



Blue Dog First Option Business Insurance Business Insurance Policy

01 May 2012

Blue Dog.

Insurance for tradies

About this booklet

This booklet contains two separate sections:

Important Information

This part of the booklet contains information You need to know before You take out a Policy. Please read it carefully before taking out this insurance.

Items appearing under this part apply to all the Policy sections within Your Policy and form part of Your Policy.

Policy Terms and Conditions

The Policy part of this booklet contains the Policy Terms and Conditions, which detail all the terms, conditions and exclusions relating to the Policy. It forms part of Your legal contract with Us.

If We agree to insure You, You will be given a Schedule. The Schedule sets out the specific terms applicable to Your cover and should be read together with the Policy Terms and Conditions.

The Policy Terms, Conditions, Schedule and any endorsements We issue to You form Your legal contract with Us so please keep them in a safe place for future reference.

If You require further information about this product, please contact Us.

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Important Information

This Policy and Your current Schedule are important. Please ensure You read them carefully and keep them in a safe place.

If You have any questions regarding the Policy, please contact Your insurance broker or Us.

Plans, documents, reports, contracts, receipts, manuals and serial numbers relating to Your property should be kept. If a claim occurs they may be required by Us and they will assist You with completing Your claim form.

About the Insurer

This insurance is underwritten by Great Lakes Australia, an authorised Australian insurer, regulated by the Australian Prudential Regulation Authority (APRA).

Great Lakes Australia is a branch office of Great Lakes Reinsurance (UK) PLC (ARBN 127 740 532, AFSL 318603), a limited liability company incorporated in England and Wales and a wholly owned subsidiary of the Munich Reinsurance Company, part of the Munich Re Group. The Munich Re Group is one of the largest insurance groups in the world.

Great Lakes Australia has strong financial security characteristics. However, please note that ratings can vary from time to time. You can check Great Lakes Australia's current rating at the following website Standard & Poors: www.standardandpoors.com

You should contact Calliden in the first instance in relation to this insurance.

Great Lakes Australia's contact details are:

- 143 Macquarie Street, Sydney, NSW, 2000;
- PO Box H35, Australia Square, Sydney, NSW 1215;
- Phone: (02) 9272 2050

About the Agent

Calliden Insurance Limited ABN 47 004 125 268, AFS Licence No. 234438

Calliden arranges policies for and on behalf of Great Lakes Australia. Calliden acts under a binding authority given to it by the insurer to administer and issue policies, alterations and renewals. In all aspects of the Policy Calliden acts as an agent for the insurer and not for You.

How to Contact Us

You may contact Calliden in any of the following ways:

- By telephone on 02 9551 1111
- By writing to us at Calliden Insurance Limited, PO Box 348, Milsons Point, NSW 1565
- By fax on 02 9551 1155
- By email through our website www.calliden.com.au

Our Agreement

Where We agree to insure You We will issue a Schedule confirming cover.

The information contained in the Schedule sets out information specific to You such as the cover We have agreed to provide and the Policy Sums Insured and Limits of Liability.

Our agreement with You (the policy) will comprise this Policy, the Schedule and any endorsements We issue. They should be read together and kept in a safe place.

Where We have agreed to enter into a policy with You and subject to the terms, conditions and exclusions of the policy:

- We agree to provide You with the insurance cover set out in each of the policy sections which are listed in the Schedule, subject to Your payment of or agreement to pay Us the premium set out in the current Schedule;
- the insurance cover is in force for the Period of Insurance set out in the Schedule;
- We will cover You for the relevant covered loss, damage and liability occurring during that Period of Insurance
- We will not pay any more than the Sum Insured or Limit of Liability for each section which is shown in the Schedule or as provided in the Policy.

Your Cooling-off Period

There is a 21 day cooling off period. If You are not completely satisfied with Your policy, You can cancel it from its date of issue by contacting Your Broker or Us in writing within 21 days of its date of issue.

We will refund Your premium less any non-refundable government charges, taxes and levies that We have paid. You cannot exercise this right if You are entitled to or have made a claim for any incident within the 21 day period.

Even after this cooling off period ends you still have cancellation rights. See the General Conditions Section.

General Insurance Code of Practice

Calliden and Great Lakes Australia are signatories to the General Insurance Code of Practice (Code). The Code aims to raise standards of service between insurers and their customers. Calliden's service standards are in accordance with the Code.

For any information about the Code, including a copy of the Code, contact Calliden or the Financial Ombudsman Service on 1300 78 08 08 or look at www.codeofpractice.com.au

Financial Claims Scheme

In the event of the insolvency of Great Lakes Australia, You may be entitled to payment under the Financial Claims Scheme. Access to the scheme is subject to eligibility criteria. Information about the scheme can be obtained from the APRA website at www.apra.gov.au and the APRA hotline on 1300 131 060.

Privacy

Both Calliden and Great Lakes Australia are committed to protecting the privacy of the personal information You provide to Us. Any personal information You give Us will be treated in accordance with the Privacy Act 1988.

We collect personal information from You for the purpose of issuing You with, and administering, this insurance product (including the handling and settlement of claims).

Calliden also collects information from You to help develop and identify other products and services that may interest clients.

We will only disclose personal information about You to third parties where We believe it is necessary to assist Us in providing Our relevant services and products. The parties to whom We may disclose Your personal information include (but are not limited to) other insurers, reinsurers, reinsurance brokers, loss adjusters, external claims data collectors, investigators, agents and others involved in the claims handling process, or as required by law.

By submitting Your personal information to Us, You agree to Us using and disclosing Your personal information as outlined in this Privacy Statement.

This consent to the use and disclosure of Your personal information remains valid unless You alter or revoke it by giving Us written notice.

If You do not provide the information requested, Your insurance application may not be accepted, or We may not be able to administer Your policy, or You may breach Your Duty of Disclosure, the consequences of which are set out under the heading Duty of Disclosure in this document.

You can request access to the personal information We hold about You and, where necessary, You can notify Us in writing of changes so We can ensure that the information we hold about You is accurate, complete and up-to-date.

From time to time, We may use Your name and contact details to send You or your firm offers or information regarding Our insurance services or promotions that may be of interest to You. Please let Us know if You no longer wish to receive this information.

If You require additional information or would like a copy of Our Privacy Policies, please contact Calliden.

Dispute Resolution Process

How You Can Resolve A Complaint You Have With Us

If You think We have let You down in any way, or Our service is not what You expect (even if through one of Our representatives), please tell Us so We can help. We are committed to resolving Your complaint fairly.

If You have a complaint:

- Contact Calliden by phone on (02) 9551 1111. You will be put in contact with someone who can help resolve Your complaint.

- If You wish You can also write to us about Your complaint to Attention:

The Customer Relations Manager,
PO Box 348, Milsons Point, NSW 1565 or by email servicefeedback@calliden.com.au

- We will listen to You, consider the facts and respond to You within 15 business days. If we need more information or more time to respond properly to Your complaint we will contact You to agree an appropriate timeframe to respond.
- If You are not satisfied with the resolution, then Your complaint will be referred to the Dispute Resolution Officer or their delegate at Great Lakes Australia.

We will send You Our final decision within 45 days from the date You first made Your complaint.

We expect Our procedures will deal fairly and promptly with Your complaint. However, if You are not satisfied with Our final decision You can choose to have the matter resolved externally – with the Financial Ombudsman Service Ltd (FOS). This is an independent body and its services are free to You. As a member We agree to accept the FOS's decision.

You can contact the FOS by:

Mail: Financial Ombudsman Service Ltd,
GPO Box 3, Melbourne, Victoria, 3001

Telephone: 1300 78 08 08

Fax: (03) 9613 6399

Website: www.fos.org.au

Email: info@fos.org.au

Your Duty of Disclosure

The law requires You to tell Us everything You know (or could reasonably be expected to know in the circumstances) which is relevant to Our decision to insure You and the terms on which We insure You. This duty applies before You enter into a contract with Us and also before each time You renew, extend, vary or reinstate the policy. Each person named as the insured has the same duty.

You do not need to tell Us anything which:

- reduces the risk,
- is common knowledge,
- We already know, or ought to know in the ordinary course of Our business, or
- We indicate We do not want to know.

If You do not tell Us

If You do not comply with Your Duty of Disclosure, We may reduce or refuse to pay a claim and/or cancel Your policy. We may invalidate the policy from its beginning and not be bound by it if the non disclosure was fraudulent.

After the policy is entered into, ongoing disclosure obligations can apply. See the policy for details.

Defined Terms

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

Policy Terms & Conditions

This Policy is a legal contract between You and Us.

You have paid, or agreed to pay, Us the Premium and We provide the cover You have chosen as set out in Your Schedule.

You, or any other person insured under the Policy, must comply with all provisions of the Policy, otherwise We may be entitled to refuse to pay a claim, or reduce the amount You are entitled to receive.

The insurance cover is in force for the Period of Insurance set out in the Policy Schedule. We will cover You for loss, damage and liability occurring during that Period of Insurance, subject to the provisions of the Policy.

We will not pay any more than the sum insured or limit of liability for each cover section which is shown in the Policy or Policy Schedule.

We will not pay the Excesses shown in the Policy or Policy Schedule. If any loss or damage leads to a claim under more than one cover section of this Policy, You must pay the highest applicable Excess, but You need to pay only one Excess.

General Definitions

Applicable to All Policy Sections

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

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

Aircraft means any craft or device designed to travel in, on or through the air.

Building(s) means buildings and outbuildings located at the Risk Address including:

- 1) fixtures, fittings and overhead and/or underground services; and
- 2) walls, gates, fences and any other structural improvements

owned by You or for which You own or for which You are legally responsible or have assumed a responsibility to insure, and which is used for the purpose of the Business.

Business means Your business, trade or occupation carried on at or from the Risk Address, as shown in the Schedule.

Contents means:

- 1) all Business furniture, utensils of trade, shelving, decorations, display stands, machinery, plant and equipment;
- 2) tenants' fixtures and fittings where You are the tenant;
- 3) landlord's fixtures and fittings and glass for which You as tenant are legally liable;
- 4) patterns, models, moulds and dies, but limited to the value of such items in Your financial records if not replaced;

5) antiques, curios and works of arts up to the value of \$5,000 any one article;

6) Documents, but only for their value as stationery;

owned by You or for which You are legally responsible, and which is used for the purpose of the Business, but does not include Money.

Damage means sudden and unforeseen physical damage or destruction.

Documents means documents, manuscripts, Business books, computer system's records, plans or designs.

Earthquake means earthquake, subterranean fire, volcanic eruption or fire resulting from any of these.

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

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.

Excess(es) means the amount specified in the Schedule, Your Policy, or an endorsement to Your Policy that You must pay in respect of each Event or Occurrence giving rise to a claim. Sums Insured, limits and sub-limits of liability shall apply in addition to, and shall not be reduced by, the amount of any applicable Excess. Where two or more different Excesses apply to an Event or Occurrence giving rise to a claim under one or more Sections of Your Policy, only the greatest of those Excesses shall be applied to the whole claim.

Flood means the inundation of normally dry land by water that has escaped from the normal confines of any natural or artificial watercourse, lake, lagoon, reservoir, canal or dam. It also includes water discharged from sewerage or waste water systems due to pressure induced by Flood water.

Indemnity Value means the cost necessary to reinstate, replace or repair the property to a condition substantially the same as but not better or more extensive than its condition at the time of the Loss or Damage, taking into consideration age, condition and remaining useful life.

Loss means sudden and unforeseen physical loss.

Money means cash including coins and banknotes, credit card vouchers, cheques, money orders, unused postal and revenue stamps (including the value of prepaid franking machine credits), telephone cards, metropolitan transit tickets, lottery tickets (for their purchase cost only) and negotiable securities, notes and instruments, all belonging to You or for which You are legally responsible or have assumed a responsibility to insure.

Period of Insurance means the period of time stated in the Schedule for which Your Policy is in force.

Personal Injury means:

- 1) bodily injury (including death and illness), disability, fright, shock, mental anguish or mental injury;
- 2) false arrest, wrongful detention, false imprisonment or malicious prosecution;
- 3) wrongful entry or eviction or other invasion of privacy;
- 4) libel, slander or defamation of character;
- 5) assault and battery not committed by You or at Your direction unless committed for the purpose of preventing or eliminating danger to person or property.

Policy/Your Policy means this policy wording, the application, the Schedule and any special conditions or endorsements issued to You in either electronic or written form.

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. Waste includes material to be recycled, reconditioned or reclaimed.

Property Damage means:

- 1) physical damage to or destruction of tangible property including its loss of use following such physical damage or destruction; or
- 2) loss of use of tangible property which has not been physically damaged or destroyed provided that the loss of use has been caused by an Occurrence.

Risk Address means the location of the Business shown in the Schedule.

Schedule means the certificate of insurance issued by Us and forming part of Your Policy that records Your name and address, Policy number, the Period of Insurance, details of the insurance etc. It also includes:

- 1) any endorsements or variations to the standard policy wording contained in this booklet that We have agreed to and confirmed in writing;
- 2) if Your Policy has been renewed, the relevant renewal certificate; and
- 3) a reference to an interim cover certificate or cover note, being a certificate issued by Us to provide You with temporary insurance.

Section(s) means each of the classes of insurance contained in this booklet. The Sections that apply to You are shown in the Schedule.

Stock means:

- 1) Stock in Trade;
- 2) Tobacco Products;

Stock in Trade means:

- 1) merchandise (other than Tobacco Products) including stock in the course of production, promotional merchandise and packaging materials and/or containers, which You own or for which You are legally responsible;
- 2) customers' goods not belonging to You but for which You are legally responsible.

Storm Surge means the short period rise or fall of the sea level produced by a cyclone.

Sum(s) Insured means the relevant amount shown in the Schedule.

Tobacco Products means stock consisting of cigarettes, tobacco or cigars which You own or for which You are legally responsible.

Watercraft means any vessel, craft or thing designed to float on or in or travel on or through water.

We, Us or Our means Great Lakes Australia (a member of the global Munich Re Group) ABN 18 964 580 576, AFSL 318603

You or Your means the person(s) or entity named in the Schedule as the Insured.

Some other words have special meanings and they are explained where they occur in the Policy.

General Conditions

Applicable to All Policy Sections

1) Goods and Services Tax (GST)

The limits of cover that You choose should exclude Goods and Services Tax (GST).

If You are not registered for GST in the event of a claim We will reimburse you the GST component in addition to the amount that We pay.

The amount that We are liable to pay under this Policy will be reduced by the amount of any input tax credit that You are or may be entitled to claim for the supply of goods or services covered by that payment.

If You are entitled to an input tax credit for the premium, You must inform us of the extent of that entitlement at or before the time You make a claim under this Policy. We will not indemnify You for any GST liability, fines or penalties that arise from or are attributable to your failure to notify Us of Your entitlement (or correct entitlement) to an input tax credit on the premium.

If You are liable to pay an excess under this Policy, the amount payable will be calculated after deduction of any input tax credit that You are or may be entitled to claim on payment of the excess.

2) Alteration of risk

You must notify Us in writing as soon as possible after the commencement of Your Policy of any changes in the Business carried on, or other circumstances affecting the premises at the Risk Address, or the Property Insured, which increase the risk of loss, destruction, damage or liability.

Until You obtain Our written agreement to cover the alteration of risk and agree to pay any additional premium We may require, We shall not be liable for loss, destruction, damage or liability caused or contributed to by any such alteration, except where We expressly allow alterations in the relevant Sections of Your Policy.

3) Cancellation

You may cancel this Policy at anytime by notifying Us in writing in which case We will retain the pro-rata rate for the time the Policy has been in force.

We may cancel this Policy by giving You written notice to the effect where You have:

- a) failed to comply with the duty of utmost good faith;
- b) failed to comply with the Duty of Disclosure at the time when the Policy was entered into;

- c) made a misrepresentation to Us during the negotiations for the Policy before We entered into the Policy;
- d) failed to comply with a provision of the Policy;
- e) failed to pay the premium or failed to pay any instalments for longer than one month;
- f) made a fraudulent claim under this Policy or any other policy of insurance (whether with Us or another insurer) that provided insurance cover during any part of the period during which this Policy of insurance provides insurance cover; or
- g) failed to notify Us of any specific act or omission where such notification is required under the terms of the Policy.

We may cancel this Policy pursuant to any right at law but subject to the provisions of the Insurance Contracts Act 1984.

