You have chosen to insure Part A – Accidental Damage, then these excluded events shall be limited to the item or items immediately affected and shall not extend to other items damaged as a result of spontaneous combustion, fermentation, heating or any process involving the direct application of heat;

- b. Flood
- c. the action of the sea, tidal wave or high water
- d. deterioration and putrefaction of refrigerated goods;
- e. action of the sea or tidal wave;
- f. theft other than theft resulting from forcible and violent entry evidenced by visible Damage to the securely locked portion of any building or the securely locked Vehicle containing the Insured Item;

Where You have chosen to insure Part B – Breakdown only, under this Policy Section, We will not pay for Damage caused by theft

- g. the carrying out of tests involving abnormal stresses, including the intentional overloading of any Insured Item.
- h. birds, insects, mice, rats or other vermin
- i. mildew, mould, rotting, disease, contamination, pollutants, or industrial fallout
- j. inherent vice
- k. wear, tear, fading or gradual deterioration
- l. faulty packing or storage
- m. intentional or malicious damage, or
- n. the carrying out of tests involving abnormal stresses, including the intentional overloading of any Insured Item.

9. Damage caused to:
  - a. Insured items during the course of and as the result of processing;
  - b. Insured Items in the course of construction, erection, renovation or demolition;
  - c. Insured Items in the open air caused by wind, rainwater or hail;
  - d. Insured Items should they be lost or Damaged during use underground, underwater or in a location from which it cannot be recovered economically.
10. loss or Damage due to faults or defects known to You.
11. Breakdown occurring to Insured Items during any period when they are out of Your possession on hire, rental or lease.
12. Breakdown due to access by persons not authorised by You to Your computer systems and records.

## Specific conditions applicable to this Policy Section

### 1. Newly installed items

At the end of each Period of Insurance You shall furnish Us with details of any items newly installed or which have been deleted during the Period of Insurance. Additional or return premiums shall be calculated corresponding to the type and value of the items and the Period of Insurance from the time of completion of the successful commissioning of the items. Provided that Our liability for all additional items will not exceed fifty percent (50%) of the total Sum Insured as stated in the Schedule.

### 2. Inspection

You shall permit Us or Our representative at all reasonable times the right to inspect and examine any items insured by this insurance.

### 3. Claims and repair procedure

(See also the General Policy condition headed "Claims")

In the event of any Insured Damage which might give rise to a claim under this insurance You must preserve the parts affected and make them available for inspection by Us or Our representative.

4. Upon notification of any loss or damage being given to Us, You may carry out repairs or make good any minor damage, but in all other cases You must give Us or Our representative an opportunity to inspect the loss or damage before any repairs or alterations are effected. If no inspection is carried out by Us or on Our behalf within a period of time which is reasonable having regard to the location of the risk, weather conditions and/or other relevant factors, You may proceed with such repairs or replacement.

5. Nothing contained in this Policy Section or in any other condition of this insurance will relieve You of any obligation to take such steps as are necessary to ensure that the operation of the Insured Items is at all times carried out so as to minimise the risk of any claim being made under this insurance.
6. Insurance cover will cease for any Insured Item which has sustained damage and is operated unless it has been repaired properly and without delay.
7. You shall notify Us in writing of any intended alterations of or departure from normal working conditions which You know (or a reasonable person in the circumstances could be expected to know) would materially increase the risk.
8. This insurance only applies after completion of successful initial commissioning.

## Section Eight – Public and Products Liability

### Definitions

Some words have special meaning wherever they appear in this Policy Section. These words and their meanings are listed below:

**“Advertising Injury”** means injury arising out of:

- a. defamation; or
- b. any breach of the misleading or deceptive conduct provisions of the *Competition and Consumer Act 2010* (Cth) or Schedule 2 to the *Competition and Consumer Act 2010* (Cth) or any Fair Trading or similar legislation of any country, state or territory; or
- c. unfair competition, piracy, idea misappropriation contrary to an implied contract; or
- d. invasion of privacy;

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

**“Business”** means the business as described in the Schedule (and, where applicable, as further described in any more specific underwriting information provided to Us at the time when this insurance was negotiated) and shall include:

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

**“Compensation”** means monies paid or agreed to be paid by judgment, award or settlement for 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.

“**Employee**” means any person who is employed by You and/or in respect of whom You are required to have cover for workers compensation or similar cover by any workers compensation legislation.

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

“**Excess**” means the first amount of each claim or series of claims, arising out of any one Occurrence, for which You are responsible. The Excess applicable to this insurance appears in the Schedule. The Excess applies to all amounts for which We will be liable, including the indemnity provided by Defence costs and supplementary payments.

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

“**Geographic Limit**” means:

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

“**Incidental Contracts**” means:

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

“**Medical Persons**” means including but not limited to medical practitioners, medical nurses, dentists and first aid attendants.

“**Named Insured**” means:

- a. the person(s), corporations and/or other organisations specified in the Schedule,

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

“**North America**” means:

- a. the United States of America and the Dominion of Canada,
- b. any state, territory or protectorate incorporated in, or administered by, the United States of America or the Dominion of Canada; and
- c. any country or territory subject to the laws of the United States of America or the Dominion of Canada.

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

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

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

“**Personal Injury**” means :

- a. bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and mental injury, including loss of consortium or services resulting therefrom;
- b. false arrest, false imprisonment, wrongful detention, malicious prosecution or humiliation;
- c. wrongful entry or wrongful eviction or other invasion of privacy;
- d. libel, slander or defamation of character, unless arising out of Advertising Injury;

- e. assault and battery not committed by You or at Your direction, unless committed for the purpose of preventing or eliminating danger to persons or property;
- f. discrimination as a result of race, religion, sex, marital status, age, intellectual impairment, disability or otherwise (unless insurance thereof is prohibited by law) not committed by You or at Your direction, but only with respect to liability other than fines and penalties imposed by law.

**"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste material. 'Waste material' includes materials that are intended to be recycled, reconditioned or reclaimed.

**"Products"** means anything manufactured, constructed, erected, assembled, installed, grown, extracted, produced or processed, treated, altered, modified, repaired, serviced, bottled, labelled, handled, sold, supplied, re-supplied or distributed, imported or exported, by You or on Your behalf (including Your predecessors in Your Business), including any packaging or containers thereof, including the design, formula or specification, directions, markings, instructions, advice or warnings given or omitted to be given in connection with such Products and anything which, by law or otherwise, You are deemed to have manufactured in the course of Your Business including discontinued Products provided always that for the purpose of this insurance the term "Products" shall not be deemed to include:

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

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

**"Products Liability"** 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"** means:

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

**"Tool of Trade"** 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 Premises or on any Work Site. Tool of Trade does not include any Vehicle whilst travelling to or from a Work Site or Vehicles that are used to carry goods to or from any 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 surrounding such premises or site and/or all areas in between such premises or site that You shall use in connection with such work.