When We cancel the Policy it will have effect from whichever of the following times is the earliest:

- a) the time when another policy of insurance replacing this Policy is entered into; or
- b) 4 o'clock in the afternoon of the third business day after the day on which notice was given to You. Unless this Policy was in force by Virtue of Section 58 of the Insurance Contracts Act whereby the cancellation will take effect from the fourteenth business day after the day on which notice was given to You. After cancellation, We will refund the premium for the time remaining on the Policy, less non refundable duties.

4) Under Insurance

The Fire and Specified Perils, Business Interruption and Electronic Equipment Sections of this Policy are subject to an Under Insurance/Average clause. The effect of this clause is that if, at the time of loss the Sum Insured is less than the full value of the property or income insured, then You may not be covered for Your full loss. It is Your responsibility to ensure the adequacy of Sums Insured and You should re-assess these Sums Insured during the currency of the Policy and prior to renewal each year.

5) Unoccupancy

Cover shall be entirely suspended where the premises at the Risk Address are left without an inhabitant or regular attendant for any period of more than 90 consecutive days and nights, unless Our written consent has been obtained before they are left so uninhabited or unattended.

Provided that suspension of cover under this General Condition will not apply to Section 6 Broadform Liability.

6) Other insurance

If You effect (or if there exists to Your knowledge) any other insurance covering loss, damage or liability insured by Your Policy, You must notify Us immediately and provide Us with details of such other insurance.

7) Reasonable care

You must take all reasonable care:

- a) for the safety of Your Property Insured;
- b) to ensure that only competent employees are employed;
- c) to maintain the structure, fittings, fixtures, furnishings, appliances, machinery, implements and plant in sound condition at the Risk Address;
- d) to prevent Personal Injury or Property Damage;
- e) to comply with any law, by-law, safety requirement, Australian Standard or regulation of any Government or Local Government body. Including but not limited to those covering the disposal of waste products and the handling, storage or use of flammable liquids or substances, gasses or toxic chemicals;
- f) to prevent bodily injury or damage to property due to manufacture, sale or supply of defective products, including at Your own expense take all reasonable action to trace, recall or modify any of Your products containing defects.

We shall not be liable for loss, destruction, damage, liability, accidental injury or illness caused or contributed to by Your failure to comply with this condition.

8) Fraud

All benefits may be forfeited, Our liability reduced and/ or Your Policy(ies) cancelled if You or any person acting with Your knowledge or consent or on Your behalf:

- a) engages in any dishonest or fraudulent activity as a means to obtain benefit from this Policy; or
- b) wilfully causes any loss, damage, or liability.

9) Conduct of defence and recovery actions

Subject to the Insurance Contracts Act 1984, We shall be entitled to take over the conduct in Your name, or the name of any other party covered by Your Policy, the defence or settlement of any claim and to take recovery action or prosecute for Our benefit, any claim for indemnity, damage, or otherwise and We shall have full discretion in the manner in which any proceedings or settlements are conducted. If You or any other party covered by Your Policy wish to join with Us in any related action where this Policy does not provide You with indemnity, legal costs will be proportionately shared.

10) Preventing Our rights of recovery

If You have agreed not to seek compensation from another person or entity who is liable to compensate You for any loss, damage or liability which is covered by this policy We shall not cover You under this Policy for that loss, damage or liability, except in the following circumstances:

- We shall waive any rights and remedies or relief to which We are or may become entitled by subrogation against:
 - any co-insured (including its directors, officers and employees);
 - any corporation or entity (including its directors, officers and employees) owned or controlled by any Insured or against any co-owner of the property insured.

You may without prejudicing Your position under this policy:

- release any statutory governmental, semi-governmental or municipal authority from any liability if required by any contract to do so;
- agree to enter into a contract for storage of goods or merchandise if the terms of the contract include a disclaimer clause;
- 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.

11) Assistance

In the event that there exists a right to recover any monies payable under Your Policy from any other party, You or any other person covered by Your Policy must co-operate with Us fully in any proceedings available to Us at law which We may take, and not hinder these rights or agree to limit, waive or release any such right. Failure to comply with this condition will enable Us to reduce the amount payable under a claim to the extent that Your actions prejudice Our ability to recover such monies.

12) Claims matters

As soon as possible after an event occurs which may result in a claim under this Policy You must at Your own expense:

- a) take all reasonable precautions to prevent or minimise further loss, damage or liability;
- b) notify the police immediately if any of Your Property is lost, stolen, maliciously or intentionally damaged, or such loss is attempted or suspected;
- c) take all reasonable steps to recover lost or stolen property, and assist in apprehending any guilty party;
- d) contact Us and provide Us with details of what has happened by:
 - telephoning 1300 880 037;
 - Writing to:
Claims Department
Calliden Insurance Limited
Level 13
50 Queen Street
Melbourne VIC 3000
- e) complete and submit a claim form for Our consideration with full particulars of Your loss including details of any party who may be responsible;
- f) give Us the opportunity to inspect any loss or damage before You carry out any repairs;
- g) keep any damaged or recovered stolen property and allow Us to inspect it if necessary;
- h) obtain Our consent before You authorise or commence repairs or otherwise incur any cost, unless the repair or cost is necessary to protect the insured property from further loss; and
- i) not admit, deny, or negotiate any claim with any person.

We shall not be liable for loss, destruction, damage, liability, accidental injury or illness caused or contributed to by Your failure to comply with this condition.

13) Words - gender

Words importing persons include corporations and other legal entities.

The singular includes references to the plural and vice versa and any gender includes reference to all other genders.

14) Renewal obligations

Renewal of this Policy beyond the Period of Insurance stated in Your Schedule is subject to there having been no changes in the risk insured. You are obliged to notify Us in writing of any changes or any relevant matters that may have occurred during the Period of Insurance which may affect Our willingness to accept Your renewal.

15) Joint insureds

This Policy only covers the interests of the insured(s) named on the Schedule and any other interests notified to Us in writing which are accepted by Us and noted in the Schedule. No interest in this Policy maybe transferred without Our written consent.

Where there is more than one person or organisation insured under this Policy:

- a) any notice given by Us under Your Policy to any one of You will be deemed to be notice given to all of You;
- b) the Duty of Disclosure will apply to every person or organisation. Failure by any insured person or organisation to comply with the Duty of Disclosure will be deemed a failure by all of You;
- c) any misrepresentation of fraudulent actions or statements made by any person or organisation will deemed to be made by all of You; and/or
- d) any claim made by any person or organisation will be deemed to be a claim made by all of You.

16) Hazardous goods

The storage of hazardous goods usual to the proprietor(s)/occupier(s) trade and/or business carried on at the Risk Address shown on Your Schedule are only allowed to be stored in quantities and in a manner as permitted by any relevant Law, By-Law or Municipal Regulation (including the Occupational Health and Safety and work cover organisations) pertaining to such goods.

17) Workers' compensation

The insurances provided by this Policy do not include Workers' Compensation. It is compulsory for all employees to be insured for Workers' Compensation and a separate policy must be arranged where required by law.

18) Jurisdiction

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

19) Inspection of property

We will be permitted but not obligated to inspect Your property and operations at any time.

Neither Our right to inspect nor Our failure to inspect, nor the making of any inspection nor any report of an inspection may be used by You or others in any action or proceedings involving Us.

Any inspection by Us will be restricted to matters, which in Our opinion, are relevant to the Policy.

General Exclusions

These General Exclusions apply to all Sections of the Policy. In addition to these General Exclusions, each Section of this Policy will be subject to specific exclusions.

Your Policy does not cover loss, damage, consequential loss, cost or expense, disablement or liability; directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with:

1) Nuclear Material

Any consequence of:

- a) ionizing radiation or radioactive contaminations from any nuclear fuel or waste which results from the burning or fission of nuclear fuel;
- b) the radioactive, toxic, explosive or other dangerous properties of nuclear machinery or any part of it;
- c) nuclear weapons material, nuclear pollution or contamination.

2) War Activities

- a) war, invasion, acts of foreign enemies, hostilities, or war-like operations (whether war be declared or not) or civil war; or
- b) mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, military or usurped power, confiscation, nationalisation, requisition, or destruction of or damage to property by or under order of any government, public or local authority or looting, sacking or pillage following any of the above.

3) Consequential loss

Any consequential loss of any description except as specifically stated in Your Policy.

4) Electronic data

any consequence of:

- 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;
- c) total or partial inability or failure to receive, send, access or use Electronic Data, for any time or at all; or
- d) any business interruption losses resulting therefrom;

regardless of any other contributing cause or event whenever it may occur, unless any of the matters described in paragraphs a) to d) above are:

- i) directly caused by any of the perils listed below:

Fire, explosion, lightning, windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freezing, weight of snow, impact by aircraft or other aerial objects dropped therefrom, impact by any road vehicle or animal, bursting overflowing discharging or leaking of water tanks apparatus or pipes; or
- ii) the result of theft of Electronic Data solely where such theft is accompanied by theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing such Electronic Data, but only where the property is insured and the appropriate covers have been selected and paid for and are included on Your Schedule.

For the purposes of the Basis of Settlement provisions in this Policy, computer systems records include Electronic Data as defined in the General Definitions section.

Any terrorism exclusion in this Policy or any endorsement thereto prevails over this exclusion.

5) Internet operations and cyber risks

- a) Any losses arising, directly or indirectly, out of, or in any way involving the Insured's "internet operations".

"internet operations" means the following:

- i) use of electronic mail systems by the Insured's employees, including part-time and temporary staff, and others within the Insured's organisation;
- ii) access through the Insured's network to the world wide web or a public internet site by the Insured's employees, including part-time and temporary staff, and others within the Insured's organisation;
- iii) access to the Insured's intranet (meaning internal company information and computing resources) which is made available through the world wide web for the Insured's customers or others outside the Insured's organisation; and
- iv) the operation and maintenance of the Insured's web site.

Provided that this exclusion does not apply to bodily injury or property damage arising out of any material which is already in print by a manufacturer in support of its product, including but not limited to product use and safety instructions or warnings, and which is also reproduced on its site. Coverage does not include bodily injury or property damage arising out of any other advice or information located on the site that is used for the purpose of attracting customers.

- b) Property damage to computer data or programs and their storage media arising directly or indirectly out of or caused by, through or in connection with:
 - i) the use of any computer hardware or software;
 - ii) the provision of computer or telecommunications services by or on behalf of the Insured;
 - iii) the use of computer hardware or software by any third party, whether authorised or unauthorised, including any damage caused by any computer virus.

Nothing in the Internet Operations and Cyber Risks exclusion shall be construed to extend coverage under this Policy to any liability which would not have been covered in the absence.

6) Pollution

- a) Personal Injury or Property Damage directly or indirectly arising out of the actual, alleged or threatened discharge, dispersal, release, seepage, migration, emission or escape of Pollutants; or
- b) the cost of testing, monitoring, containing, removing, nullifying or cleaning up Pollutants;

except liability otherwise excluded under the paragraphs above that:

- i) arises from a sudden identifiable, unintended and unexpected happening, which takes place in its entirety at a specific time and place; and
- ii) is indemnified in not more than one annual Period of Insurance.

7) Terrorism

Any Act of Terrorism, as defined herein, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

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

8) Asbestos

Any actual or alleged liability whatsoever for any claim or claims in respect of loss or damage, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity.

9) Your wilful act, omission or recklessness

Any wilful act, omission or recklessness or those of Your agents or representatives, provided that this exclusion will only apply to physical loss, destruction or liability caused by those proprietor(s) or member(s) committing the wilful act or omission or recklessness or that of their agents or representatives.

Section 1 – Fire and Specified Perils

Introduction

Where Fire and Specified Perils is shown as insured in the Schedule with specific Sums Insured shown for the respective Property Insured items covered, We agree to provide You with the insurance set out in this Section.

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

Definitions Applicable to this Section

Full Value means the amount that would be required as the Sum Insured, sufficient to allow Us to fully indemnify You for a total loss within the terms of this Section.

Other Items mean specified property owned by You or for which You are legally responsible, and which is used for the purpose of the Business.

Property Insured means Buildings, Contents, Stock, Contents & Stock and Other Items shown in the Schedule as specifically covered with a Sum Insured.

Total Sum Insured means the total of all Sums Insured for Buildings, Contents, Stock, Contents & Stock and Other Items for a particular Risk Address.

The Cover

Subject to the provisions of this Policy, We will pay You in accordance with the Basis of Settlement for Loss of or Damage to Property Insured caused by any of the Specified Perils occurring at the Risk Address during the Period of Insurance.

Limits Applying to The Cover

The most We will pay for all Loss or Damage (other than Loss or Damage covered under Specified Peril 9) accidental damage) arising during the Period of Insurance or for any one Event is the Sum Insured for the relevant item of Property Insured, provided that the Sum Insured for Stock shall be adjusted in accordance with Specific Condition 2) Seasonal Increases in the Sum Insured. In addition, We will also pay other amounts as provided for under Additional Benefits.

The most We will pay for any Loss or Damage covered under Specified Peril 9) accidental damage is:

- a) the Sum Insured for the respective item of Property Insured at the Risk Address; or
- b) \$250,000 or the accidental damage Sum Insured (whichever is greater);

whichever is the lesser.

Specified Perils

Loss or Damage caused by or resulting from:

1) Fire

But excluding Loss of or Damage to Property Insured resulting from either the necessary application of heat, or its own spontaneous combustion, heating or fermentation. This exclusion is limited to that part of the Property Insured immediately affected and does not exclude consequential damage to the remainder of the Property Insured.

2) Lightning or thunderbolt

3) Explosion

But excluding Loss of or Damage to pressure vessels and their contents. Pressure vessels include (but are not limited to) boilers (other than a boiler used for domestic purposes), compressors, air receivers and economisers.

4) Earthquake

Provided that an Excess of \$20,000 or an amount equal to 1% of the Total Sum Insured for that Risk Address (whichever is lesser) applies in respect of Loss or Damage occurring during any one period of 72 consecutive hours.

5) Leakage of water or liquid

Being leakage of water or liquid from any pipe, tank, guttering or fixed apparatus including automatic fire sprinkler systems.

6) Impact by

- a) vehicles designed for use on land, Watercraft or any animal but excluding Loss or Damage caused by animals eating, chewing, clawing or pecking or by animals kept at the Risk Address;
- b) falling trees or parts of falling trees but excluding Loss or Damage caused by the felling or lopping of trees by You or with Your consent;
- c) Aircraft and other aerial devices, or articles dropped from them and including space debris whether man-made or otherwise;
- d) External antennas, communication towers, masts or satellite dishes that collapse or break.

7) Malicious damage

Including Loss or Damage caused by strikers, locked out workers or other labour disturbances or any other malicious persons including persons attempting to gain unlawful entry to the premises (including damage caused by any lawful authority in connection with the foregoing) but excluding:

- a) any consequential loss, including (but not limited to) losses caused directly or indirectly by the total or partial interruption, retardation or cessation of work, process or operation;
- b) any Damage to any Property Insured which is insurable under Section 5 Glass, whether cover under Section 5 Glass is taken or not;
- c) theft of any property by any person.

8) Storm and/or tempest

Being violent atmospheric disturbances accompanied by high winds sometimes combined with thunder, heavy falls of rain hail or snow, including rainwater runoff over the surface of the land.

Provided that this does not include Loss or Damage:

- a) caused by Flood;
- b) caused by water from or action of the sea, tidal wave, Storm Surge or high water. Provided further that this exclusion shall not apply if Loss or Damage is directly or indirectly caused by an Earthquake. The Earthquake Excess stated in Specified Peril 4) Earthquake also applies;
- c) caused by erosion, collapse, subsidence, landslide, mudslide, settling or movement of earth;
- d) caused by water seeping or percolating from the outside of Buildings at the Risk Address;
- e) caused by water entering Buildings at the Risk Address because of:
 - i) structural defects,
 - ii) faulty design of Buildings at the Risk Address, or
 - iii) faulty workmanship.

- f) caused by wear and tear or gradual deterioration but this exclusion does not apply in respect of resulting Loss or Damage caused by the entry of water resulting from wear and tear or gradual deterioration;
- g) of or to property in the open air unless it comprises or forms part of a permanent structure designed to function without the protection of walls or roofs;
- h) of or to Buildings in the course of construction, reconstruction or renovation; or
- i) of or to exterior paintwork of Buildings.

Provided further that the most We will pay for Loss of or Damage to gates, fences, retaining walls, shade cloths, shade sails, textile awnings, external blinds or signs is \$25,000 any one Event.

9) Accidental damage

Being Loss of or Damage to Property Insured but excluding Loss or Damage caused:

- a) by any of the Specified Perils 1 to 8, or any event or cause specifically excluded under any of the Specified Perils 1 to 8;
- b) by any event or cause specifically excluded under any Additional Benefit or Special Benefit in this Section;
- c) by theft of any Property Insured;
- d) by any cause, event or occurrence insurable under any other Section of Your Policy, other than Section 10 General Property, whether cover under that Section is taken or not;
- e) by any error or omission in design, plan or specification or failure of design;
- f) by faulty materials or faulty workmanship;
- g) by incorrect siting of Buildings;
- h) by testing, intentional overloading or experiments;
- i) by normal settling, seepage, shrinkage, creeping, heaving, vibration or expansion in the Buildings or foundations, walls, pavements, roads and other structural improvements;
- j) by any computer virus;

- k) by termination of Your computer system following access by any person other than You or Your directors, partners, officers, employees or members to Your computer system, via data communication media;
 - l) by any process of heat treatment, welding, grinding, cutting, drilling, shaping or the application of tools to the Property Insured;
 - m) by mechanical, hydraulic, electrical or electronic breakdown, failure, malfunction or derangement of any machine or electrical or electronic device or temperature controlling equipment;
 - n) by faulty packaging or storage;
 - o) by wear and tear, fading, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good;
 - p) by seepage of water or water entering Buildings at the Risk Address as a result of structural defects;
 - q) by rust, corrosion, oxidation, mildew, mould, moths, vermin, insects, change of colour, change in temperature, cleaning, change in flavour texture or finish, stain or smoke from industrial operations, or alteration to the Property Insured;
 - r) by inherent defect, inherent vice, latent defect, or disease;
 - s) by unexplained inventory shortages or disappearances resulting from clerical or accounting errors, or shortage in the supply or delivery of materials or goods;
 - t) by infidelity, dishonesty, embezzlement, misappropriation, or fraud including forgery, erasure, counterfeiting by You or any employee or contractor;
 - u) by erosion, subsidence, landslip or mudslide or any other earth movement;
 - v) to any Property Insured during the course of and as a result of its processing or manufacture;
 - w) to jewellery, furs, bullion, precious metals or precious stones other than as Stock;
 - x) to livestock, animals, birds, fish, plants or growing crops;
 - y) to motor vehicles, caravans, trailers, motor cycles, Watercraft, Aircraft or aerial devices or the accessories to any of these unless insured as part of Stock;
 - z) to Property Insured whilst being used for the purpose for which it was designed;
 - aa) to Property Insured whilst undergoing construction, erection, alteration, renovation or demolition; or
 - bb) to gates, fences, retaining walls, awnings, blinds or signs.
- Provided that We will not pay the first \$250 of any one claim (being the Excess payable under this Specified Peril).

Additional Benefits

We will also pay for the reasonable costs necessarily incurred under the following Additional Benefits in addition to the Sum Insured.

1) Fire extinguishment costs and prevention of imminent damage

We will pay for fire extinguishment costs incurred in extinguishing fires at or adjoining the Risk Address insured under this Section, or immediately threatening to involve Property Insured at the Risk Address including:

- a) the cost of repair, replacement or replenishment of fire fighting appliances;
- b) the cost You are liable for under any Fire Brigade Act or similar legislation; and
- c) wages of Your employees and any loss or damage of or to their clothing or personal effects.

We will also pay for necessary costs You incur to prevent or diminish imminent damage to Property Insured by any other Specified Peril.

Provided that We will not pay under this Additional Benefit for:

- a) any fines, penalties or liability incurred by You; or
- b) any Loss of or Damage to Property Insured.

Provided further that We will not pay more than \$50,000 any one Event.

2) Loss or Damage caused by Leakage of Water or Liquid - additional costs

Where We pay a claim for Loss of or Damage to Property Insured caused by or arising from Specified Peril 5) Leakage of Water or Liquid, We will also pay for:

- a) the cost of identifying and locating the cause of Loss or Damage but We will not pay for the cost of repair or replacement of the defective part or parts of such apparatus, tank or pipe; and
- b) the attendance of fire fighting authorities for the purpose of shutting off the water supply and cleaning up operations relevant at the Risk Address if the Loss or Damage was caused by leakage of water from an automatic fire sprinkler system.

Provided that We will not pay more than \$10,000 for any one Event.

3) Capital additions

Cover for Property Insured at any one Risk Address is extended to include any physical alterations or additions to Buildings, Contents and Other Items carried out after the commencement of the Period of Insurance.

Cover under this Additional Benefit is limited to:

- a) 20% of the Sum Insured in respect of the respective Buildings, Contents, Contents & Stock or Other Items; or
- b) \$500,000;

whichever is the lesser.

Where a Contents & Stock cover is applicable, this Additional Benefit will apply only to Contents.

4) Landscaping

We will pay for Loss of or Damage to landscaping (including trees, shrubs, plants and lawn) at the Risk Address caused by any of the Specified Perils 1 to 7.

Provided that We will not pay more than \$25,000 for any one Event.

5) Architects' and other consultants' fees

We will pay for architects', surveyors', consulting engineers', legal or any other fees, all incurred with Our prior written consent, to repair or reinstate Your Buildings, Contents and Other Items following Loss or Damage for which a claim is payable under this Section but not costs, fees or other expenses for preparing any claim made under this Section.

Provided that We will not pay more than \$10,000 in addition to the Sum Insured for any one Event or the Sum Insured not otherwise exhausted, whichever is the greater.

6) Removal of debris

If We agree to pay a claim for Loss of or Damage to Property Insured under this Section, We will also pay for those costs incurred to remove debris and/or demolish structures at the Risk Address but excluding costs incurred for removal of any material that is:

- a) a contaminant or pollutant; or
- b) deposited outside the boundaries of the Risk Address.

Provided that We will not pay more than \$50,000 in addition to the Sum Insured for any one Event or the Sum Insured not otherwise exhausted, whichever is the greater.

7) Temporary Repair

If We agree to pay a claim under this Section, We will also pay for the cost of emergency protection, shoring up, underpinning, propping or other temporary repair of the Property Insured at the Risk Address.

Cover under this Additional Benefit is limited to:

- a) \$25,000; or
- b) the amount specified in the Schedule;

whichever is greater.

8) Playing Surfaces

We will pay for the cost of repairing Damage to outdoor playing surfaces located at the Risk Address caused by:

- a) Specified Peril 1 Fire or Specified Peril 7 Malicious Damage; or
- b) caused by the action of fire fighting services, police and/or other emergency services in attending to their duties at the Risk Address.

Provided that We will not pay more than \$50,000 for any one Event.

9) Provisional Cover for Additional Premises

We will temporarily extend cover provided by this Section to property at any new situation first occupied by You during the Period of Cover provided that:

- a) this temporary cover period is limited to the lesser of:
 - i) 30 days from the date You acquire or commence using the premises, or
 - ii) the expiry date of the current Period of Cover, or
 - iii) the date on which the property ceases to belong to You;
- b) the property is used for the Business;
- c) the property is of similar type to that already insured under this Section;
- d) the new premises comprise buildings of similar construction, fire and burglary protection as featured in any premises currently described in the Schedule;
- e) You must provide to Us full details of the new premises within 30 days of the commencement of this temporary cover. If We agree to continue the cover You must pay any additional premium that We may require.

The maximum We will pay for this additional benefit is 20% of the highest Sum Insured in the Schedule for each item of Property Insured.

10) Discharge of Mortgage

We will pay the reasonable legal costs to discharge a mortgage or mortgages on the Property Insured following a settlement of a claim made by You under this Section on the basis of a total loss whether actual or constructive.

Provided that We will not pay more than:

- a) 10% of the Sum Insured in addition to the Sum Insured; or
- b) the Sum Insured is not otherwise exhausted, whichever is the greater, for any one Event.

11) Catastrophe Escalation Cost

If:

- a) any of Your Buildings has been Damaged and a claim is payable under this Section, and
- b) We classify such Damage as a total loss; and

- c) the event giving rise to the Damage has resulted in any competent authority declaring a state of emergency affecting the area in which Your Building is situated;

We will:

- d) increase the Sum Insured applicable to such Buildings under this cover section, by the amount shown in the Schedule for Catastrophe Escalation Cost provided that Your Building is rebuilt, and
- e) increase the limits provided under the 'Capital Additions' (relating to Buildings only) and 'Temporary protection and security guards' additional benefits of this cover section by the proportion which the Catastrophe Escalation Cost sum insured bears to the Buildings sum insured;

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

Provided that:

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

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

Special Benefits

We will also pay (where applicable) for the reasonable costs necessarily incurred under the following Special Benefits. Provided that:

- a) if an amount is shown in the Schedule for the relevant Special Benefit, We will pay a maximum of that amount in addition to the Sum Insured for the relevant item of Property Insured.
- b) if no amount is shown in the Schedule for the relevant Special Benefit, the maximum We will pay will be the lesser of:
 - i) the amount which together with other monies payable by Us under the claim under this Section equals the Sum Insured for the relevant item of Property Insured; and

- ii) the amount (if any) specified below in respect of that Special Benefit.

1) Cost of rewriting Documents

We will pay for the cost of clerical labour incurred to rewrite Your Documents following Loss of or Damage to Contents as a result of a Specified Peril, provided that We will not pay more than \$25,000.

2) Temporary removal

We will pay for Loss of or Damage to Contents, Stock or Other Items caused by any of the Specified Perils 1 to 8 whilst temporarily removed from the Risk Address to another premises anywhere in Australia, provided that We will not cover:

- a) Property Insured whilst removed from the Risk Address for longer than 90 days (except where We have given written consent);
- b) Property Insured (other than Stock) whilst in transit other than Loss or Damage caused by fire, flood, collision or overturning of the Vehicle whilst in transit by road;
- c) Property Insured consisting of motor vehicles;
- d) Stock whilst in transit:

The most We will pay under this Additional Benefit is 20% of the Sum Insured in respect of the respective Contents, Stock, Contents & Stock or Other Items.

3) Stock while in Transit

If Stock is shown as insured in the Schedule under this Section, We will pay for Loss of or Damage to Stock:

- a) while in transit, anywhere in the Commonwealth of Australia, between a wholesaler's premises and the Risk Address, in a vehicle or trailer owned or driven by You, Your employee or a member of Your immediate family working in the Business; and
- b) caused by fire, Flood, collision or overturning of the vehicle or trailer.

Provided that the most We will pay under this Special Benefit is:

- a) 20% of the Sum Insured for Stock; or
- b) \$50,000,

whichever is the lesser, for any one Event.

4) Directors' and employees' effects

We will pay You in accordance with the Basis of Settlement for Loss of or Damage to the personal effects (excluding personal computers, Money or credit cards) belonging to Your directors and employees whilst at the Risk Address.

Provided that We will not pay more than \$5,000 any one person.

5) Loss of land value

When a Building has been Damaged and a claim is payable under this Section, but due to legal requirements, rebuilding is not permitted or only partial rebuilding is allowed at the Risk Address then We will pay the difference between:

- a) the land value after such rebuilding as is permitted (if any) has taken place; and
- b) the land value before the Damage occurred.

Provided that We will not pay more than \$100,000, less any sum payable to You by any authority by way of compensation.

6) Theft of Parts of Buildings owned by You

Cover under this Section extends to include Loss of or Damage to Parts of Buildings caused by theft following violent and forcible removal from a Building at the Risk Address. Provided that We will not pay more than \$20,000 any one Event. Provided further that any cover given under this Special Benefit shall not accumulate with any similar cover that may be given under Special Benefit 5) under Section 3 Burglary.

For the purpose of this Special Benefit, Parts of Buildings means parts of a building which are permanently fixed to Your Buildings for which You are the property owner.

7) Government Fees

We will pay any fee, contribution or other impost legally payable by You to any government, local government or other statutory authority, incurred by You because payment of such fee, contribution or impost is a condition precedent to the obtaining of consent to repair or replace the Property Insured that is the subject of Your claim that We have paid. However, We shall not be liable for payment of any fine or penalty imposed by such authorities.

Specific Exclusions

We will not pay for any Loss or Damage:

- 1) caused by breach of any law, by-law, or regulations of any Government or local Government body dealing with the storage of hazardous goods at the Risk Address if occupied by You or under Your control;
- 2) caused to any electrical appliance or device (including wiring) by electric current. Should a fire result, We will pay for the Damage caused directly by the fire.
- 3) intentionally caused by tenants or any other person entering the premises with Your consent, other than Loss or Damage caused by or resulting from Specified Peril 1 fire or Specified Peril 3 explosion.

Unless specifically requested as Stock covers and noted on Your Schedule with separate Sums Insured, We will not cover:

- 4) livestock or animals;
- 5) plants, shrubs, trees or growing crops;
- 6) registered motor vehicles, registered trailers, registered caravans or any accessories in or on these;
- 7) Aircraft or Watercraft;
- 8) Money or other negotiable instruments;
- 9) jewellery, watches, furs or precious stones or gems which exceed \$10,000 any one item, pair or collection.

Basis of Settlement

Unless otherwise specified in the Schedule and subject to any limitation or restriction applying to any specific Additional Benefit, Special Benefit, Specific Condition Attaching to the Basis of Settlement or Specific Condition, claims will be settled on the following basis:

- 1) Property Insured (other than Stock) destroyed: We will pay for the cost of rebuilding or replacing the Property Insured to a standard or condition equal to but not better than or more extensive than its condition when new. Rebuilding may be carried out on another site provided Our liability is not increased.
- 2) Property Insured (other than Stock) damaged: We will pay at Our option for the cost of repairing, reinstating or replacing the damaged portion of the Property Insured to a condition substantially the same as but not better than or more extensive than its condition when new.
- 3) Stock damaged or destroyed: We will pay at Our option:

- a) the cost of repairing or reinstating Stock to its condition immediately prior to the loss, or
- b) the cost of replacing the Stock plus indemnifying You for any additional expenditure incurred on such Stock (e.g. freight, packaging or similar costs).

4) Empty Buildings awaiting demolition: We will pay for the salvage value of the materials and landlord's fixtures and fittings from the Building which suffered Loss or Damage.

5) Loss of or Damage to Property Insured (other than Stock) specifically noted in the Schedule as insured for Indemnity Value: We will pay the Indemnity Value of the individual item or components of the Property Insured that suffered the Loss or Damage.

6) Additional Cost of Reinstatement: In the event of Loss or Damage to a Building which is not specifically noted in the Schedule as being insured for Indemnity Value this Section extends to cover those additional costs to reinstate Buildings at the Risk Address (including demolition and dismantling) necessarily incurred to comply with an Act of Parliament or council By-law or Regulation that occur as a result of Damage under this Section, provided that:

- a) if the cost of reinstatement of Damage to Buildings is less than 50% of what would have been the cost of reinstatement if the Buildings had been totally destroyed, We will only pay that amount that is necessarily incurred to reinstate that portion Damaged;
- b) compliance with the Act of Parliament or council By-law or Regulation was not required to have been complied with prior to the Loss or Damage to the Buildings.

Provided that We will not pay more than the extent that the Sum Insured for Buildings at the Risk Address has not been exhausted.

The Under Insurance/Average Condition and the Under Insurance/Average Condition in the event of a Natural Disaster, both shall not apply to this Basis of Settlement clause.

7) Directors' and employees' effects:

We will pay at Our option:

- a) the cost of repairing or reinstating the property to a condition substantially the same as but not better than or more extensive than its condition when new; or
- b) the cost of replacing the item damaged or destroyed.

Specific Conditions Attaching to the Basis of Settlement

1) Time delays

Any work to repair, reinstate, restore or rebuild must be commenced at the earliest possible time. Where commencement of repair, reinstatement, restoration or rebuilding is unduly delayed or postponed by You, We may reduce the amount payable under the claim to the extent that We are prejudiced by such delay. This condition shall not apply to any work commenced within 60 days of the Loss or Damage occurring.

2) Under Insurance/Average

This Specific Condition applies if the Sum Insured on Buildings, Contents, Stock, Contents & Stock or Other Items at the Risk Address is less than 70% of the Full Value of such Buildings, Contents, Stock, Contents & Stock or Other Items at such Risk Address. In the event of Loss of or Damage to Buildings, Contents, Stock or Other Items (other than Loss or Damage caused by a natural disaster as defined under Specific Condition 3) Under Insurance/Average in the event of a Natural Disaster) which is covered under this Section, We will not be liable for more than that proportion of the Loss or Damage that the Sum Insured on Buildings, Contents, Stock, Contents & Stock or Other Items at the Risk Address bears to 70% of the Full Value of such Buildings, Contents, Stock, Contents & Stock or Other Items at such Risk Address at the time of the Loss or Damage.