**"You, Your, Insured (where used in this Policy Section)"** means the person(s), companies or firms named on the current Schedule as the 'Insured'. Each of the following is an Insured to the extent specified below:

- a. the Named Insured,
- b. every past, present or future director, stockholder or shareholder, partner, proprietor, officer, executive or Employee of the Named Insured (including the spouse of any such person while accompanying such person on any commercial trip or function in connection with Your Business) 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.
- c. any Employee superannuation fund or pension scheme managed by or on behalf of the Named Insured, and the trustees and the directors of the trustee of any such Employee superannuation fund or pension scheme which is not administered by corporate fund managers.
- d. every principal in respect of the principal's liability arising out of:
  - i. 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.
  - ii. 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.
- e. every person, corporation, organisation, trustee or estate to whom or to which the Named Insured is obligated by reason of law, (whether written or implied) to provide insurance such as is afforded by this Policy, but only to the extent required by such law, and in any event only for such coverage and limits of liability as are provided by this Policy.
- f. every officer, member, Employee or voluntary helper of the Named Insured's canteen, social and/or sporting clubs, first aid, medical, ambulance or fire fighting services,

- charities, welfare and/or child care facilities, while acting in their respective capacities as such.
- g. any director, partner, proprietor, officer or executive of the Named Insured in respect of private work undertaken by the Named Insured's Employees for such person and any Employee whilst actually undertaking such work.
  - h. the estates, legal representatives, heirs or assigns of:
    - i. any deceased or insolvent persons, or
    - ii. persons who are unable to manage their own affairs by reason of mental disorder or incapacity, who would otherwise be indemnified by this Policy, but only in respect of liability incurred by such persons as described in clauses h(i) and h(ii) above.
  - i. every party including joint venture companies and partnerships to whom the Named Insured is obligated by virtue of any contract or agreement to provide insurance such as is afforded by this Policy; but only to the extent required by such contract or agreement and in any event only for such coverage and limits of liability as are provided by this Policy.
- b. in bringing or defending appeals in connection with such claim or suit.
3. pay:
    - a. all charges, expenses and legal costs recoverable from or awarded against You in any such claim or suit; and
    - b. pre-judgement interest awarded against You on that part of the judgement payable by Us; and
    - c. all interest accruing on Our portion of any judgement 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 not have no obligation to apply for or furnish any such bond;
    - b. appeal bonds and/or security for costs required in any suit but We shall have no obligation to apply for or furnish any such bond.
  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 unpinning thereof.
    - c. purchasing and/or hiring and/or erection and dismantling of hoarding, barriers, fences and any other form of temporary protection, including such protection which You must provide in compliance with the requirements of any Government, Local Government or other Statutory Authority.
  6. pay all legal costs incurred by You with Our consent for representation of You at:
    - a. any Coronial inquest or Inquiry
    - b. any proceedings in any court or tribunal in connection with liability insured against by this Policy.
    - c. any Royal Commission or Government Enquiry arising out of any alleged breach of statute, or other similar judicial enquiry into circumstances relating to any Occurrence, claim or potential claim which would be the subject of indemnity under this insurance.
    - d. any enquiry, prosecution or hearing of a disciplinary nature held before a legally constituted enquiry board, committee, licensing authority or the like.

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

## Your insurance under this Policy Section

Provided "Public and Products Liability" is shown as insured or selected in the Schedule, We agree (subject to the terms, Claims conditions, General Policy conditions, Specific Conditions, General Policy Exclusions, Exclusions, definitions and Limits of Indemnity incorporated herein) to pay to You or on Your behalf all amounts which You shall 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 Period of Insurance 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 Policy, We will:

1. defend, in Your name and on Your behalf, any claim or suit against You alleging such Personal Injury, Property Damage or Advertising Injury and seeking damages on account thereof even if any of the allegations of such claim or suit is groundless, false or fraudulent.
2. pay all charges, expenses and legal costs incurred by Us and/or by You with Our written consent:
  - a. in the investigation, defence or settlement of such claim or suit, including loss of salaries or wages because of Your attendance at hearings or trials at Our request, or

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

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

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

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

## Limits of Indemnity and Excess

Subject to:

- i. the "Claims preparation expenses" provision under "Claims",
- ii. the "Defence costs and supplementary payments" clause above,
- iii. sub-paragraph 5 of Additional benefit "Property in Your physical and legal control" below,

for General Liability the Limit of Indemnity 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 arising out of any one Occurrence.

For Products Liability the Limit of Indemnity 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 Period of Insurance.

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

## Exclusions

We do not cover any liability:

### 1. Advertising Injury

for Advertising Injury:

- a. resulting from statements made at Your direction with knowledge that such statements are false.
- b. resulting from failure of performance of contract but this exclusion shall not apply to claims for unauthorised appropriation of advertising ideas contrary to an implied contract.
- c. resulting from any incorrect description of Products or services.

- d. resulting from any mistake in advertised price of Products or services.
- e. resulting from failure of Your Products or services to conform with advertised performance, quality, fitness or durability.
- f. incurred by You or Your principal occupation or business is advertising, broadcasting, publishing or telecasting.

### 2. Aircraft, Hovercraft

for Personal Injury and/or Property Damage arising from:

- a. the ownership, maintenance, operation, or use by You of any Aircraft or Hovercraft,
- b. any property used for the purpose of an airport or any Aircraft landing strip.

### 3. Aircraft Products

arising out of any Products which You knew or had reasonable cause to believe would be or is intended for incorporation into any critical part, the structure, machinery or controls of any Aircraft.

### 4. Asbestos

for Personal Injury, Property Damage (including loss of use of property) or Advertising Injury 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.

### 5. Breach of professional duty

arising out of any breach of duty owed in a professional capacity by You and/or any person(s) for whose breaches You may be held legally liable, but this exclusion shall not apply to claims for Personal Injury and/or Property Damage:

- a. arising out of the rendering of or failure to render professional medical advice by Medical Persons employed by You to provide first aid and other medical services on Your Premises;
- b. arising out of advice which is given by You for no fee;
- c. arising out of advice given in respect of the use or storage of Your Products.

### 6. Contractual liability

which has been assumed by You under any contract or agreement that requires You to:

- a. effect insurance over property, either real or personal.
- b. assume liability for Personal Injury and/or Property Damage 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; or

- ii. liabilities assumed under Incidental Contracts; or
- iii. terms regarding merchantability, quality, fitness or care of Your Product which are implied by law or statute; or
- iv. liabilities assumed under the contracts specifically designated in the Schedule or in any Endorsement(s) to this Policy.

## 7. Damage to Products

for Property Damage to any Products where such damage is directly caused by a fault or defect in such Products; but this exclusion shall be interpreted to apply with respect to damage to the specific part and only that part of such Product to which the damage is directly attributable.

## 8. Defamation

for defamation:

- a. resulting from statements made prior to the commencement of the Period of Insurance.
- b. resulting from statements made at Your direction with knowledge that such statements are false.
- c. related to advertising, broadcasting, publishing or telecasting activities conducted by You or on Your behalf.