Provided that:

- a) We will not pay more than the Sum Insured for the relevant item of Property Insured at the Risk Address; and
- b) this Condition will not apply if the amount of any Loss or Damage does not exceed 10% of the Sum Insured for the relevant item of Property Insured at the Risk Address.

Example:

Full Value \$120,000
70% of value \$84,000
Sum Insured \$50,000
Therefore if a \$40,000 loss occurs, We would pay:
 $(\$50,000/\$84,000) \times \$40,000 = \$23,810$.

3) Under Insurance/Average in the event of a Natural Disaster

This Specific Condition applies if the Sum Insured on Buildings, Contents, Stock, Contents & Stock or Other Items at the Risk Address is less than 50% of the Full Value of such Buildings, Contents, Stock, Contents

& Stock or Other Items at such Risk Address. In the event of Loss of or Damage to Buildings, Contents, Stock or Other Items caused by a natural disaster which is covered under this Section for which The Federal Minister for Emergency Services activates the Commonwealth/State Natural Disaster Relief Arrangements (NDRA), and the Risk Address falls within the area formally defined by the Minister of Emergency Services the following under insurance/average clause will apply:

We will not be liable for more than that proportion of the Loss or Damage that the Sum Insured on Buildings, Contents, Stock, Contents & Stock or Other Items at the Risk Address bears to 50% of the Full Value of such Buildings, Contents, Stock, Contents & Stock or Other Items at such Risk Address at the time of the Loss or Damage.

Provided that:

- a) We will not pay more than the Sum Insured for the relevant item of Property Insured at the Risk Address; and
- b) this Condition will not apply if the amount of any Loss or Damage does not exceed 10% of the Sum Insured for the relevant item of Property Insured at the Risk Address.

Example:

Full Value \$120,000
50% of value \$60,000
Sum Insured \$50,000
Therefore if a \$40,000 loss occurs, We would pay:
 $(\$50,000/\$60,000) \times \$40,000 = \$33,334$.

4) Branded goods

If We agree to pay a claim for Loss of or Damage to branded goods, We will not sell them as salvage without Your consent. If You do not agree to Us selling the branded goods as salvage, We will only pay You the market value of the goods after brands, labels or names have been removed.

5) Floor space ratio index (plot ratio)

In the event of Loss or Damage any Buildings at the Risk Address resulting in a total loss (whether actual or constructive) and reinstatement is limited or restricted by the exercise of statutory powers and/or authority by any government departments, local government or any other statutory authorities resulting in the reduction of the floor space ratio index (plot ratio) of the site, then We will pay in addition to any amount payable in respect of the reinstatement of such Buildings the difference between:

- a) the actual cost of reinstatement incurred in accordance with the reduced floor space ratio index; and
- b) the cost of reinstatement which would have been incurred had a reduced floor space ratio index not been applicable.

In arriving at the amount payable under a) and b) above, any payments made by Us shall include the Additional Cost of Reinstatement (including demolition or dismantling) of the Buildings, necessarily incurred to comply with the requirements of any Act of Parliament or Regulation of any Municipal or other Statutory Authority.

Any payments made for the difference between a) and b) above shall be made as soon as the said difference is ascertained upon completion of the rebuilding works and certified by the architect acting on Your behalf in the reinstatement of the Building(s).

The Under Insurance/Average Condition and the Under Insurance/Average Condition in the event of a Natural Disaster, both shall not apply to this Specific Condition.

6) Undamaged Foundations

Where a Building or an installation constructed on its own foundations is Damaged as a result of any of the Specified Perils in this Section, but its foundations are not totally destroyed and due to legal requirements, reinstatement of the Building has been carried out upon another site, the abandoned foundations shall be considered as having been destroyed.

If, however, the resale value of the original building site is increased by virtue of the presence of the abandoned foundations, then such increase in resale value shall be regarded as salvage and that amount shall be paid to Us by You upon completion of the sale of the site, or shall be deducted from the final amount of any moneys payable by Us under Section 1 Fire and Specified Perils, whichever shall occur later.

7) 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.

Specific Conditions

1) Reinstatement of Sum Insured

Following a claim under this Section, the amounts by which the Sums Insured for Property Insured are reduced as a consequence of the Loss or Damage will be 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 Under Insurance/Average condition or the Under Insurance/Average in the event of a Natural Disaster condition does not apply;
- c) You pay the premium We require for the reinstatement of Sums Insured; and
- d) the Loss or Damage is not a total loss, whether actual or constructive.

2) Seasonal Increases in the Sum Insured

This Specific Condition increases the Sum Insured for Stock by 50% for any Specified Peril occurring:

- a) during the period of 60 days prior to and including Christmas Day and 21 days following Christmas Day;
- b) during the period of 42 days up to and including Easter Tuesday and 1 week after but not including Easter Tuesday; and
- c) on any gazetted bank or public holiday;

Provided that the Specified Peril also occurs during the Period of Insurance.

3) Sprinkler systems

Where any property, being Property Insured under this Section has an automatic sprinkler system installed which is owned by You or where You are responsible for the operation or maintenance of the automatic sprinkler system, You shall:

- a) ensure that the property is protected, as required by law, by an approved installation of automatic sprinklers, automatic external alarm signal and automatic alarm signal connected with a Fire Brigade Station or other legally approved monitoring organisation;
- b) exercise due diligence to ensure that any system and alarm signal are at all times maintained in good working order;
- c) maintain the system regularly in accordance with Australian Standard AS1851 (Part 3); and
- d) notify Us, in writing as soon as reasonably practicable, of any changes to the automatic sprinkler installation.

4) Excess

We will deduct any Excess applicable for this Section from each and every claim made under this Section.

Section 2 – Business Interruption

Introduction

Where Business Interruption is shown as insured in the Schedule with specific Sums Insured shown for the respective Items covered, We agree to provide You with the insurance set out in this Section.

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

Definitions Applicable to this Section

Annual Gross Rentals means the Gross Rentals earned during the 12 months immediately before the date of the Insured Event, to which adjustment shall be made to reflect the trends in the Business and any other circumstances in order to arrive at the same result that would have been obtained had the Insured Event not occurred.

Annual Income means the Gross Income during the 12 months immediately before the date of the occurrence of the Insured Event, to which adjustment shall be made to reflect the trends in the Business and any other circumstances in order to arrive at the same result that would have been obtained had the Insured Event not occurred.

Average Weekly Income means the average Weekly Income for the 52 weeks immediately before the occurrence of the Insured Event, after adjustments to reflect the trends in the Business and any other circumstances in order to represent the likely Weekly Income of the Business during the Indemnity Period had the Insured Event not occurred.

Indemnity Period means the period beginning with the occurrence of the Insured Event and ending not later than the expiration of the number of months or weeks stated in the Schedule, during which the financial results of the Business are affected as a consequence of the Insured Event.

Gross Income means the total money paid or payable to You for goods sold, services rendered, or Gross Rentals received, less the purchase cost of stock, Uninsured Working Expenses and Wages (if Wages is shown as insured in the Schedule).

Gross Rentals means the amount receivable by You (including contributions to outgoings) in accordance with a lease or agreement existing when the Insured Event occurred.

Output means the sales value of goods manufactured both at and away from the Risk Address by You, or others on Your behalf, in the course of Your Business.

Outstanding Accounts Receivable means the total amount owed to the Business by customers as at the date of the occurrence of Loss or Damage to Your accounts receivable records, adjusted for:

- 1) bad debts;
- 2) amounts debited (or invoiced but not yet debited) and credited (including credit notes and cash not passed through the books at the time of the Loss or Damage) to customers' accounts in the period between the date to which the last statement relates and the date of the Loss or Damage; and
- 3) any abnormal condition of trade that had, or could have had, a material effect on the Business, so that the figures thus adjusted shall represent as nearly as reasonably practicable those which would have been attained at the date of the Insured Event had the Insured Event not occurred.

Pressure Vessels means pressure vessels including boilers, compressors or economisers.

Standard Gross Rentals means the Gross Rentals earned during that period corresponding with the Indemnity Period in the 12 months immediately before the date of the occurrence of the Insured Event to which adjustment shall be made to reflect the trend in the Business and any other variables in order to arrive at the same result that would have been obtained had the Insured Event not occurred.

Standard Income means the Gross Income during that period corresponding with the Indemnity Period in the 12 months immediately before the date of the occurrence of the Insured Event to which adjustment shall be made to reflect the trend in the Business and any other variables in order to arrive at the same result that would have been obtained had the Insured Event not occurred.

Uninsured Working Expenses means those expenses You chose not to insure as specified in the Schedule.

Wages means employee wages and directors wages, payroll tax, fringe benefit tax, holiday pay, sick pay, workers compensation insurance premiums, superannuation and pension fund contributions, but excluding bonuses, sales commission, remuneration treated as salaries in Your books of accounts, and any other monetary allowance or financial reward not listed.

Wages Indemnity Period means the period beginning with the occurrence of the Insured Event and ending not later than the expiration of the number of months shown in the Schedule against Wages Indemnity Period.

Weekly Income means the Gross Income received by You for each week the Business is in operation.

The Cover

Subject to the provisions of this Policy, We will pay You in accordance with the Basis of Settlement for such of the following Items as may be applicable to You:

- 1) a reduction in Gross Income;
- 2) a reduction in Weekly Income;
- 3) a reduction in Gross Rentals; or
- 4) Additional Increased Costs of Working

resulting from interruption or interference to the Business caused by an Insured Event occurring during the Period of Insurance.

Limits Applying to The Cover

The most We will pay in the aggregate during any one Period of Insurance for all claims made under this Section, in respect of each Item shown in the Schedule (other than Weekly Income cover) as specifically covered with a Sum Insured, will not exceed the Sum Insured for that Item.

The most We will pay in the aggregate during any one Period of Insurance for all claims made under this Section in respect of Weekly Income cover, is the amount calculated by multiplying the Sum Insured for Weekly Income by the number of weeks shown in the Schedule as the Indemnity Period. Provided that the Sum Insured for Weekly Income shall be adjusted in accordance with Specific Condition 8) Seasonal Increases in the Weekly Income Sum Insured.

Insured Events

For the purpose of this Section, Insured Events mean:

- 1) Loss or Damage to Your property at the Risk Address which is used for the purpose of the Business:
 - a) that is covered by Your Policy under one or more of the following Sections:
 - i) Section 1 Fire and Specified Perils;
 - ii) Section 3 Burglary;
 - iii) Section 4 Money;
 - iv) Section 5 Glass; or
 - v) Section 10 General Property.

for which a claim has been paid or liability admitted, or such claim would have been paid or liability admitted but for the application of an Excess; or

- b) that another insurance policy insures and names You as the insured, and:
 - i) the insurer has paid or admitted liability under its policy or would have paid or admitted liability but for the application of an Excess; and
 - ii) the Loss or Damage would have been covered under one of the Sections shown in a) above had You elected to take such cover, or
- 2) Loss or Damage to any property at the Risk Address, used by You but not owned by You:
 - a) for which You are not legally responsible, and for which You have not assumed a liability to insure, and
 - b) such Loss or Damage would have been insured under one of the Sections of Your Policy shown in 1) a) above had the property been owned by You.

Additional Benefit

If We agree to pay a claim under this Section, We will also pay the reasonable costs incurred with Our consent under the following Additional Benefit in addition to the Sum Insured.

1) Professional fees

We will pay the reasonable professional fees (including those of an auditor or accountant) and other reasonable additional expenses, incurred with Our consent for preparing and submitting a claim under this Section or for a combined claim under this Section and any one of the following Sections:

- a) Section 1 Fire and Specified Perils;
- b) Section 3 Burglary;
- c) Section 4 Money;
- d) Section 5 Glass;
- e) Section 10 General Property.

Provided that We will not pay more than:

- a) the amount shown in the Schedule for this Additional Benefit (if any); or
- b) \$25,000;

whichever is the greater.

Special Benefits

For the purpose of these Special Benefits the expression Sum Insured shall in relation to a Weekly Income cover mean the amount calculated by multiplying the Weekly Income Sum Insured by the number of weeks in the Indemnity Period specified in the Schedule.

Subject always to the Limits Applying to The Cover:

1) Prevention of access

the definition of Insured Events is extended to include the hindrance or prevention of access to the Risk Address resulting from:

- a) Loss of or Damage to property in the vicinity of the Risk Address other than Your property; or
- b) any act or intervention by any lawful authority relating to Loss of or Damage to property in the vicinity of the Risk Address other than Your property,

where a claim for such Loss or Damage would have been payable under one of the Sections of Your Policy shown in Insured Event 1) a) above had the property been insured under this Policy.

Provided that We will not pay for any claim resulting from interruption or interference to the Business caused by hindrance or prevention of access due to approved development works, planned public works or any regular maintenance or upgrade works conducted by or with the approval of any public authority or sub contractors acting on their behalf.

2) Public utilities

the definition of Insured Events is extended to include Loss of or Damage to any equipment forming part of the public telecommunications system, public electricity, water or gas supply and/or distribution systems, from which You obtain the direct and immediate supply of such services, where a claim for such Loss or Damage would have been payable under one of the Sections of Your Policy shown in Insured Event 1) a) above had the equipment been insured under this Policy.

Provided that We will not pay for the first 48 hours of any such interference or interruption which occurs after the Loss or Damage to the property.

3) Documents temporarily removed

the definition of Insured Events is extended to include Loss of or Damage to documents that belong to You or documents held in trust by You while:

- a) temporarily at premises in Australia, not occupied by You; or

- b) in transit to any place in Australia,

where a claim for such Loss or Damage would have been payable under one of the Sections of Your Policy shown in Insured Event 1) a) above had the documents been insured under this Policy.

Provided that We will not pay more than 20% of the Sum Insured for any claim under this Special Benefit.

4) Computer installations

the definition of Insured Events is extended to include Loss of or Damage to computer installations, including ancillary equipment and data processing media utilised by You anywhere in Australia, where a claim for such Loss or Damage would have been payable under one of the Sections of Your Policy shown in Insured Event 1) a) above had the computer installations been insured under this Policy.

5) Customers or supplier premises

the definition of Insured Events is extended to include Loss of or Damage to property:

- a) at the Australian premises of any customer of Yours; or
- b) at the Australian premises of any supplier of Yours which supplies You with manufactured goods or materials,

where a claim for such Loss or Damage would have been payable under one of the Sections of Your Policy shown in Insured Event 1) a) above had the property been insured under this Policy.

Provided that We will not pay more than 20% of the Sum Insured for any claim under this Special Benefit.

6) Damage within a complex

the definition of Insured Events is extended to include Loss of or Damage to property in a multi-tenanted complex in which the Risk Address is located, where a claim for such Loss or Damage would have been payable under one of the Sections of Your Policy shown in Insured Event 1) a) above had the property been insured under this Policy.

7) Infectious disease, murder, suicide, vermin or pests, defective drains, shark or crocodile attack, bomb threat

the definition of Insured Events is extended to include the evacuation or closure of all or part of Your premises at the Risk Address by any legal authority as a result of:

- a) bomb threat, vermin or pests or defects in the drains or other sanitary arrangements, occurring at the Risk Address;

- b) an outbreak of an infectious or contagious human disease occurring within a 20-kilometre radius of the Risk Address;
- c) injury, illness or disease caused by the consumption of food or drink provided and consumed on Your Risk Address during the Period of Insurance;
- d) murder or suicide occurring at the Risk Address; or
- e) shark or crocodile attack occurring within a 20-kilometre radius of the Risk Address during the Period of Insurance.

8) Departmental clause

if the Business is conducted in departments and each department has trading results which are ascertainable, in the event of an Insured Event giving rise to a claim under this Section, the provisions of this insurance will apply separately to each department affected by the Insured Event. Provided that We will not pay more than the Sum Insured for the relevant Item of cover resulting from the same Insured Event.

9) Roads, bridges and/or railway lines

the definition of Insured Events is extended to include Loss of or Damage to roads, bridges and/or railway lines within the Commonwealth of Australia over which raw materials and other Stock are conveyed to or from the Risk Address, where a claim for such Loss or Damage would have been payable under one of the Sections of Your Policy shown in Insured Event 1) a) above had the roads, bridges or railway lines been insured under this Policy.