## 9. Electronic Data

arising out of:

- a. the communication, display, distribution or publication of electronic data; provided that this exclusion does not apply to Personal Injury 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;
- d. the total or partial inability to receive, send, access or use electronic data for any time or at all;

from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

## 10. Design, specification and formula

caused by or arising out of Your making or formulating a design or specification within the domain of the architectural, engineering, scientific, chemical, actuarial, statistical, economic, financial or medical profession.

Provided that exclusion 10. shall not apply in respect of any formulation of a design or specification in regard to any Products, for which You have not charged a fee for that formulation of a design or specification.

## 11. Employers liability

- a. for bodily injury to any worker in respect of which You are or would be entitled to indemnity under any Policy of insurance, fund, scheme or self insurance pursuant to or required by any legislation relating to Workers Compensation or Accident Compensation whether or not such policy, fund, scheme or self insurance has been effected.

Provided that this Policy will respond to the extent that Your liability would not be covered under any such policy, fund, scheme or self insurance arrangement had You complied with its obligations pursuant to such law.

- b. imposed by:
  - i. the provisions of any industrial award or agreement or determination or any contract of employment or workplace agreement where such liability would not have been imposed in the absence of such industrial award or agreement or determination or contract of employment or workplace agreement.
  - ii. any law relating to Employment Practices.

For the purpose of exclusions 11. a. and 11. b.:

- 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.
- 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.

## 12. Faulty workmanship

for the cost of performing, completing, correcting or improving any work undertaken by You.

## 13. Fines, penalties, punitive, exemplary or aggravated damages

for any fines, penalties, punitive, exemplary, aggravated damages and any additional damages resulting from the multiplication of compensatory damages.

## 14. Liquidated damages

arising out of liquidated damages clauses, penalty clauses or performance warranties except to the extent that such liability would have attached in the absence of such clauses or warranties.

## 15. Loss of use

for loss of use of tangible property, which has not been physically lost, destroyed or damaged, directly arising out of:

- a. a delay in or lack of performance by You or on Your behalf of any contract or agreement; or



- b. failure of any Products or work performed by You or on Your behalf to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by You; but this Exclusion 15. b. shall not apply to Your liability for loss of use of other tangible property resulting from sudden and accidental physical loss, destruction of or damage to any Products or work performed by You or on Your behalf after such Products or work have been put to use by any person or organisation other than You.

## 16. Pollutants

- a. for Personal Injury and/or Property Damage directly or indirectly arising out of the discharge, dispersal, release or escape of Pollutants into or upon land, the atmosphere or any watercourse or body of water.
- b. for the cost of testing and monitoring for, removing, nullifying, or cleaning up of Pollutants.

Provided that, with respect to any such liability which may be incurred anywhere other than North America, Exclusions 16. a. and 16. b. shall not apply where such discharge, dispersal, release or escape is caused by a sudden, identifiable, unintended and unexpected event from Your standpoint which takes place in its entirety at a specific time and place.

## 17. Property in Your physical or legal control

- a. for damage to property owned by, leased or rented to You;
- b. for damage to property not belonging to You but in Your physical and legal control other than the property described in "Additional benefit – Property in physical and legal control".

## 18. Property owned by You

for Property Damage to property owned by You.

## 19. Product guarantee

for any Products warranty or guarantee given by You or on Your behalf, but this exclusion shall not apply to the requirements of any Federal or State legislation as to product safety and information.

## 20. Product recall

for damages, costs or expenses arising out of the withdrawal, recall, inspection, repair, reconditioning, modification, reinstallation, replacement or loss of use of any Products where such Products are withdrawn or recalled from the market or from use by any person or organisation because of any known, alleged or suspected defect or deficiency in such Products.

## 21. Vehicles

for Personal Injury or Property Damage arising out of the ownership, possession or use by You of any Vehicle:

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

but exclusions a. and b. shall not apply to:

- c. Personal Injury where:
  - i. that compulsory liability insurance or statutory indemnity does not provide indemnity, and
  - ii. the reason or reasons why that compulsory liability or statutory indemnity does not provide indemnity do not involve a breach by You of legislation relating to Vehicles.
- d. 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
- e. the delivery or collection of goods to or from any Vehicle
- f. the loading or unloading of any Vehicle
- g. any Vehicle temporarily in Your custody or control for the purpose of parking.

## 22. Watercraft

for Personal Injury and/or Property Damage arising from the ownership, maintenance, operation or use by You of any Watercraft exceeding ten (10) metres in length.

Provided that exclusion 22. shall not apply with regard to claims arising out of:

- a. Watercraft used in operations carried out by any independent contractors for whose conduct You may be held liable.
- b. Watercraft owned by others and used by You for Your Business entertainment.

## Additional benefit

### Property in Your physical and legal control

Exclusion 17 will not apply to the following property:

1. 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.
2. premises or part(s) 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.

3. a. premises (and/or their contents) temporarily occupied by You for the purpose of carrying out work in connection with Your Business, or

b. any other property temporarily in Your possession for the purpose of being worked upon;

but no indemnity is granted for damage to that part of any property upon which You are or have been working if the damage arises solely out of such work.

4. any Vehicle (including its contents, spare parts and accessories while they are in or on such Vehicle) not belonging to or used by You, whilst any such Vehicle is in a car park owned or operated by You provided that You do not operate the car park for reward, as a principal part of Your Business.

5. notwithstanding Exclusion 6. Contractual liability, any property (except property that You own) not mentioned in clauses 1., 2., 3. and 4. of this additional benefit whilst in Your physical or legal care, custody or control whether or not You have accepted or assumed legal liability for such property. Provided that Our liability under this clause 5. shall not exceed \$100,000 in respect of any one claim or series of claims arising out of any one Occurrence or any greater amount set out in the Schedule.

## Specific conditions applicable to this Policy Section

### 1. 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 Policy.

b. all such additional information that We may reasonably require and every demand, writ, summons, proceedings, impending prosecution or inquest and all documents relating to the claim or Occurrence shall be forwarded to Us as soon as practicable after they are received by You.

### 2. Your duties in the event of an Occurrence, claim or suit

a. You shall not, without Our written consent, make any admission, offer, promise or payment in connection with any Occurrence or claim.

b. You shall use the best endeavours to preserve all property, Products, appliances, plant, and all other things which may assist in the investigation or defence of a claim or suit or in the exercise of rights of subrogation and, so far as may be reasonably practicable, no alteration or repair shall be effected without Our consent until We have had an opportunity of inspection.

c. You shall, when so requested, provide Us with details of any other insurances current at the time of any Occurrence, and/or Personal Injury and/or Property Damage and/or Advertising Injury and covering any of the liability Insured by this Policy.

### 3. Our rights regarding claims

a. We may take over and conduct the defence or settlement of any claim or issue legal proceedings for damages. 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 must co-operate by giving Us any statements, documents or assistance We require. This may include giving evidence in any legal proceedings.

b. We may at any time pay to You, in respect of all claims against You arising directly or indirectly from one source or original cause:

i. the amount of the Limit of Indemnity or such other amount specified in respect thereof (after deduction of any sum(s) already paid by Us, which sum(s) would reduce the amount of Our unfulfilled liability in respect thereof); or

ii. any lesser sum for which the claim(s) can be settled.

c. Upon making such payment, We shall relinquish conduct and control of, and be under no further liability under this Policy in connection with, such claim(s) except for defence costs and supplementary payments:

i. recoverable from You in respect of the period prior to the date of such payment (whether or not pursuant to an order made subsequently); or

ii. incurred by Us, or by You with Our written consent, prior to the date of such payment.

### 4. Adjustment of premium

If the first premium or any renewal premium for this Policy section or any part thereof shall have been calculated on estimates provided by You, You shall keep an accurate record containing all particulars relative thereto and shall at all reasonable times allow Us to inspect such record.

You shall, where requested by Us after the expiry of each Period of Insurance, provide to Us such particulars and information as We may require as soon as reasonably practicable. The premium for such period shall thereupon be adjusted and any difference paid by or allowed to You, as the case may be, subject to retention by Us of any minimum premium that may have been agreed upon between Us and You at inception or the last renewal date of this Policy.

## 5. Cross liabilities

This insurance extends to indemnify:

- a. each of the parties comprising the Named Insured, and
- b. each of the Insureds hereunder,

separately in the same manner and to a like extent as though policies had been issued in their separate names.

In particular, but without limiting the foregoing, this insurance shall indemnify each of the parties described in clauses a. and b. of "Cross liabilities" in respect of claims made by any other of such parties.

Provided always that:

- c. 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
- d. in no case shall the amount payable by Us in respect of any one claim or series of claims arising out of any one Occurrence or in the aggregate, as the case may be, exceed the applicable Limit of Indemnity as specified in the Schedule.

## 6. 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.

We may examine and audit Your books and records at any time during the currency of this Policy and within three (3) years after the final termination of this Policy but only with regard to matters which in Our opinion are relevant to this Policy.

## 7. Release

Where You are required by contractual agreement to release any Government or Public or Local Authority or other Statutory Authority 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 general condition "Subrogation rights" of this Policy, We agree to waive all Our rights of subrogation against any such Authority in the event of any Occurrence for which a claim for indemnity may be made under this Policy.

## 8. Subrogation and allocation of the proceeds of recoveries

Subject to condition 9. "Subrogation waiver", any corporation, organisation or person claim 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 organisation(s) or person(s), to which We shall be or would become entitled upon Us paying for or indemnifying You in respect of legal liability under this insurance.

Should You incur any legal liability which is not covered by this insurance:

- a. due to the application of an Excess; and/or
- b. where the amounts of any judgments or settlements exceed the applicable Limit of Indemnity;

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 amount(s) will be applied to reimburse Us.

## 9. Subrogation waiver

We hereby agree to waive all Our rights of subrogation under this Policy against:

- a. each of the parties described under the definition of "You", "Your", "Insured" in this Policy Section.
- b. any corporation, organisation or person which or who owns or controls the majority of the capital stock of any corporation or organisation to which or to whom protection is afforded under this Policy.

Where such corporation, organisation or person is protected from liability insured against hereunder by any other policy of indemnity or insurance, Our right of subrogation is not waived to the extent and up to the amount of such other policy.

# Section Nine – Glass

## About this Policy Section

This Policy Section covers Breakage of Glass at the Premises.

### Definitions

Some words have special meaning wherever they appear in this Policy Section. These words and their meanings are listed below:

“**Breakage**” means:

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

“**External Glass**” means glass, or plastic material used as glass fixed in external windows, doors, showcases or skylights forming part of the Building.

“**Glass**” means ‘Internal Glass’, ‘External Glass’ and ‘Specified Glass’

“**Internal Glass**” means:

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

“**Sign**” means Glass or plastic that forms part of a Sign.

“**Specified Glass**” means Glass specifically designated in the Schedule under Specified Glass.

## Your insurance under this Policy Section

Provided ‘Glass’ is shown as insured or selected in the Schedule, We will cover You for Breakage of Glass which You own or for which You are legally responsible occurring during the Period of Insurance at the Premises.

### What We pay

We will pay for the cost of replacement of broken Glass with Glass of similar manufacture and 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 incurred to comply with the requirements of The Standards Association of Australia, any statute or regulation when replacing the Glass.

### Excess

The Excess that applies is shown on the Schedule.

### Extra covers

If We agree to pay a claim under this Policy Section for loss or damage to Glass, We will also pay or provide the extra covers set out below.

Any amounts payable under these extra covers apply in addition to the Sum Insured.

#### 1. Costs

We will also pay for the following costs provided they are reasonably incurred by You and are directly related to breakage of Glass covered under this Policy Section:

- a. replacing sign writing 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 Premises or contents therein, pending replacement of the broken Glass.
- e. replacing damaged window frames and tiled shop fronts, but with due allowance for wear and tear.

Our liability under this additional benefit during any one Period of Cover is limited to \$8,000.

#### 2. Destruction of Stock in trade or Contents

We will also pay for destruction of, or damage to Your Stock in trade or Contents, caused by broken Glass following the Breakage of Glass where such Breakage constitutes an admissible claim under this Policy Section.

Our liability under this extra cover during any one Period of Insurance is limited to:

- a. the value at cost, of the Stock in trade or Contents destroyed or damaged, less any amount realised from the sale or salvage or;
- b. the sum of \$8,000, whichever is the lesser.

#### 3. Overtime

We will pay the reasonable costs for after-hours service by repairers, express delivery and overtime charges to repair or replace broken Glass.

## Additional benefits

We will also provide the following additional benefits in this Policy Section.

Any amount payable under these additional benefits applies in addition to the Sum Insured.

### 1. Malicious damage

We will pay for the cost of replacement of External Glass which has suffered malicious damage. This additional benefit is payable even where there is no Breakage of External Glass.

### 2. Signs

We will cover You for loss of or damage to Signs at the Premises if they are damaged during the Period of Insurance.

We will not pay more than \$8,000 or any higher sub-limit stated in the current Schedule for "Signs". The admissibility of claims for damage to Signs shall not be contingent upon other damage to Glass.

## Exclusions

This Policy Section does not cover the cost to repair or replace broken Glass:

1. which is Stock in trade
2. which is chipped or in poor condition when the Period of Insurance commences
3. 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 Ten – General Property

## Definitions

Some words have special meaning wherever they appear in this Policy Section. These words and their meanings are listed below.

"General Property" means the property listed on the current Policy Schedule under the General Property Policy Section.

## Your insurance under this Policy

We cover You for physical loss of or damage to the General Property up to the Sum Insured, which occurs during the Period of Insurance.

## Cover options

### Part A – Accidental damage

Any sudden or unexpected or unforeseen occurrence not otherwise excluded.