10) Storage Sites

the definition of Insured Events is extended to include Loss of or Damage to Your property that is stored or being processed at any premises in Australia not occupied by You, where a claim for such Loss or Damage would have been payable under one of the Sections of Your Policy shown in Insured Event 1) a) above had the property been insured under this Policy.

Provided that We will not pay more than 20% of the Sum Insured for any claim under this Special Benefit.

11) Transit

the definition of Insured Events is extended to include Loss of or Damage to Your property while in transit by road, rail, sea or air within Australia and outside of the Risk Address occupied by You, where a claim for

such Loss or Damage would have been payable under one of the Sections of Your Policy shown in Insured Event 1) a) above had the property been insured under this Policy.

Provided that We will not pay more than 10% of the Sum Insured for any claim under this Special Benefit.

12) Explosion of pressure vessels

the definition of Insured Events is extended to include Loss of or Damage to Your Pressure Vessels located at the Risk Address, where such Loss or Damage is caused by self-explosion or collapse.

13) Motor Vehicles owned or operated by You

the definition of Insured Events is extended to include Loss of or Damage to any registered motor vehicles or registered trailers owned or operated by You while such registered vehicles are at the Risk Address or at other premises in Australia but not on a public thoroughfare, where a claim for such Loss or Damage would have been payable under one of the Sections of Your Policy shown in Insured Event 1) a) above had the registered motor vehicles been insured under this Policy.

14) Government Incentives

in calculating the amount of reduction in Gross Income only, We will include the loss of any government approved incentives, subsidies or market development allowances to which You would have been entitled, but for the interruption or interference to Your Business caused by the Loss of or Damage to Your Property.

15) Fines and Damages

if we agree to pay Your claim under "Gross Income", We will also insure You for liability You incur:

- a) for fines or damages, other than aggravated, punitive or exemplary damages, for breach of contract resulting from Your non completion or late completion of orders; or
- b) in discharge of:
 - i) contract purchases; or
 - ii) cancellation charges; or
 - iii) fines; or
 - iv) damages;

for breach of contracts for Your purchase of goods and 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 of those goods and services.

Provided that We will pay up to:

- i) 20% of the Sum Insured for "Gross Income"; or
- ii) \$100,000,

whichever is the lesser.

Optional Benefit

Accounts Receivable

If Accounts Receivable is shown in the Schedule as insured then following Loss or Damage to Your accounts receivable records caused by an insured event covered under Fire and Specified Perils, Burglary or Glass Sections of this Policy, and for which We have admitted liability, We will pay for the amounts which You cannot recover from Your debtors being the difference between:

- a) the Outstanding Accounts Receivable, and
- b) the total of the amount received or traced in respect of the Outstanding Accounts Receivable.

We will also pay the additional expenditure incurred with Our consent in tracing and establishing Outstanding Accounts Receivable, after the Loss or Damage occurred to Your accounts receivable records.

Provided that the most We will pay is the Sum Insured for Accounts Receivable.

Wages

If Wages is shown in the Schedule as insured then We will pay the actual amount which You would have paid as Wages during the Wages Indemnity Period to:

- 1) employees whose services cannot, in consequence of the Insured Event, be utilised by You at all; and/or
- 2) an equitable part of the Wages paid during the Wages Indemnity Period to employees whose services cannot, in consequence of the Insured Event, be utilised by You to the full.

We will not pay more than:

- 1) Your actual Wages costs during the Wages Indemnity Period; or
- 2) The Sum Insured for Wages,

whichever is the lesser, for any one claim and in the aggregate during any one Period of Insurance.

If the Sum Insured for Wages is less than the total amount of the Wages that would have been paid during a period equal to the Wages Indemnity Period immediately following the occurrence of the Insured Event had the Insured Event not occurred, the amount payable will be proportionately reduced by the proportion which the Sum Insured for Wages bears to the latter sum.

Specific Exclusions

We will not pay for any claim, or continue to pay a claim under this Section if:

- a) the Business has been dissolved or wound up or is being carried on by a liquidator or receiver or has ceased to operate;
- b) Your interest in the Business ceases, other than by death;
- c) the interruption to or interference with the Business is due to underinsurance under any Section of this Policy, or any other policy of insurance; or
- d) it arises directly or indirectly as a result of infectious disease, where the infectious disease is defined as Highly Pathogenic Avian Influenza or any diseases declared to be quarantinable diseases under the Quarantine Act (1908) or any subsequent amendments to, or versions of this Act.

Basis of Settlement

Unless otherwise specified in the Schedule and subject to any limitation or restriction applying to any specific Special Benefit or Specific Condition, claims will be settled on the following basis:

Item 1. Reduction in Gross Income

We will pay You:

- a) the amount by which the Gross Income earned during the Indemnity Period in consequence of an Insured Event falls short of the Standard Income for the period; and
- b) the additional expenditure necessarily incurred with Our consent to avoid or diminish the reduction of the Gross Income during the Indemnity Period caused by the Insured Event, but not exceeding the reduction in Gross Income thereby avoided.

less any amount saved during the Indemnity Period in respect of such charges or expenses or outgoings of the Business payable out of Gross Income that may cease or be reduced in consequence of the Insured Event.

Item 2. Reduction in Weekly Income

We will pay You the percentage reduction in Your Average Weekly Income during the Indemnity Period, applied to the Weekly Income Sum Insured, provided that:

- a) the interruption or interference to the Business is for a period exceeding 3 days;
- b) no payments will be made once the Weekly Income exceeds 95% of the Average Weekly Income;

- c) the amount payable by Us shall not exceed the amount which together with Your Weekly Income during the Indemnity Period, equals the Average Weekly Income.

Provided further that any amount We pay will be reduced by the amount saved during the Indemnity Period for charges and expenses of the Business which cease or are reduced as a consequence of the Insured Event.

Item 3. Reduction in Gross Rentals

We will pay You:

- a) the amount by which the Gross Rentals earned during the Indemnity Period in consequence of an Insured Event fall short of the Standard Gross Rentals for the period; and
- b) the additional expenditure necessarily incurred with Our consent to avoid or diminish the reduction in Gross Rentals during the Indemnity Period caused by the Insured Event, but not exceeding the reduction in Gross Rentals thereby avoided,

less any amount saved during the Indemnity Period in respect of such charges or expenses or outgoings of the Business as may cease or be reduced in consequence of the Insured Event.

Item 4. Additional Increased Costs of Working

We will pay the additional expenditure not otherwise payable under this Section, necessarily and reasonably incurred during the Indemnity Period and in consequence of the Insured Event for the purpose of diminishing a reduction in Gross Income or for the purpose of resuming or maintaining the normal operation of the Business.

Provided that any amount We pay will be reduced by the amount saved during the Indemnity Period for charges and expenses of the Business which cease or are reduced as a consequence of the Insured Event.

Specific Conditions

1) Under Insurance/Average

Where at the date of the occurrence of the Insured Event (other than a natural disaster as defined under Specific Condition 2 Under Insurance/Average in the event of a Natural Disaster) the Sum Insured in the Schedule for:

- a) Gross Income is less than 70% of the Annual Income (appropriately increased if the Indemnity Period exceeds 12 months);
- b) Accounts Receivable is less than 70% of the total amount of Outstanding Accounts Receivable;

- c) Gross Rentals is less than 70% of the Annual Gross Rentals (appropriately increased if the Indemnity Period exceeds 12 months).

Then the amount payable for those Items will be proportionately reduced.

Provided that this Condition shall not apply if the claim does not exceed 10% of the Sum Insured for the respective Item.

Example for Gross Income:

Annual Income	\$120,000
70% of Annual Income	\$84,000
Sum Insured for Gross income	\$50,000

Therefore if a \$40,000 loss occurs, We would pay:
 $(\$50,000/\$84,000) \times \$40,000 = \$23,810$.

2) Under Insurance/Average in the event of a Natural Disaster

In the event of interruption or interference to the Business caused by a natural disaster which is covered under the Fire and Specified Perils Section of this Policy for which The Federal Minister for Emergency Services activates the Commonwealth/ State Natural Disaster Relief Arrangements (NDRA), and the Risk Address falls within the area formally defined by the Minister of Emergency Services the following under insurance/average clause will apply:

Where at the date of the occurrence of the Insured Event the Sum Insured in the Schedule for:

- a) Gross Income is less than 50% of the Annual Income (appropriately increased if the Indemnity Period exceeds 12 months);
- b) Accounts Receivable is less than 50% of the total amount of Outstanding Accounts Receivable;
- c) Gross Rentals is less than 50% of the Annual Gross Rentals (appropriately increased if the Indemnity Period exceeds 12 months).

Then the amount payable for those Items will be proportionately reduced.

Provided that this Condition shall not apply if the claim does not exceed 10% of the Sum Insured for the respective Item.

Example for Gross Income:

Annual Income	\$120,000
50% of Annual Income	\$60,000
Sum Insured for Gross Income	\$50,000

Therefore if a \$40,000 loss occurs, We would pay:
 $(\$50,000/\$60,000) \times \$40,000 = \$33,334$.

3) Reinstatement of Sum Insured

Following a claim under this Section, the amounts by which the Sums Insured for any Items of cover are reduced as a consequence of an Insured Event will be reinstated as from the date of the Insured Event provided that:

- a) there is no written request from You or written notice by Us to the contrary;
- b) the Under Insurance/Average condition or the Under Insurance/Average in the event of a Natural Disaster condition does not apply;
- c) You pay the premium We require for the reinstatement of Sums Insured; and
- d) the claim is not for a total loss.

4) Claims procedure

In the event of an occurrence giving rise to a claim under this Section, You must in addition to those conditions detailed in General Condition 11:

- a) immediately give Us written notice of it;
- b) deliver to Us within 14 days, or another period specifically agreed by Us in writing, a written statement certified by an accountant, containing all particulars of the loss (as far as is reasonably practicable); and
- c) produce and supply Us with all books of account and other Business books, invoices, vouchers and any other documents, proofs, explanations or evidence of Business activities that We may reasonably require to investigate and verify the claim; and
- d) where required by Us or Our representatives, provide a statutory declaration in verification of any details supplied.

In the event that You fail to comply with any part of this Condition 4), We will be entitled to reduce Our liability in respect of the claim by the extent to which We have been prejudiced by such non-compliance.

5) Accumulated stocks

If in the event that trading, after the occurrence of the Insured Event, is in part or fully maintained by utilising accumulated stocks, We will adjust the total indemnity available under this Section to provide a fair and reasonable settlement of the loss.

6) New business

In the event of the Insured Event occurring before the end of the first financial year of the Business, the results of the Business to the date of the occurrence of the Insured Event will be used as the basis on which to assess any loss.

7) Alternative trading

If during the Indemnity Period, goods are sold, services are rendered, or rental is received elsewhere than at the Risk Address for the benefit of the Business either by You or others acting on Your behalf, the amount paid or payable in respect of such sales, services or rent will be brought into account in arriving at the Gross Income or Weekly Income earned during the Indemnity Period.

8) Seasonal Increases in the Weekly Income Sum Insured

This Specific Condition increases the Weekly Income Sum Insured by 30% for any interruption or interference to the Business occurring:

- a) in the months of November and December;
- b) during the period of 30 days up to and including Easter Tuesday; and
- c) on any gazetted Bank or public holiday,

provided that the Insured Event occurs during the Period of Insurance.

9) Gross Income /Output

In the event of an Insured Event giving rise to a claim under this Section, Output may be used instead of Gross Income in order to calculate loss, but only one definition may be operative in connection with any one Insured Event.

Section 3 – Burglary

Introduction

Where Burglary is shown as insured in the Schedule with specific Sums Insured shown for the respective Property Insured items covered, We agree to provide You with the insurance set out in this Section.

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

Definitions Applicable to this Section

Property Insured means:

- 1) Contents;
- 2) Stock in Trade;
- 3) Tobacco Products; and
- 4) Contents & Stock in Trade (Excluding Tobacco Products),

shown in the Schedule as specifically covered with a Sum Insured.

The Cover

Subject to the provisions of this Policy, We will pay You in accordance with the Basis of Settlement for Loss of or Damage to Property Insured from the Risk Address occurring during the Period of Insurance resulting from:

- 1) theft or attempted theft following actual forcible and violent entry to that part of the building occupied by You at the Risk Address;
- 2) theft or attempted theft by a person concealed at the Risk Address followed by their exit there from after normal Business hours, provided that there is evidence of forcible and violent exit from that part of the buildings occupied by You at the Risk Address;
- 3) theft consequent upon assault or violence, violent intimidation or threats of these to You or Your employees;
- 4) theft, fraud or dishonesty by any of Your employees, provided that:
 - a) the Loss is discovered within 45 days of its Event;
 - b) any Event is reported to the police, and You co-operate with them in providing statements and/or evidence to enable a successful prosecution; and
 - c) the most We will pay under this part (4) is \$5,000, any one Event.

Provided further that any cover given under Cover 4) shall not accumulate with any similar cover that may be given under Section 4 Money.

Limits Applying to The Cover

The most We will pay for all Loss or Damage arising during the Period of Insurance or for any one Event is the Sum Insured for the relevant item of Property Insured, provided that the Sums Insured for Contents, Stock in Trade and Tobacco Products shall be adjusted in accordance with Specific Condition 2) Seasonal Increases in the Sum Insured. In addition, We will also pay other amounts as provided for under Additional Benefits. Provided further that the most We will pay for Loss of or Damage to Property Insured consisting of Money or other negotiable instruments is \$250 any one Event.

Additional Benefits

If We agree to pay a claim under this Section, We will also pay for the reasonable costs necessarily incurred under the following Additional Benefits in addition to the Sum Insured.

1) Locks, keys and combinations

We will pay for the cost of:

- a) replacing locks, keys or combinations used at the Risk Address which are stolen and when necessary the cost of opening safes and strongrooms as a result of theft or attempted theft of Property Insured. 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.
- b) replacing and developing security film exposed because of theft or attempted theft of Property Insured.

Provided that We will not pay more than \$10,000, any one Event.

Provided further that any cover given under this Additional Benefit shall not accumulate with any similar cover that may be given under Additional Benefit 1) under Section 4 Money.

2) Removal of debris

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

Provided that We will not pay more than \$2,000 for any one Event.

Provided further that any cover given under this Additional Benefit shall not accumulate with any similar cover that may be given under Additional Benefit 2) under Section 4 Money.

3) Removal of debris following forensic investigation

We will pay for the cost of removal of debris and of cleaning up any damage resulting from forensic investigation by police following theft or attempted theft of Property Insured, provided that We will not pay more than \$2,000 any one Event.

Provided further that any cover given under this Additional Benefit shall not accumulate with any similar cover that may be given under Additional Benefit 3) under Section 4 Money.

4) Damage to buildings

We will pay the cost of repairing Damage (other than breakage of glass), consequent upon theft, to the buildings at the Risk Address if You are the landlord, owner or a tenant of the buildings. Provided that if You are a tenant of the buildings We will only pay for Damage if under the terms of Your lease You are legally responsible to pay for such Damage.

Provided further that We will not pay more than \$10,000 any one Event.

5) Additional premises – Provisional cover

We will cover all property within the Commonwealth of Australia that becomes Yours after the commencement of the Period of Insurance, for 30 days from first being used by You (unless the Period of Insurance ends sooner or the property ceases to be Yours, whichever shall first occur), but the cover is limited to:

- a) Your Business described in the Schedule; and
- b) Property Insured shown as insured in the Schedule.

Provided that We will pay not more than 20% of the highest Sum Insured shown in the Schedule in relation to each item of Property Insured.

Provided further that We are supplied with full details of such additional property within 30 days of Your commencement of the use of the property. We may require an additional premium before We will insure such property.

6) Directors' and Employees' Effects

We will pay You in accordance with the Basis of Settlement for Loss of or Damage to the personal effects (excluding personal computers, Money or credit cards) belonging to Your directors and employees, caused by theft or attempted theft following actual forcible and violent entry to that part of the building occupied by You at the Risk Address.

Provided that We will not pay more than:

- a) \$2,500 any one person; or
- b) \$10,000 for any one Period of Insurance, under this Additional Benefit.

7) Death Following Assault

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

Provided that any cover given under this Additional Benefit shall not accumulate with any similar cover that may be given under Additional Benefit 4) under Section 4 Money.