### Part B – Restricted cover

Collision and/or overturning of the conveying vehicle.

## What We pay

We will at Our option either:

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

We will not pay more than \$2,000 for any item not specifically listed in the Schedule.

## Optional benefit

When the Optional benefit detailed below is shown to be covered in the Schedule, specific exclusion 2. a. applicable to this Policy Section is deleted and cover for this Policy Section is extended to include:

### Fire

Fire excluding fire caused by or happening through its own spontaneous combustion or fermentation or heating or to the General Property undergoing any process involving the direct application of heat provided these exclusions are limited to the items immediately affected.

## Exclusions

1. We will not cover loss of or damage to General Property under the General Property Policy Section which is:
  - a. covered under any other section of this Policy
  - b. being constructed, erected, altered, manufactured, cleaned or repaired.
2. We will not cover loss or damage caused by:
  - a. fire, unless the Optional benefit "Fire" is shown to be insured in the Schedule
  - b. wear and tear, fading, scratching or marring, rust, corrosion, mildew, mould, contamination or pollution, wet or dry rot, change of colour, flavour, texture or finish, dampness of atmosphere, variations in temperature, evaporation, disease, inherent vice, latent defect, loss of weight, depreciation, gradual deterioration or developing flaws, normal upkeep or making good, smut or smoke from industrial operations (other than sudden or unforeseen damage resulting therefrom)
  - c. insects or vermin such as rats, mice, rabbits, possums and birds
  - d. faulty materials
  - e. faulty workmanship
  - f. mechanical, electrical or electronic breakdown.

Exclusion 2 applies to the part first and immediately affected and do not extend to subsequent damage to other parts of the property occasioned by a peril which is not otherwise excluded.

3. We will not cover:
  - a. mobile phones, Money, sporting equipment, curios, works of art, jewellery, furs, bullion, precious metals, precious stones, photographic equipment, computer equipment unless specified on the Policy Schedule
  - b. General Property not being used by You in accordance with the manufacturer's instructions
  - c. any legal liability of whatsoever nature
  - d. Consequential Loss of any kind

## Section Eleven – Transit

### Definitions

Some words have special meaning wherever they appear in this Policy Section. These words and their meanings are listed below:

**"Conveyance"** means the Vehicle, vessel, Aircraft or train by which the Property Insured is being transported.

**"Transit"** means the period during which the Property Insured is being transported by road, rail, sea, air, parcel post or courier:

- a. from the time the loading of the Property Insured onto the Conveyance at the warehouse or place of storage, commences; and
  - b. from the commencement of transportation and ending on delivery:
    - i. to the consignee's or other final warehouse or place of storage at the destination; or
    - ii. to any other warehouse or place of storage whether prior to, or at the destination which You elect to use either:
  - a. for storage other than in the ordinary course of transit; or
  - b. for allocation or distribution;
- whichever shall first occur;

unless, due to circumstances beyond Your control:

- i. the contract of carriage is terminated at a place other than the destination, or
- ii. the transit is otherwise terminated before delivery of the goods as provided for in b. i. or ii. above, in which case this cover will remain in force for a period of up to seven (7) days at the place of termination, subject to prompt notice being given to Us.

### Your insurance under this Policy Section

We will pay You in accordance with the "What We pay" provision of this Policy Section if Property Insured shown in the Schedule under this Policy Section, is damaged whilst in Transit anywhere within the Commonwealth of Australia by a defined event occurring during the Period of Insurance.

## Defined events

### Part A

Where "Part A – Fire, Collision and Overturning" is shown as insured on the Schedule, the defined event will be:

Damage to Property Insured following fire, Flood, lightning, earthquake, riots, strikes, civil commotion, collision and/or overturning of the Conveyance; or

### Part B

Where "Part B – Fire, Collision and Overturning and Theft" is shown as insured on the Schedule, the defined event will be:

Damage to Property Insured following fire, Flood, lightning, earthquake, riots, strikes, civil commotion, collision and/or overturning of the Conveyance or theft from a locked Vehicle following forcible and violent entry; or

### Part C

Where "Part C – All Risks not excluded" is shown as insured on the Schedule, the defined event will be:

Loss or damage (not otherwise excluded in this Policy Section under "Exclusions" or under "General exclusions applicable to all Policy Section"), including general average and salvage charges adjusted or determined according to the contract of freightage and/or governing law or practice.

## What We pay

Subject to the proviso below, the basis of settlement will be:

1. In the case where Property Insured has been damaged and cannot be economically repaired, We will pay:
  - a. for goods sold – Your invoice value;
  - b. for goods purchased – the purchase price as shown on the invoice;
  - c. for all other Property Insured, the cost necessary to reinstate or replace the damaged property less depreciation taking into consideration its age, condition, and remaining useful life.
2. In the case where Property Insured has been damaged and can be economically repaired, We will pay the cost necessary to reinstate or repair the damaged goods to a condition substantially the same as, but not better or more extensive than, their condition at the time of the damage.

For each category of Property Insured insured in 1. or 2., We will also pay the cost of freight where that cost has not already been included in the calculated settlement values.

## Proviso

We will pay You up to the Per Conveyance Limit shown in the Schedule for any one event.

## Exclusions

We will not pay for any damage arising directly or indirectly out of or in any way connected with:

1. Your wilful misconduct.
2. ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the Property Insured.
3. damage caused by insufficiency or unsuitability of packing or preparation of the Property Insured (including stowage in a container or lift-van, but only when such stowage is carried out prior to the commencement of cover under this Policy Section by You or Your Employees).
4. damage or expenses caused by inherent vice or nature of the Property Insured.
5. damage or expense due to delay, (including delays caused by a defined event, other than expenses payable for general average and salvage charges), loss of market, depreciation or deterioration.
6. damage or expense arising from insolvency or financial default of the owners, managers, charterers, or operators of the Conveyance
7. loss, damage or expense arising from:
  - a. unseaworthiness of the vessel or craft; or
  - b. unfitness of any other Conveyance, container or liftvan for the safe carriage of Property Insured.

We will pay if You are able to prove that You or Your Employees did not know of the unseaworthiness or unfitness of the Conveyance, at the time the Transit commenced.

8. capture, seizure, arrest, restraint or detainment (piracy excepted), and the consequences thereof or any attempted threat;
9. the Conveyance being driven by any person whose faculties are impaired by any drug or intoxicating liquor or by any person who is convicted of driving, at the time the damage occurs, under the influence of intoxicating liquor or by any person with a percentage of alcohol in their breath or blood in excess of the percentage permitted by law. However, We will pay if You are able to prove that You did not know that the driver of the Conveyance was so affected.
10. theft unless there has been visible proof of forcible and violent entry
11. any unexplained shortage or disappearance
12. any loss from an unattended motor Vehicle
  - a. left overnight unless within securely locked premises;
  - b. otherwise unless securely locked.