Special Benefits

We will also pay (where applicable) for the reasonable costs necessarily incurred under the following Special Benefits. Provided that:

- a) if an amount is shown in the Schedule for the relevant Special Benefit, We will pay a maximum of that amount in addition to the Sum Insured for the relevant item of Property Insured.
- b) if no amount is shown in the Schedule for the relevant Special Benefit, the maximum We will pay will be the lesser of:
 - i) the amount which together with other monies payable by Us under the claim under this Section equals the Sum Insured for the relevant item of Property Insured; and
 - ii) the amount (if any) specified below in respect of that Special Benefit.

1) Temporary protection

We will pay for the cost of temporary protection reasonably and necessarily incurred for the safety and protection of the Property Insured whilst awaiting repair of physical damage to the premises at the Risk Address as a consequence of theft or attempted theft, to a maximum of \$5,000 any one Event.

2) Cost of rewriting Documents

We will pay for the for the cost of labour incurred to replace and/or rewrite Your Documents following Loss or Damage to Your Documents as a result of theft or attempted theft. Provided that We will not pay more than \$25,000.

3) Theft without forcible entry - Contents

This Section is extended to cover theft of Contents from the Risk Address during the Period of Insurance where there is no forcible and violent entry to that part of the building occupied by You at the Risk Address.

Provided that We will not pay:

- a) for unexplained disappearance, shortage or loss; or
- b) for theft or attempted theft from any area with open sides, including but not limited to verandas, yards, car ports or any other open spaces that are partially or fully enclosed.

Provided further that the most We will pay under this Special Benefit is \$10,000 for Contents (other than electronic equipment) and \$20,000 for electronic equipment, for any one Event.

Where a Contents & Stock in Trade (excluding Tobacco Products) cover is applicable, this Special Benefit will apply only to Contents.

4) Theft of Parts of Buildings

Where a Contents cover or a Contents & Stock in Trade (excluding Tobacco Products) cover is applicable, cover under this Section extends to include Loss of or Damage to Parts of Buildings caused by theft following violent and forcible removal from a Building at the Risk Address.

Provided that We will not pay more than:

- a) the extent that the Sum Insured for Contents or Contents & Stock in Trade (Excluding Tobacco Products) (whichever is applicable) has not been exhausted; or
- b) \$10,000 any one Event

whichever is the lesser.

Provided further that any cover given under this Special Benefit shall not accumulate with any similar cover that may be given under Special Benefit 6) under Section 1 Fire and Specified Perils.

For the purpose of this Special Benefit, Parts of Buildings means parts of a building (including permanently fixed, non-portable apparatus or appliances which are attached to the building other than by means of a flexible or tensile cord to a power point) which are permanently fixed to the building at the Risk Address which You own or for which You are legally responsible or have assumed a responsibility to insure.

5) Temporary removal

This Section is extended to cover Contents, Stock in Trade or Contents & Stock in Trade (excluding Tobacco Products) while temporarily removed to any other premises within the Commonwealth of Australia.

Provided that:

- a) We will not cover Stock in Trade that is on consignment to other parties unless it is owned by You or is Stock in Trade for which You are responsible.
- b) the maximum amount We will pay for this Special Benefit will be 20% of the respective Sum Insured for Contents, Stock in Trade or Contents & Stock in Trade (excluding Tobacco Products).
- c) 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.

Specific Exclusions

We will not cover the theft or attempted theft committed by You or any member of Your family. Unless specifically requested as Stock in Trade cover and noted in Your Schedule with specific sub-limits We will also not cover:

- 1) livestock or animals;
- 2) plants, shrubs, trees or growing crops;
- 3) Motor vehicles, trailers, caravans or any accessories in or on these;
- 4) Aircraft or Watercraft;
- 5) jewellery, watches, furs or precious stones or gems.

Basis of Settlement

Unless otherwise specified in the Schedule and subject to any limitation or restriction applying to any specific Additional Benefit, Special Benefit or Specific Condition, claims will be settled on the following basis:

- 1) Loss of or Damage to Contents and Parts of Buildings:

We will pay for the cost of repairing or replacing the Contents or Parts of Buildings to a standard or condition equal to but not better than or more extensive than its condition when new.

- 2) Loss of or Damage to Stock in Trade or Tobacco Products:

We will pay at Our option:

- a) the cost of repairing or reinstating Stock in Trade or Tobacco Products (whichever is applicable) to its condition immediately prior to the Loss or Damage; or
- b) the cost of replacing the Stock in Trade or Tobacco Products (whichever is applicable) plus indemnifying You for any additional expenditure incurred on such Stock in Trade or Tobacco Products (for example: freight, packaging or similar costs).

- 3) Directors' and Employees' Effects:

We will pay at Our option:

- a) the cost of repairing or reinstating the property to a condition substantially the same as but not better than or more extensive than its condition when new; or
- b) the cost to replace the item damaged or destroyed.

Specific Conditions

1) Reinstatement of Sum Insured

Following a claim under this Section, the amounts by which the Sums Insured for Property Insured are reduced as a consequence of the Loss or Damage will be 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) You pay the premium We require for the reinstatement of Sums Insured; and
- c) You implement any risk improvements required by Us within a reasonable time frame.

Provided further that such reinstatement will be available only once during the Period of Insurance, and therefore, purchasing of further cover beyond the first reinstatement will be on the basis of offer and acceptance only.

2) Seasonal Increases in the Sum Insured

This Specific Condition increases the Sum Insured for Contents, Stock in Trade and Tobacco Products by 50% for any Event covered under this Section occurring during:

- a) the period of 60 days prior to and including Christmas Day and 21 days following Christmas Day;
- b) the period of 42 days up to and including Easter Tuesday and 1 week after but not including Easter Tuesday;
- c) on any gazetted bank or public holiday;

provided that the Event also occurs during the Period of Insurance.

3) Excess

We will deduct any Excess applicable for this Section from each and every claim made under this Section.

Section 4 – Money

Introduction

Where Money is shown as insured in the Schedule with specific Sums Insured shown for the respective Items of Money covered, We agree to provide You with the insurance set out in this Section.

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

Definitions Applicable to this Section

Bank means a Bank as defined in the Commonwealth Banking Act, or a credit union or building society as defined in the Financial Institutions Code of any State or Territory of the Commonwealth of Australia.

Normal Business Hours means the normal trading or operating hours and any other time (including overtime), when You, Your employees, directors or partners are in the Risk Address for the purpose of the Business.

Safe or Strongroom means a purpose built burglar resistant container or structure that is designed to resist fire or attack by hand-held power operated tools, and has been specifically designed for the storage of Money and valuable items.

The Cover

Subject to the provisions of this Policy, We will pay You in accordance with the Basis of Settlement for Loss or Damage occurring during the Period of Insurance to:

Item 1. Money in Transit or in a Bank Night Safe

- a) Money in Your personal physical custody (or in the custody of Your authorised representative) in direct transit:
 - i) from the Risk Address to the Bank;
 - ii) from the Risk Address to the Bank via any other premises from or in which You do business;
 - iii) from the Bank to the Risk Address;
 - iv) from the Risk Address to Your (or Your authorised representative's) private residence; or
 - v) from such residence to the Risk Address or the Bank.
- b) Money whilst contained in a Bank night safe.

Item 2. Money at the Risk Address During Normal Business Hours

Item 3. Money at the Risk Address Outside Normal Business Hours

but not in a locked Safe or Strongroom.

Item 4. Money in a locked Safe or Strongroom

Item 5. Money in Your Private Residence

or the residence of Your authorised representative provided that Our liability will cease at Bank closing time on the next Bank business day following that on which the transit of the Money to the residence was completed.

Item 6. Combined Money

being Money covered under Items 1 to 5 above.

Provided that in respect of Money drawn for payment of salaries and wages and not paid out on the day of withdrawal from the Bank:

- a) We will not pay more than 40% of the particular withdrawal;
- b) such Money will only be covered outside Normal Business Hours whilst securely locked in a Safe or Strongroom; and
- c) cover will cease at Bank closing time on the next Bank business day following the day of the particular withdrawal.

Limits Applying to The Cover

The most We will pay for all Loss or Damage arising during the Period of Insurance or for any one Event is the Sum Insured for the relevant Item, provided that the Sums Insured for Money Items 1 to 6 shall be adjusted in accordance with Specific Condition 2) Seasonal Increases in the Sum Insured.

In addition, We will also pay other amounts as provided for under Additional Benefits.

The most that We will pay under the Combined Money Item for Money at the Risk Address outside Normal Business Hours is \$2,500.

Additional Benefits

If We agree to pay a claim under this Section, We will also pay for the reasonable costs necessarily incurred under the following Additional Benefits in addition to the Sum Insured.

1) Locks, keys and combinations

We will pay the cost of:

- a) replacing locks, keys or combinations used at the Risk Address which are stolen and when necessary the cost of opening safes and strongrooms as a result of theft or attempted theft of Money. 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.
- b) replacing and developing security film exposed because of theft or attempted theft of Money.

Provided that We will not pay more than \$10,000, for any one Event.

Provided further that any cover given under this Additional Benefit shall not accumulate with any similar cover that may be given under Additional Benefit 1) under Section 3 Burglary.

2) Removal of debris

Following a claim under this Section for Loss of Money for which We have admitted liability We will pay for the cost of removal of debris and of cleaning up any damage resulting therefrom.

Provided that We will not pay more than \$2,000 for any one Event.

Provided further that any cover given under this Additional Benefit shall not accumulate with any similar cover that may be given under Additional Benefit 2) under Section 3 Burglary.

3) Removal of debris following forensic investigation

We will pay for the cost of removal of debris and of cleaning up any damage resulting from forensic investigation by police following theft or attempted theft of Money, provided that We will not pay more than \$2,000 for any one Event.

Provided further that any cover given under this Additional Benefit shall not accumulate with any similar cover that may be given under Additional Benefit 3) under Section 3 Burglary.

4) Death following assault

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

Provided that any cover given under this Additional Benefit shall not accumulate with any similar cover that may be given under Additional Benefit 7) under Section 3 Burglary.

5) Additional premises – Provisional cover

We will cover Money at, or in transit to or from any additional 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) Your Business described in the Schedule; and
- b) the Money insured described in the Schedule.

Provided that We will pay not more than 20% of the Sum Insured shown in the Schedule in relation to each item of Money covered under this Section.

Provided further that We are supplied with full details of such additional premises within 30 days of Your commencement of the use of the Money. If We agree to cover Money at the additional premises, We may require payment of an additional premium.

6) Loss of or damage to cash carrying bags, or Safe or Strongroom

We will pay for Loss of or Damage to:

- a) Your cash carrying bag that was caused by theft or attempted theft of Money;
- b) a Safe or Strongroom at the Risk Address arising from any attempt to steal Money therefrom,

provided that the most We will pay under this Additional Benefit is \$10,000 for any one Event.

Special Benefits

We will also pay (where applicable) for the reasonable costs necessarily incurred under the following Special Benefits. Provided that:

- a) if an amount is shown in the Schedule for the relevant Special Benefit, We will pay a maximum of that amount in addition to the Sum Insured for the relevant Item of cover.
- b) if no amount is shown in the Schedule for the relevant Special Benefit, the maximum We will pay will be the lesser of:
 - i) the amount which together with other monies payable by Us under the claim under this Section equals the Sum Insured for the relevant Item of cover; and
 - ii) the amount (if any) specified below in respect of that Special Benefit.

1) Employee dishonesty

We will pay for Loss of Money by theft or dishonesty of any of Your employees or persons in Your service, occurring during the Period of Insurance and discovered within 45 days of the Event.

Special Conditions applying to this Special Benefit:

- a) Specific Exclusion 1 in so far as it relates to employees and persons in Your service, shall not apply to this Special Benefit.
- b) any occurrence must be reported to the police, and You must co-operate with them in providing statements and/or evidence to enable a successful prosecution.

Provided that We will not pay more than \$5,000, for any one Event.

Provided further that any cover given under this Special Benefit shall not accumulate with any similar cover that may be given under Section 3 Burglary.

2) Clothing and Personal Effects

We will pay You in accordance with the Basis of Settlement for Loss of or Damage to clothing and personal effects normally worn or carried (excluding personal computers, Money or credit cards) belonging to Your directors and employees during a theft or attempted theft of Money.

Provided that We will not pay more than \$500 for any one person's clothing and personal effects.

3) Traveller's Money

Cover under Item 1. Money in Transit or in a Bank Night Safe is extended to cover Loss of or Damage to Money in Your personal custody or in the custody of Your employee while travelling for Your Business outside Australia. Provided that the most We will pay under this Special Benefit is \$10,000 during any one Period of Insurance.

4) Counterfeit currency

We will pay for losses sustained by You due to the acceptance in good faith in exchange for merchandise, Money or services, of counterfeit Australian currency notes up to an amount not exceeding \$250 during any one Period of Insurance.

Specific Exclusions

We will not cover any Loss of or Damage to Money:

- 1) arising from the fraud or dishonesty of You, or Your family, directors or partners;
- 2) due to shortages resulting from clerical or accounting errors or loss due to errors in receiving or paying out;
- 3) from any unattended vehicle;
- 4) from a Safe or Strongroom opened by a key or by use of details of a combination either of which has been left at the Risk Address outside Business Hours;
- 5) not discovered within 7 working days;
- 6) whilst carried by or in the possession of professional money carriers, professional carriers or common carriers;
- 7) occurring outside of the Commonwealth of Australia, other than as covered under Special Benefit 3) Travellers Money.

We will not cover any consequential loss resulting from any Loss of or Damage to Money.

Basis of Settlement

Unless otherwise specified in the Schedule and subject to any limitation or restriction applying to any specific Additional Benefit, Special Benefit or Specific Condition, claims will be settled on the following basis:

- 1) if We agree to pay a claim for Loss or Damage to Money We will pay the amount or value of Money lost or damaged.
- 2) Clothing and Personal Effects as covered under Special Benefit 2:

We will pay at Our option:

- a) the cost of repairing or reinstating the property to its condition immediately prior to the Loss; or
- b) the cost to replace the item damaged or destroyed less a deduction for depreciation.

Specific Conditions

1) Seasonal Increases in the Sum Insured

This Specific Condition increases the Sums Insured for Money Items 1 to 6 by 50% for any Event occurring during:

- a) the period of 60 days prior to and including Christmas Day and 21 days following Christmas Day;
- b) the period of 42 days up to and including Easter Tuesday and 1 week after but not including Easter Tuesday;

Provided that the Event also occurs during the Period of Insurance.

2) Bank and public holidays extension

This Specific Condition increases the Sums Insured for Money Items 1 to 6 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.

Provided that any increase in the Sums Insured for Money given under this Specific Condition shall not accumulate with any increase that may be given under Specific Condition 1) above.

3) Reinstatement of Sum Insured

Following a claim under this Section, the amounts by which the Sums Insured for Money Items 1 to 6 are reduced as a consequence of the Loss or Damage will be 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) You pay the premium We require for the reinstatement of Sums Insured; and
- c) You implement any risk improvements required by Us within a reasonable time frame.

Provided further that such reinstatement will be available only once during the Period of Insurance, and therefore, purchasing of further cover beyond the first reinstatement will be on the basis of offer and acceptance only.

4) Excess

We will deduct any Excess applicable for this Section from each and every claim made under this Section.

Section 5 – Glass

Introduction

Where External Glass and / or Internal Glass is shown as insured in the Schedule for replacement value, We agree to provide You with the insurance set out in this Section.

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

Definitions Applicable to this Section

Breakage means:

- 1) for laminated glass, a fracture extending through the entire thickness of a lamination; and
- 2) for all other types of glass, a fracture extending through the entire thickness of the glass.

External Glass means external fixed glass, perspex and plastic material forming part of the building at the Risk Address and any ceramic tiled shop fronts, shatter resistant or reflective film affixed thereto.

Internal Glass means all fixed internal glass, perspex and plastic material including glass, perspex and plastic material used in any of the following namely cabinets, table tops, counter tops, shelves, refrigeration cabinets, showcases, internal light fittings, mirrors (other than hand mirrors) and also including vitreous china lavatory pans, urinals and hand basins, showcase frames, display cabinets, counter frames, all located at the Risk Address, and all of which is owned by You or for which You are legally responsible.

The Cover

Subject to the provisions of this Policy, We will indemnify You in accordance with the Basis of Settlement for Breakage of External Glass and/or Breakage of Internal Glass (whichever is applicable) occurring during the Period of Insurance.