13. damage to Money, jewellery, watches, furs, antiques, paintings, works of art, precious metals, precious stones or articles composed of any of them, explosives, petroleum products in bulk or gas in bulk, livestock, cigarettes, tobacco, wines, spirits or other alcoholic beverages, unless specifically covered in the Policy Schedule.
14. goods carried by You for payment or reward.

## Specific conditions applicable to this Policy Section

In the event of damage to Property Insured under this Policy Section You and Your agents must:

1. claim immediately on the carrier.
2. give immediate notice to Us or Our agents.
3. not give clean receipts where goods are in doubtful condition, except under written protest.
4. a. take such measures as may be reasonable for the purpose of averting or minimising such loss; and  
b. ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised.

Further it is a condition that:

5. in the event of damage to Property Insured forming part of a pair or set (caused by a defined event), We will not pay any more than the value of the part which is lost or damaged.
6. cover will not be provided for the benefit of the carrier or other bailee.
7. measures taken by You or by Us with the object of saving, protecting or recovering the good insured will not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party;
8. You will act within a reasonable time with regard to all circumstances within Your control;
9. We will not pay Your claim for constructive total loss unless the Property Insured is reasonably abandoned;
  - a. due to their actual total loss appearing to be unavoidable; or
  - b. the cost of completing the Transit of the Property Insured (including recovery, reconditioning and forwarding) would exceed the value of the Property Insured on arrival.

# Section Twelve – Personal Accident and Sickness

## Definitions

Some words have special meaning wherever they appear in this Policy Section. These words and their meanings are listed below:

“**Accident**” means any unexpected or unforeseen incident.

“**Average Weekly Income**” a. for a wage earning or salaried Insured Person means the average gross weekly income excluding overtime, bonuses, commission and any other allowances or payments; or b. for a self employed Insured Person means the average gross weekly income derived by personal exertion after the deduction of all expenses necessarily incurred in earning an income; earned during the 12 months immediately preceding any Injury or Sickness for which a claim is made. If the Insured Person has derived an income as defined above for less than 12 months, the Average Weekly Income will be calculated over such shorter period.

“**Benefit Period**” means the number of weeks stated in the Schedule.

“**Business Expenses**” means the expenses You reasonably incur in running Your Business including:

- a. Employees wages and on-costs (for example, superannuation, premiums for accidents or workers’ compensation, pay roll tax, amounts payable under awards and regulations);
- b. rent, property rates;
- c. electricity, water, gas or telephone charges;
- d. laundry and cleaning expenses;
- e. leasing payment on equipment or Vehicles;
- f. other expenses that are usual for Your type of Business and that would be considered Business expenses for tax purposes.

Business Expenses does not mean:

- a. payment of Your personal accounts;
- b. any withdrawals You make for personal use;
- c. wages or salary fees for:
  - i. You and Your replacement,
  - ii. a replacement for any person who is not Your Employee;
- d. the cost of Stock in trade or merchandise.

“**Capital Sum Insured**” means the sum shown in the Schedule.

“**Compensation**” means the percentage of the Capital Sum Insured shown against the Defined Events or the Weekly Benefit shown in the Schedule.

“**Death**” means cessation of all vital functions.

“**Defined Event**” means those events occasioned by Injury or Sickness and listed under the heading “Defined Events”.

“**Excess Period**” means the period shown in the Schedule commencing from the first date of disablement of the Insured Person and is the period of either Temporary Total Disablement or Temporary Partial Disablement during which We will not pay Compensation.

“**Existing Medical Condition**” means:

- a. any physical defect, condition, Sickness or disease suffered by the Insured Person for which treatment, medication or advice (including investigations) has been received or prescribed by a medical or dental adviser in the 90 days prior to the Policy including the relevant Insured Person on the Schedule; or
- b. any chronic or ongoing (whether chronic or otherwise) medical or dental condition, Sickness or disease medically documented prior to the Policy including the relevant Insured Person on the Schedule.

“**Injury**” means bodily injury caused solely and directly by accidental, violent, external and visible means, including exposure to the elements caused by them which first occurs during the Period of Insurance and does not include a Sickness.

“**Insured Person**” means the person or persons shown in the Schedule as the Insured Person.

“**Insured Person’s Occupation**” means the Insured Person’s usual occupation or profession that they perform on Your behalf in relation to Your Business immediately prior to an Injury or Sickness.

“**Limb**” means an arm, a leg, the whole of a hand commencing at the wrist or the whole of a foot commencing at the ankle.

“**Loss**” means loss by physical severance or total and irrecoverable Permanent loss of use.

“**Partial Disablement**” means disablement that prevents the Insured Person from substantially attending to the Insured Person’s Usual Occupation as certified by a legally qualified medical practitioner.

“**Permanent**” means lasting in excess of 12 calendar months from the commencement of Total Disablement and at the end of that period being considered unlikely to improve and will continue for an indefinite period.

“**Sickness**” means illness and/or disease first manifesting itself during the Period of Insurance that results, solely and directly and independently of any other cause, in Total Disablement, but does not mean illness and/or disease contracted and commencing during the first 28 days after the first effective date of this Policy Section or an Injury.

“**Sum Insured**” means the maximum amount of Compensation that We will pay being either the Capital Sum Insured and/or the Weekly Benefit as the case may be, arising out of any one Injury by Accident or Sickness in respect of a Defined Event.

“**Temporary**” means not Permanent.

“**Total Disablement**” means disablement that entirely prevents the Insured Person from carrying out all the normal duties of the Insured Person’s Usual Occupation, as certified by a legally qualified medical practitioner.

“**Weekly Benefit**” means the weekly amount shown in the Schedule.

## Your insurance under this Policy Section

We will pay You Compensation in accordance with the “What We pay” provision of this Policy Section on the happening of a Defined Event to an Insured Person.

## Defined Events

### [A] Injury by Accident causing:

The Events	The Compensation %
1. Death	100.0%
2. Permanent Total Disablement	100.0%
3. Permanent and incurable paralysis of all Limbs	100.0%
4. Permanent total loss of sight of both eyes	100.0%
5. Permanent total loss of sight of one eye	100.0%
6. Permanent total loss of use of two Limbs	100.0%
7. Permanent total loss of use of one Limb	100.0%
8. Permanent and incurable major brain damage	100.0%
9. Permanent total loss of hearing in	
a. both ears	100.0%
b. one ear	25.0%
10. Permanent total loss of the lens of one or both eyes	60.0%
11. Permanent total loss of use of four fingers and thumb of either hand	75.0%
12. Permanent total loss of use of four fingers of either hand	50.0%
13. Permanent total loss of use of one thumb of either hand	35.0%
a. both joints	20.0%
b. one joint	
14. Permanent total loss of use of any finger of either hand	
a. three joints	12.5%
b. two joints	10.0%
c. one joint	7.5%
15. Permanent total loss of use of toes of either foot	
a. all – one foot	15.0%
b. great – both joints	7.5%
c. great – one joint	5.0%
d. other than great, each toe	2.5%
16. Permanent total loss of speech	75.0%
17. Fractured leg or patella with established non-union	10.0%
18. Shortening of leg by at least 5 cm	7.5%
19. Permanent disfigurement from burns	
a. to more than 50% of the surface area of the head and neck	30.0%
b. to more than 50% of the surface area of the remainder of the body	20.0%
20. Permanent and total loss of the use of some part of the Insured Person's body not described in Events 2–18	An amount We think is appropriate Insured Person's body not described in Events 2–18
21. Temporary Total Disablement	The Weekly Benefit shown in the Schedule or Average Weekly Income, whichever is the lesser
22. Temporary Partial Disablement	25% of the compensation shown under Event 21