Additional Benefits

We will also pay for:

- 1) **Temporary Shuttering and Security**
the cost of temporary shuttering, boarding up and any other security necessary, pending replacement of the broken glass, following Breakage of Internal or External Glass.

- 2) **Sign writing**
Damage to signwriting, ornamentation or burglary alarm tapes and connections, following Breakage of Internal or External Glass.
- 3) **Shopfront Damage**
Damage caused to window and/or glass door frames, following Breakage of Internal or External Glass.
- 4) **Penalty Charges**
after hours service costs, express delivery and overtime charges incurred to replace glass, following Breakage of Internal or External Glass.
- 5) **Destruction of Stock or Contents**
Damage or spoilage of Stock or Contents resulting from Breakage of Internal Glass or External Glass.

Provided that We will not pay more than:
 - a) \$7,500; or
 - b) the Sum Insured for Additional Benefits;in total for Additional Benefits 1) to 5) during any one Period of Insurance; whichever is the greater.
- 6) **Malicious Damage**
malicious Damage to External Glass, payable even where there is no Breakage of External Glass.
- 7) **Illuminated Signs**
the cost of replacement or repair for Breakage of glass, Perspex or plastic in illuminated or neon signs at the Risk Address. Provided that We will not pay more than:
 - a) \$7,500; or
 - b) the Sum Insured for Illuminated Signs,whichever is the greater, for any one Event.

Specific Exclusions

We will not pay any claims for:

- 1) disfiguration of or damage to glass other than by a fracture extending through its Entire Thickness, or in the case of laminated glass, through the entire thickness of a lamination;
- 2) Breakage of glass during its removal or during work on or alteration to it or its framework, beading or other fittings;
- 3) Breakage of illuminated signs, other than as covered under Additional Benefit 7) under this Section;
- 4) Breakage caused by the application of heat;
- 5) Breakage caused by a wilful act by You, or by any other person acting with Your knowledge or consent;
- 6) Breakage of glass forming part of Stock;
- 7) Breakage of glass with existing cracks or imperfections;
- 8) Breakage of glass installed that is not fit for the purpose intended;
- 9) Breakage of External Glass and/or Internal Glass and/or illuminated sign, which forms part of a glass house, conservatory, television or computer screen.

Basis of Settlement

Unless otherwise specified in the Schedule and subject to any limitation or restriction applying to any specific Additional Benefit or Specific Condition, claims will be settled on the following basis:

In the event of Breakage of External Glass or Breakage of Internal Glass for which a claim is payable under this Section, We will, at Our option:

- 1) replace the broken External Glass or broken Internal Glass in compliance with the requirement of the Standards Association of Australia and any Statutory Authority; or
- 2) pay the cost of replacement of such External Glass or Internal Glass.

Specific Condition

1) Excess

We will deduct any Excess applicable for this Section from each and every claim made under this Section.

2) Automatic Reinstatement of the Sum Insured

In the Event of a claim made under this Section, the Sum Insured is reinstated to the full amount specified in the Schedule, provided that We agree to reinstate the Sum Insured and, if required by Us, that You pay the appropriate extra Premium.

Section 6 – Broadform Liability

Introduction

Where Broadform Liability is shown as insured in the Schedule with specific Sums Insured shown for Public Liability and/or Products Liability, We agree to provide You with the insurance set out in this Section.

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

Definitions Applicable to this Section

Advertising Liability means:

- a) infringement of copyright, title or slogan;
- b) unfair competition, misappropriation or piracy of ideas;
- c) invasion of privacy committed or allegedly committed by or on behalf of You, during the Period of Insurance in any communication given to the public including by way of any form of print, media, publication, telecommunication, radio, television broadcast, electronic mail, internet, world wide web or exhibit.

Employee(s) means any person who is engaged by You to work in Your service in the ordinary course of Your Business:

- a) whom You remunerate by salary, wages or commission; and
- b) whom You have the right to control and direct in the performance of such work; but not including a director, partner or trustee of Your Business or any broker, commission merchant, consignee, contractor or agent.

Geographic Limitations means anywhere in the world other than the United States of America or Canada or their territories, protectorates or dependencies subject to exclusion 16.

Manual Labour means work that primarily involves physical exertion. It does not include activities involving sales, marketing or promotion.

Medical Persons means legally qualified medical practitioners, legally qualified registered nurses, dentists and first aid attendants.

Occurrence(s) means an event neither intended nor expected by You, including continuous or repeated exposure to substantially the same conditions that results in Personal Injury, Property Damage or Advertising Liability.

With respect to Advertising Liability all damages involving the same injurious material or act, regardless of the frequency or repetition thereof, the number and kind of media used and the number of claimants shall be deemed to arise out of one Occurrence.

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 made or intended to be drawn by any such machine.

Your Business means the Business specified on the Schedule including the provision and management of any canteens, sports, social and welfare organisations for the benefit of Your employees, and any first aid, fire and ambulance services and maintenance of Your premises.

Your Products means any goods, products or property (including any components, packaging or container for any of these) after they have ceased to be in Your possession or under Your control which are or are deemed by law to have been manufactured, grown, extracted, produced, processed, assembled, constructed, erected, repaired, serviced, treated, sold, supplied, distributed, imported or exported by You in the course of Your Business.

The Cover

Subject to the provisions of this Policy, We will indemnify You for amounts You become legally liable to pay as compensation for Property Damage or Personal Injury or Advertising Liability occurring during the Period of Insurance within the Geographic Limitations, as a result of an Occurrence happening in connection with Your Business.

If You are entitled to indemnity under this Section We will defend any suit seeking damages for Personal Injury or Property Damage against You in Your name and on Your behalf even if such suit is groundless, false or fraudulent. In the conduct of the defence We reserve the right to investigate, negotiate and settle any claim or suit as We consider appropriate.

Limits of Liability

- a) Except as provided in paragraph (b), our total liability under this Policy to indemnify You:
 - i) in respect of any one Occurrence will not exceed the Sum Insured; and
 - ii) for all claims in respect of Products Liability during the Period of Insurance is limited in the aggregate to the Sum Insured for Products Liability.
- b) Subject to paragraph (c), We will indemnify You in addition to the Sum Insured for amounts that We pay to You or on Your behalf under Additional Benefit 1 – Legal Costs and Expenses:
 - i) in respect of any one Occurrence; and
 - ii) for all claims in respect of Products Liability during the Period of Insurance in the aggregate.

However, in respect of any claims or suits originating in any court in North America, the applicable Limit of Liability shown in the Policy 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.

- c) If a judgment or an amount required to settle a claim exceeds the Sum Insured, Our liability to pay costs and expenses under Additional Benefit 1 – Legal Costs and Expenses, is limited to the proportion the Sum Insured bears to the amount required to be paid to dispose of the claim.
- d) All Personal Injury and Property Damage consequent upon or attributable to one source or originating cause shall be deemed one Occurrence. Any entitlement to indemnity under this Policy for such an Occurrence will be determined by reference to the date on which the Personal Injury or Property Damage from the one source or originating cause first occurred.

The Excess

We will deduct any Excess applicable for this Section from each and every claim made under this Section.

Additional Benefits

1) Legal costs and expenses

We will also pay, in addition to the cover provided above, but subject always to the paragraph titled Limits of Liability above:

- a) costs and expenses incurred by Us, or by You with Our prior written consent, in the investigation, settlement or defence of any claim for compensation for which You are entitled to indemnity under this Policy; and
- b) legal costs taxed or assessed against You in any claim referred to in paragraph (a) and all interest accruing from the entry of judgment against You until We have paid, tendered or deposited in court such part of the judgment as does not exceed the Sum Insured.

2) Cover for others

Cover under this Section is extended to include the following:

- a) all of Your subsidiary companies (now or hereafter constituted) whose place of incorporation are within the Commonwealth of Australia which carry on Your Business;
- b) directors, executive officers, partners, shareholders or employees of Your Business or in a company designated in paragraph a), but only whilst acting within the scope of their duties in such capacity;
- c) any principal nominated in any contract or agreement You or a company as designated in paragraph a) enter into for the liability of any such principal arising out of Your work in Your performance of the contract but limited in all to the extent of coverage and the Limit of Liability provided by this Section;
- d) Your partner, any joint venturer or joint lessee but only:
 - i) in respect of liability arising from the partnership, joint venture or joint lease; and
 - ii) provided the partnership, joint venture or joint lease has been notified to Us within 60 days of formation and has been endorsed on the Schedule;

- e) every office bearer or member of sporting or social clubs, canteen and welfare organisations and first aid, fire and ambulance services formed with Your consent in respect of claims arising out of their duties connected with these activities. This cover will not apply to any person or company defined in paragraphs c) and d); and
- f) voluntary workers while acting in such capacity.

Exclusions

We will not be liable for any claims in respect of:

1) Aircraft and Watercraft

Personal Injury or Property Damage directly or indirectly arising out of the ownership, possession, existence, working, navigation, repair, servicing, installation, maintenance, operation, manufacture, sales, assembly, supply or use by You of:

- a) any Aircraft, hovercraft; or
- b) any Watercraft or vessel exceeding 8 metres in length provided that this exclusion does not apply to floating jetties that are attached to land or some other fixed object.

This Exclusion extends to any of Your Products that are used with Your knowledge in the construction, operation, maintenance, servicing or repair of any Aircraft, hovercraft or Watercraft or vessel exceeding 8 metres in length.

2) Contractual liability

any obligation assumed by You under any agreement except to the extent that:

- a) the liability would have attached in the absence of such agreement;
- b) the liability arises from a provision in a contract for lease of real or personal property other than a provision which obliges You to effect insurance or provide indemnity in respect of the subject matter of that contract;
- c) the liability is assumed by You under a warranty of fitness or quality as regards Your products; or
- d) the obligation is assumed under those agreements specified in the Schedule.

3) Defective design

Personal Injury or Property Damage arising directly or indirectly out of or caused by, through or in connection with any defective or deficient design or error in any formula or in specification(s) provided by You for a fee.

4) Employment liability

- a) Personal Injury to any Employee arising directly or indirectly out of or in the course of their employment in Your Business, provided this exclusion does not apply in respect of liabilities for injuries which are not compensated under the Workers' Compensation legislation in Queensland and Western Australia where employment is not the major significant factor causing the injury;
- b) any claim or claims arising out of the provisions of any Workers' Compensation legislation or any industrial award or agreement or determination; or
- c) Liability which You are or would have been entitled to seek indemnity under any policy of insurance required to be taken out pursuant to any legislation relating to workers' compensation including any legislation of any State or Territory (whether insurance is effected or not).
- d) Liability imposed or implied under any law relating to wrongful or unfair dismissal, denial of natural justice, defamation, false or misleading conduct or advertising, misrepresentation, harassment or discrimination in respect of employment by You.
- e) Liability imposed or implied under any industrial award, agreement or determination or any contract of employment or workplace agreement, to the extent You would not have been liable in the absence of that award, agreement, determination or contract.

5) Erection of and alterations to buildings

any liability caused by or arising directly or indirectly out of or in connection with the construction, erection, demolition, underpinning, weakening, or removal of support, alteration or installation work by You or on Your behalf, except to a building owned or occupied by You for the purpose of Your Business where the total cost of all work is less than \$100,000.

6) Faulty workmanship

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

7) Fines, penalties

Fines, penalties or liquidated damages.

8) Known defects

Personal Injury or Property Damage arising directly or indirectly out of or caused by, through, or in connection with any defect or deficiency in Your Products of which You or Your agents have knowledge or have reason to suspect at the time when Your Products pass from Your actual physical control or from the actual physical custody of any person under Your control.

9) Libel or slander

Liability arising out of the publication or utterance of a libel or slander:

- a) made prior to the commencement of this Period of Insurance; or
- b) made by or at the direction of You with knowledge of the falsity thereof; or
- c) relating to advertising, publishing, printing, broadcasting or telecasting activities conducted by You or on Your behalf.

10) Loss of use

loss of use of tangible property that has not been physically damaged or destroyed resulting from:

- a) a delay in or lack of performance by or on behalf of You of any contract or agreement;
- b) the failure of Your Products to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by You, provided this paragraph b shall not apply to the loss of use of other property resulting from the sudden and accidental physical damage to or destruction of Your Products after such products have been put to use by any person or organisation other than You.

11) Damage to Your Products

Property Damage to Your Products if the damage can be attributed to or if the damage arose directly or indirectly out of or in connection with the Products':

- a) harmful nature;
- b) defectiveness;
- c) unsuitability for the intended use;
- d) inherent vice; and
- e) inefficiency or ineffectiveness.

12) Products recall

claims or costs arising out of or resulting from the withdrawal, recall, inspection, repair, replacement, investigation of or loss of use of Your Products or of any property of which they form a part, if such Products or property are withdrawn from the market or from use because of any known or suspected defect or deficiency in the product or the accompanying use and/or storage instructions or the lack thereof.

13) Professional advice or service

any claim caused by or arising directly or indirectly out of or in connection with the rendering of or failure to render professional advice or service by You; including but not limited to any breach of duty owed in a professional capacity by any of the directors and officers insured, where persons in breach of such duty may be legally liable.

This exclusion shall not apply to:

- a) the rendering of or failure to render professional medical advice by Medical Persons employed by You to provide first aid or other medical services on Your premises;
- b) Personal Injury or Property Damage arising from the rendering of or failure to render professional advice or service, provided such professional advice or service is not given for a fee.

14) Property in physical or legal control

Property Damage to:

- a) property owned by or leased or rented to You; or
- b) property in Your physical or legal control.

But this exclusion shall not apply to liability for Property Damage to:

- a) premises (including landlords' fixtures and fittings) which are leased or rented to You;
- b) premises (or the Contents thereof) not owned, leased or rented by You, but temporarily occupied by You for work therein but no cover is granted for damage to that part of the property on which You are working and which arises out of such work;
- c) Vehicles (not belonging to or used by or on behalf of You) in Your physical or legal control where such Property Damage occurs whilst any such Vehicles are in a car park owned or operated by You. Cover under this paragraph does not apply if You as part of Your Business are a car park owner or operator for reward;

- d) employees' property;
- e) any other property not specified in clauses a) to d) inclusive, which is in Your physical or legal control subject to Our liability not exceeding \$100,000 (or any other amount agreed by Us and specified in the Schedule) arising out of any one Occurrence.

However, We shall not be liable for:

- a) Property Damage to goods or property whilst being transported or carted;
- b) Property Damage to that part of any property upon which You have been working where such Property Damage arises from such work.

15) Vehicles

Personal Injury or Property Damage arising out of the ownership, possession, operation, maintenance or use by You of any Vehicle:

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

This Exclusion does not apply to:

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

16) Territorial Limit

any liability:

- a) arising out of claims made or actions brought in the United States of America, Canada or their territories, protectorates, or dependencies coming within the jurisdiction of the courts of the United States of America, Canada or their territories, protectorates or dependencies; or
- b) arising out of claims and actions to which the laws of the United States of America, Canada or their territories, protectorates, or dependencies apply.

Provided that:

- c) subsections 16 (a) and 16 (b) above do not apply to Personal Injury or Property Damage occurring during business visits to the United States of America, Canada or their territories, protectorates, or dependencies by directors or Employees, who are normally resident in Australia and who are not undertaking Manual Work or supervision of work of any kind while in the United States of America, Canada or their territories, protectorates or dependencies.

17) Punitive damages

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

18) Treatment or dispensing

Personal Injury or Property Damage caused by:

- a) the performance of treatment to humans or animal for beautification, cosmetic enhancement or to remedy illness, mental or physical deficiency, disease or injury;
- b) the prescribing of activities, pharmaceuticals, medical or herbal remedies to improve performance or appearance, or to alleviate pain, illness, mental or physical deficiency, disease or injury; or
- c) dispensing of drugs, medicines, pharmaceutical supplies or artificial aids.

19) Assault and battery

Personal Injury or Property Damage caused by or arising from assault and battery committed by You or with Your knowledge or at Your direction unless reasonably necessary for the protection of persons or property.

20) Damage to property owned by You

Property Damage to property that You own.

21) Child molestation

The molestation of or interference with any person legally considered a minor by:

- a) You;
- b) any of Your Employees;
- c) any person that works or acts on behalf of Your Business;
- d) any person performing any voluntary work or services or work experience for You or on Your behalf.

Further, We will not have any duty to defend any action, suit, or proceedings brought against any person mentioned above or any entity insured by this Policy where compensation is sought, whether directly or vicariously, in respect to any molestation or interference to any person legally considered a minor or any Personal Injury resultant therefrom.