### [B] Where cover for Sickness is stated in the Policy Schedule:

The Events	The Compensation %
23. Temporary total Disablement by Sickness	The Weekly Benefit shown in the Schedule or Average Weekly Income, whichever is the lesser

## What We pay

We will pay Compensation under this Policy Section for the happening of a Defined Event to an Insured Person as follows:

1. For Defined Events 1. to 20., the Compensation percentage of the Capital Sum Insured shown against the Defined Events, provided that:
  - a. the aggregate total of all payments under Defined Events 1. to 20. inclusive will not exceed 100% of the Capital Sum Insured stated in the Schedule in any one Period of Insurance;
  - b. any Compensation paid or payable for Defined Events 1. to 20. will be reduced by any sum already paid for Defined Event 21. and/or 22. in respect of the same Injury;
  - c. if there is no Capital Sum Insured under this Policy Section, no amount will be payable for these Defined Events.
2. For Defined Events 21. and 23., We will pay the Weekly Benefit shown in the Schedule and for Defined Event 22., We will pay the percentage of the Weekly Benefit shown in the Schedule, provided that:
  - a. We will not pay for more than one of these Defined Events at the same time;
  - b. We will not make payment for longer in aggregate than the number of weeks of the Benefit Period shown in the Schedule for any one Injury by Accident or Sickness giving rise to a claim;
  - c. the Compensation payable to You under Defined Events 21. or 23. will be limited to the Weekly Benefit or the Insured Person's Average Weekly Income, whichever is the lesser. If the Insured Person is entitled to receive benefits under any Workers' Compensation or similar Legislation or other policy of insurance, then the Compensation payable for Defined Events 21., 22. or 23. will be reduced by the amount necessary to limit the total of all such payments and/or Compensation to the amount of the Insured Person's Average Weekly Income or Weekly Benefit shown in the Schedule, whichever is the lesser;
  - d. We will not pay for any Sickness that does not continue for a minimum of 7 days.
3. After the occurrence of any one of Defined Events 2. to 8. and 9.a. there will be no further liability under this Policy Section in respect of the Insured Person for Injury by Accident sustained after that time.
4. If, as a result of Injury by Accident or Sickness, Compensation is payable under this Policy Section and the Insured Person suffers a recurrence of Total Disablement or Partial Disablement while this Policy Section is in force and as a result of the same or a related cause or causes,

any subsequent period of Total Disablement or Partial Disablement will be deemed to be a continuation of the prior period unless between such periods the Insured Person has performed his or her normal duties of the Insured Person's Usual Occupation on a full-time basis for at least 6 consecutive months, in which event, any such subsequent period of Total Disablement or Partial Disablement will be deemed to be the result of a new Injury and subject to a new Excess Period.

5. No Compensation is payable under this Policy Section unless the Defined Event referred to occurs within 12 calendar months of the date of the Injury.

## Excess Period

We will not pay Compensation for the Excess Period shown in the Schedule for this Policy Section.

## Additional benefits

### 1. Exposure

If because of an Injury covered under this Policy Section the Insured Person is exposed to the elements and as a result of such exposure suffers from a Defined Event for which Compensation is payable, Compensation will be payable for that Defined Event under the terms of this Policy Section.

### 2. Disappearance

If an Insured Person is travelling in a conveyance that disappears, sinks or is wrecked and the body of the Insured Person has not been found within one year of that date, it will be presumed that the Insured Person suffered Injury by Accident causing Death at the time of such disappearance, sinking or wrecking, provided that the circumstances do not fall within any exclusion contained in this Policy Section.

However, if the Insured Person is later found alive, You must repay any Compensation We paid to You.

### 3. Funeral expenses

If We agree to pay Compensation for Defined Event [A] 1.– Death, We will also pay to the estate of the Insured Person the costs reasonably and necessarily incurred for funeral or cremation expenses, including the costs of returning the remains of the Insured Person to their normal place of residence, to an amount not exceeding \$5,000 in total.

### 4. Hijack

We will pay Compensation in respect of the happening of a Defined Event to the Insured Person that occurs as a direct result of the unlawful seizure or wrongful exercise of control of a conveyance.

## 5. Rehabilitation

If the Insured Person suffers Total Disablement for a period in excess of 26 consecutive weeks as a result of Injury by Accident We will pay from the 27th week of such Total Disablement a rehabilitation benefit equal to 50% of the Compensation specified in respect of Defined Event 21. but only:

- a. if the Insured Person actively and fully participates in a rehabilitation program that is recognised and sponsored by any Federal or State Government or, if the program is not so recognised and sponsored, one that is first approved by Us in writing;
- b. if there is continuing entitlement to receive Compensation under Defined Event 21.;
- c. for the remainder of the period of Total Disablement or 52 Weeks, whichever is the lesser; and
- d. if the Insured Person is not entitled to recover the costs of such rehabilitation by virtue of any government allowance, benefit or assistance, or any other form of insurance or workers' compensation.

Any such payment will be made to the approved rehabilitation centre.

## 6. Indexation of compensation

Where a Weekly Benefit is specified in the Schedule in respect of Defined Events 21., 22. and 23., this Weekly Benefit will be increased during each period of such Temporary Partial Disablement or Temporary Total Disablement as the case may be at 3 monthly intervals from the date of the first payment, provided that the period of disablement is uninterrupted and has continued for a period in excess of 3 calendar months.

The increase will be the lesser of:

- a. 2%; or
- b. the percentage increase, if any, by which the index figure of the Australian Consumer Price Index last published by the Australian Bureau of Statistics exceeds the index figure published in the previous quarter.

If the Consumer Price Index movement is negative, there will be no increase to the Weekly Benefit.

## Optional benefits

The following optional benefits do not apply unless stated in the current Schedule:

### 1. Guaranteed Renewable

For the Guaranteed Period stated in the Schedule We guarantee:

- a. We will offer You the option to renew this Policy Section in accordance with the cover provided in the Policy Section and up to Sums Insured You selected at the commencement of the Guarantee Period.

- b. We will not increase Your premiums based on the number of claims We pay You, We will only increase Your premiums during the Guarantee Period if:
  - i. there is an increase in Our premium rate for all people working in the same occupation as the Insured Person, or
  - ii. the Insured Person's Usual Occupation changes to one for which higher premiums apply, or
  - iii. there is an increase in Government Stamp Duty on disability policies.
- c. We will not apply any new restrictions because of:
  - i. the number of claims We pay You, or
  - ii. any change in the Insured Person's Usual Occupation, unless the new occupation be unacceptable, or
  - iii. there is a change in the Insured Person's health.

Any restrictions which applied at the start of the Guarantee Period will continue to apply during the whole Guarantee Period.

This optional benefit is not available after the expiry date of the Period of Insurance in which the Insured Person reaches the age of 58 years.

## 2. Business Expenses

If following a Defined Event We have agreed to pay an Insured Person a Weekly Benefit under "21. Temporary Total Disablement" We will also pay You the lesser of the weekly Business Expenses:

- a. that You actually incur each week,
- b. that You incur periodically for that week (for example, if You have to pay a Business Expense every four weeks, then We will pay 1/4 of that amount for each week You are totally disabled. If You have to pay yearly, We will pay 1/52 of that amount each week), or
- c. the amount for Business Expenses shown in the Schedule.

We will pay Your weekly Business Expenses for each week You are totally disabled by the Sickness or Injury – up to a maximum of 52 weeks for all claims You make using this option in each Period of Insurance.

We will not pay Business Expenses for any period that is within the Excess Period shown in the Schedule.

## 3. Leisure Time Only

If You have selected cover under this option, We will only provide cover under this Policy Section if the Defined Event is not related to or arising out of any work the Insured Person undertakes which provides You with income, regardless of the form that income takes.

#### 4. Transport Only

If You have selected cover under this option, We will only provide cover under this Policy Section if the Defined Event is an Injury caused by an Accident which occurred while the Insured Person was:

- a. driving or a passenger in a registered motor vehicle, or
- b. a fare paying passenger in any type of public transport other than air transport, or
- c. a pedestrian and was hit by a motor vehicle.

#### 5. Voluntary Workers

This Policy Section is extended to include cover for Voluntary Workers. They are regarded as Insured Persons for the purposes of this Policy Section subject also to the specific conditions and exclusions applicable to this optional benefit.

##### Words with special meaning applicable to this optional benefit

“Voluntary Worker(s)” means a person:

- a. aged between 16 years of age and 65 years of age,
- b. who is actually engaged in (including necessary travel to, from or during) voluntary work organised by You and under Your direct control.

##### Specific conditions applicable to this optional benefit

1. The amount payable under this optional benefit will be reduced by any amount of benefit, reimbursement or common law settlement that the Voluntary Worker is entitled to claim for the Injury under any State or Federal Government legislation or any other policy of insurance.
2. The Weekly Benefit under Defined Event 21. will be limited to 75% of the Voluntary Worker's Average Weekly Income.

##### What You are not covered for under this optional benefit

1. We will not pay claims for Sickness.

#### Exclusions

##### 1. Age

We will not pay for Sickness sustained or suffered after the expiry date of the Period of Insurance in which the Insured Person reaches the age of 60 years.

We will not pay for Death or Injury sustained or suffered after the expiry date of the Period of Insurance in which the Insured Person reaches the age of 60 years unless We agree in writing, but in no case after age 65.

We will not pay for Death, Injury or Sickness:

#### 2. AIDS or HIV

if the Insured Person's disability is directly or indirectly caused by acquired immune deficiency syndrome (AIDS) or human immunodeficiency virus (HIV) or by any Sickness arising from or related to acquired immune deficiency syndrome (AIDS) or human immunodeficiency virus (HIV) and/or any of their mutant derivatives or variations that was diagnosed before the beginning of the Period of Insurance.

#### 3. Air travel

arising out of participation in any aerial flight or activity except where:

- a. the Insured Person is a passenger in an Aircraft other than a balloon, helicopter or ultra light and/or any Aircraft while crop dusting; and
- b. the Aircraft is authorised to fly under legislation that relates to the safety of Aircraft.

#### 4. Diseases

arising directly or indirectly out of sexually transmitted disease, drug related disease or disease acquired directly or indirectly from the administration of any drug, where the drug is not administered or supervised by a registered medical practitioner.

#### 5. Existing medical condition

arising directly or indirectly out of or in any way connected with any Existing Medical Condition the Insured Person has. This restriction of cover will not apply to any Existing Medical Condition where We have agreed in writing to accept the additional risk and You have paid the required extra premium. If an Injury by Accident or Sickness is aggravated or affected by any Existing Medical Condition that the Insured Person suffered from before the Injury by Accident or Sickness occurred, the amount of any Compensation payable will be the amount that would have been payable if the extent of the Injury or Sickness had not been aggravated or affected by the Existing Medical Condition.

#### 6. Alcohol and drugs

arising directly or indirectly out of or in any way connected with the Insured Person being rendered less capable than usual of taking care of himself or herself due to intoxicating liquor or narcotics or drugs (other than a drug taken or administered by or following the advice of a duly qualified medical practitioner).

#### 7. Mental condition

arising directly or indirectly out of or in any way connected with the Insured Person being rendered less capable than usual of taking care of themselves due to mental unsoundness, including any psychological, psychiatric or stress disorder, other than from a condition which was not diagnosed before the beginning of the Period of Insurance.

## 8. Occupations/sports

arising directly or indirectly out of or in any way connected with the Insured Person:

- a. engaging in or taking part in naval, military or air force service or operations;
- b. engaging in motor cycling, professional sports of any kind, driving or riding in any kind of race, any form of competitive organised football, diving when using breathing apparatus, parachute jumping or hang gliding.

## 9. Pregnancy

arising directly or indirectly out of or in any way connected with pregnancy, childbirth or any related complications.

## 10. Suicide/self injury

arising directly or indirectly out of or in any way connected with the Insured Person's suicide or attempted suicide or intentional self injury.

# Specific conditions applicable to this Policy Section

## 1. Change of occupation/change in health/other insurance

You must give Us immediate written notice:

- a. if there is a change in the Insured Person's Usual Occupation involving a greater risk of a claim being made. Cover will not continue unless We have agreed in writing and You have agreed to pay any additional premium We may require;
- b. of any accident, disability and/or sickness or like insurance held with any other insurer covering the Insured Person;
- c. if You become aware that the Insured Person has become affected by any disease or physical defect or infirmity or Sickness or Injury, You must advise Us about it, in writing, before the next renewal and each subsequent renewal of this Policy Section following the Insured Person becoming so affected.

## 2. Physical examination

In the event of a claim being made under this Policy Section, the Insured Person must undertake at Our expense such medical examination or examinations as We may reasonably require. We may arrange an autopsy or post mortem examination if thought necessary by Us provided that We are not precluded from doing so by law.

## 3. Medical treatment

On the occurrence of any Injury by Accident or Sickness the Insured Person must undertake and follow treatment from a legally qualified medical practitioner as soon as possible.

## 4. Cancellation

In the event that You have made a claim under a Defined Event and We have agreed to pay the Sum Insured for that Defined Event no return of premium will be due or payable.





For all enquiries please call your Steadfast Insurance Broker

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