22) Participants

Personal Injury or Property Damage to any party caused by their own or their property's participation in any match, race, health or fitness class, game, competition, trial or other sporting activity, training or event.

23) Communicable disease

The contraction of or the transmission of any communicable disease through any work related activity and/or any intentional or deliberate action or process which involves the transfer of or the potential transfer of bodily fluids, including but not limited to any sexually transmitted disease.

24) Dangerous goods

The manufacture, storage, filling, breakdown, or transportation of:

- a) fireworks, ammunition, gunpowder, nitro-glycerine, celluloid, pyroxylin or other explosives;
- b) gases or air under pressure in containers in quantities exceeding 500 litres in total. This exclusion does not apply to the static risk of service stations.

25) Welding, thermal or oxygen cutting or heating

Any claim resulting from welding, thermal or oxygen cutting or heating or any other heat producing or spark producing operations where the loss, damage or injury was caused by or contributed to by You or any person working on Your behalf or for whom You are responsible as a result of failure to comply with the precautions and requirements specified in the Australian Safety Standard 1674.1-1997 " Safety in Welding and allied processes – Fire precautions" or any updates of this standard.

26) Smoking

Personal Injury arising directly or indirectly out of or in any way connected with, the inhalation or ingestion of or exposure to:

- a) Tobacco or tobacco smoke; or
- b) any ingredient or additive present in any articles, items or goods which contain tobacco.

27) Product guarantee

Any claim resulting from any Product's 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.

28) Advertising Liability

Advertising Liability:

- a) for statements made at Your direction if You know that statement is illegal or false;
- b) for breach of contract, but this exclusion will not apply to claims for misappropriation of advertising ideas contrary to an implied contract;
- c) for an incorrect description of Products or services or a mistake in the advertised price of Products or services;
- d) for infringement of a trade mark, service mark, or trade name on any Products or services sold, offered for sale or advertised;
- e) for any person covered by this section of the Policy whose primary occupation or business is advertising, broadcasting, publishing or telecasting.

29) Prior Knowledge

For any liability caused by or arising directly or indirectly out of or in connection with a fault, defect, Occurrence, Personal Injury or Property Damage known, or deemed by law to be known, by You prior to the Period of Insurance.

30) Underground Services

Any liability caused by or arising directly or indirectly out of or in connection with Property Damage to any underground services except where you have contacted the appropriate authorities to verify the existence and location of underground services and have obtained from them a plan detailing the location of such services prior to commencement of work.

Conditions

1) Cross liability – joint insureds

Where more than one person or party comprises You as defined, each of the parties shall be considered as a separate and distinct unit and the word You shall be considered as applying to each party in the same manner as if a separate policy had been issued to each party provided that nothing in this clause shall result in an increase of Our Limit of Liability in respect of any Occurrence or Period of Insurance.

2) Reasonable precautions

- a) Without in any way restricting or limiting Your obligations under General Condition 7, Reasonable Care, You must take all reasonable precautions to:
 - i) prevent Personal Injury or Property Damage;
 - ii) ensure that Your Products are manufactured, promoted, sold or supplied without defect;
 - iii) ensure that the premises from which Your Business is carried on or conducted are regularly maintained and kept in a good state of repair and maintenance and free of waste material and rubbish.
- b) At Your own expense, You must take immediate action to trace, recall or modify any of Your Products containing any defect or deficiency of which You have knowledge or have reason to suspect, including (but not limited to) any of Your Products subject to Government or statutory ban.

3) Notices

As soon as possible You are to provide Us with written notice and all relevant information of:

- a) every Occurrence, claim, writ, summons, proceedings, impending prosecution and inquest which may result in a claim under Your Policy, whether or not You believe any claim may fall below the Excess stated in the Schedule;
- b) every change materially varying any of the facts or circumstances existing at the commencement of Your Policy that shall come to Your knowledge.

Any written notice We give to You shall be deemed to be notice given to each of the parties You comprise.

Notices given by Us shall be effective upon receipt by You if We send them by facsimile, telex or electronic mail message. In the case of notices by post, they will be effective three business days after We post them.

4) Property Owners

Where the Business is shown on the Schedule as "Property Owners":

- a) We will not be liable for any claims arising out of or connection with the occupation of the tenant(s) of the premises including the maintenance, upkeep or housekeeping of the tenant(s) at the Risk Address.
- b) We will also not be liable for any claims arising out of or in connection with any business, profession, trade or manufacturing operations conducted by You or any other persons insured or otherwise, other than as owners of property at the Risk Address.

5) Discharge of liabilities

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

- a) recoverable from You for all or part of the period prior to the date of such payment;
- b) incurred by Us; or
- c) incurred by You with Our written consent of prior to the date of such payment.

6) Maintenance of Product Records

You must keep and maintain, for at least 10 years after the date upon which they are brought into existence or come into your possession, custody or control, documents and records:

- a) relating to research and development, specification, design and manufacturing of Your Product;
- b) showing the source and quality of components of Your Product;
- c) identifying persons and entities comprising the distribution chain for Your Product;
- d) comprising sales records, including batch number and destination of Your Product; and
- e) detailing quality control, inspection, testing, repairs, replacements and recalls of Your Product.

Section 7 – Transit of Property by Road

Introduction

Where Transit of Property by Road is shown as insured in the Schedule with specific Sums Insured shown for the respective Insured Property items covered, We agree to provide You with the insurance set out in this Section.

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

Definitions Applicable to this Section

Insured Property means:

- 1) Stock in Trade (excluding Liquor);
- 2) Plant, tools or equipment owned by You and which is used for the purpose of the Business (provided none of these are specifically excluded under this Section); and
- 3) Tobacco Products and Liquor (but only if shown in the Schedule as specifically covered with a Sum Insured).

Liquor means stock consisting of liquor and spirits which You own or for which You are legally responsible.

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 made or intended to be drawn by any such machine.

The Cover

Subject to the provisions of this Policy, We will pay You in accordance with the Basis of Settlement for Loss or Damage occurring during the Period of Insurance to Insured Property whilst in Transit by road anywhere in Australia in one of Your Vehicles caused by:

- 1) Fire;
- 2) Flood, lightning, explosion;
- 3) Theft resulting from forcible and violent entry evidenced by visible damage to the securely locked portion of a Vehicle containing the Insured Property;
- 4) Collision or overturning of Your Vehicle.

Limits Applying to The Cover

The most We will pay for all Loss or Damage arising during the Period of Insurance or for all Loss or Damage arising out of any one Event is the Sum Insured for the relevant item of Insured Property.

Specific Exclusions

We will not pay for any Loss of or Damage to Insured Property if:

- 1) the Loss or Damage is caused by or results from:
 - a) the conveying Vehicle being in an unsafe or unroadworthy condition unless You could not reasonably have detected such condition;
 - b) collision or contact by the conveying Vehicle with the roadside curb or any uneven road surface;
 - c) electrical or mechanical derangement unless damage is visible to the exterior of the damaged machine.
- 2) the person driving the conveying Vehicle at the time of Loss or Damage:
 - a) is under the influence of any drug or alcohol;
 - b) has a blood alcohol level in excess of the legal limit prescribed by the law applying in the State or Territory where the Loss or Damage occurs;
 - c) refuses to allow police to conduct a breath or blood test for the purpose of determining the blood alcohol content; or
 - d) is not appropriately licensed to drive the conveying Vehicle.

Provided that, this exclusion shall not apply if You are able to prove that You did not know that the driver of the Vehicle was so affected.

And, We will also not pay for:

- 3) costs or expenses resulting from any delay, loss of market, depreciation or deterioration of stock or any consequential loss resulting from any Loss or Damage to Insured Property;
- 4) any Loss from an unattended Vehicle left overnight unless within securely locked premises;
- 5) Loss of or Damage to Money, jewellery, watches, furs, antiques, paintings, works of art, precious metals, precious stones or articles containing or composed of any of them, explosives, petroleum products in bulk or gas in bulk or livestock.

Basis of Settlement

Unless otherwise specified in the Schedule and subject to any limitation or restriction applying to any Specific Condition, claims will be settled on the following basis:

In the event of Loss or Damage covered under this Section, We will at Our option:

- 1) indemnify You for the value of the Insured Property lost or damaged; or
- 2) replace the Insured Property.

For the purpose of the Basis of Settlement, the value of:

- 1) Stock in Trade (excluding Liquor), Tobacco Products or Liquor which has been sold is Your invoice value;
- 2) Stock in Trade (excluding Liquor), Tobacco Products or Liquor which has been purchased is the purchase price as shown on the invoice;
- 3) for all other Insured Property – the market value of the Insured Property immediately prior to the event giving rise to the Loss or Damage.

Specific Conditions

1) Reinstatement of Sum Insured

Following a claim under this Section, the amounts by which the Sums Insured for Property Insured are reduced as a consequence of the Loss or Damage will be 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) You pay the premium We require for the reinstatement of Sums Insured; and
- c) You implement any risk improvements required by Us within a reasonable time frame.

Provided further that such reinstatement will be available only once during the Period of Insurance, and therefore, purchasing of further cover beyond the first reinstatement will be on the basis of offer and acceptance only.

2) Excess

We will deduct any Excess applicable for this Section from each and every claim made under this Section.

Section 8 – Electronic Equipment

Introduction

Where Electronic Equipment is shown as insured in the Schedule with specific Sums Insured shown for the respective Insured Items covered, We agree to provide You with the insurance set out in this Section.

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

Definitions Applicable to this Section

Data means proprietary software or information input, stored or recorded onto Data Media.

Data Media means material designed to carry, store or record Data including but not limited to tapes, discs, diskettes and cards.

Insured Item(s) means equipment shown in the Schedule as specifically covered with a Sum Insured, owned by You or for which You are legally responsible, and which is used for the purpose of the Business. This includes Insured Items which are:

- 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 Risk Address.

The Cover

Subject to the provisions of this Policy, We will pay You in accordance with the Basis of Settlement for Loss or Damage occurring during the Period of Insurance to any Insured Item at the Risk Address.

We will also indemnify You for Loss or Damage caused to:

- a) Insured Items whilst they are being moved to or from any service contractor away from the Risk Address but within Australia.
- b) Data Media as if it were an Insured Item, including Data Media whilst located elsewhere in Australia, provided the sole purpose of location elsewhere is for processing or safekeeping, including whilst in transit for these purposes.

Limits Applying to The Cover

The most We will pay for Loss or Damage to any Insured Item is the Sum Insured specified for that Insured Item.

Provided further that if the costs of repairing the Insured Item exceed the costs to replace the Insured Item, We will not pay more than:

- 1) the cost of replacing it, calculated in accordance with the Basis of Settlement; or

- 2) the Sum Insured,

whichever is the lesser.

Specific Exclusions

We will not pay for:

- 1) any costs associated with:
 - a) cleaning or maintenance services;
 - b) alterations, additions, improvements, overhauls, adjustments, or replacement of undamaged components whether carried out in the course of repairs or as a separate operation;
 - c) replacement or restoration following gradual deterioration including rust, corrosion, erosion, oxidation or scale formation;
 - d) repair of or claims for scratches to, or discolouration of, painted or polished surfaces;
 - e) wear and tear and/or the replacement of component parts worn through normal use of operation;
 - f) damage associated with atmospheric moisture or temperature unless directly resulting from damage to air-conditioning equipment which would be indemnified if the Equipment were insured under Your Policy;
 - g) provisional repairs or remedial actions unless such repair or actions constitute part of the final repairs and do not increase the total repair costs.

- 2) any costs associated with Loss or Damage unless necessary as part of the rectification of Loss or Damage for which a claim is payable under this Section, to the following parts of Insured Items:
 - a) belts, chains, tapes, ribbons, films, filters, worn or spent batteries, glass components, lubricants, operating media;
 - b) electric heating elements, filaments, fuses, electrical contacts;
 - c) valves, tubes, picture tubes, globes, light sources which are components of the Insured Items and which have reached the end of their normal working life or which are being replaced because of the Damage which in the opinion of the manufacturer of the item affected has been caused by the wearing out resulting from ordinary use of working.
- 3) any additional costs due to delay or detention resulting from any Loss of or Damage to Insured Items.
- 4) any Loss, Damage or disappearance occurring whilst an Insured Item is away from the Risk Address on hire, loan, rental or lease.
- 5) any Loss or Damage otherwise recoverable by You under any maintenance or service agreement or manufacturers warranty, or losses that would have been recoverable but for a breach of the conditions of such agreements or warranty by You.
- 6) any Loss of or Damage to Data.
- 7) any penalties or consequential loss of any kind or description whatsoever resulting from any Loss of or Damage to Insured Items.
- 8) Loss or Damage caused:
 - a) by fire, smoke or soot, extinguishment of a fire or subsequent demolition, spontaneous combustion;
 - b) by lightning or thunderbolt, Earthquake, hail, wind, rain, storm, Flood, Storm Surge, action of the sea, tidal wave, erosion, collapse, subsidence, landslide, mudslide, settling or movement of earth;
 - c) by impact by Aircraft or other aerial devices, falling trees, vehicles, Watercraft, external antennas, communication towers, masts, satellite dishes or any animal;
 - d) by theft or attempted theft, malicious damage;
 - e) by leakage of water or liquid from any pipe, tank, guttering or fixed apparatus including automatic fire sprinkler systems;
 - f) by any process of heat treatment, welding, grinding, cutting, drilling, shaping or the application of tools to the Machinery or Boilers and Pressure Plant;
 - g) by unloading on delivery to, or loading prior to dispatch from the Risk Address.

Special Benefits

1) Laptop computer away from the Risk Address

We will cover Your laptop computer under this Section anywhere in the world if:

- a) the laptop computer is an Insured Item under this Section; and
- b) the laptop computer is covered under Section 10 General Property.

2) Newly Installed or Replaced Items

We will pay, in addition to the Sum Insured, up to:

- a) 10% of the total Sum Insured for Insured Items; or
- b) \$10,000;

whichever is the lesser, for Damage to additional equipment which has previously been successfully tested and commissioned equipment, and newly installed at the Risk Address during the Period of Insurance.

You must at the end of the Period of Insurance forward to Us:

- a) details of the equipment newly installed or deleted during the Period of Insurance; and
- b) copies of all guarantees/warranties in effect pertaining to that equipment.
- c) any additional or return Premium will be calculated corresponding to the type and value of the equipment and the period during which it was insured.

References under The Cover and Basis of Settlement to Insured Items, are also a reference to the additional equipment referred to in this Special Benefit.

Basis of Settlement

Unless otherwise specified in the Schedule, and subject to any limitation or restriction applying to any specific Additional Benefit or Specific Condition, in the event of a claim payable under this Section We will, at Our option, pay the cost of repairing or replacing the Insured Item.

Cost of Repair

We will pay the costs necessarily incurred to restore the damaged Insured Item to the condition it was in prior to the Loss or Damage occurring, including:

- a) costs of dismantling and reassembly and/or reinstallation;
- b) costs of removal of debris;
- c) costs of any overtime or similar penalty rate costs;
- d) costs of freight charges within Australia, provided that air freight is by a recognised airline's scheduled service;
- e) costs of statutory charges including sales tax, customs duties and/or GST; and
- f) costs of overseas air freight by any recognised scheduled service or overseas labour.

In the event that any required parts are unavailable, and the item is otherwise repairable, We will compensate You for the amount that the part would have cost, if available, to replace or the cost of similar parts in similar items that are still available.

Cost of Replacement

- 1) For an Insured Item less than 5 years old, We will pay the cost of replacing the Insured Item or the cost of an item of similar type, function and quality as new.
- 2) For an Insured Item 5 years old or more, We will pay:
 - a) the market or actual depreciated value of the Insured Item; or
 - b) the cost of replacing the Insured Item or the cost of an item of similar type, function and quality;

whichever is the lesser, provided that We will not pay less than 20% of the Sum Insured for that Insured Item.

Specific Conditions

1) Under Insurance/Average

In the event of Loss or Damage insured under this Section, if the Sum Insured relating to the Insured Item is less than 70% of the Full Value of the Insured Item at the time of Loss or Damage, then We will only pay the proportion of the actual Loss or Damage that the respective Sum Insured bears to the actual value of the property.

The definition of Full Value shall mean:

- a) in respect of items less than 5 years old, the replacement cost of the item, or item with similar characteristics, as new;
- b) in respect of items 5 years old or more, the market or depreciated value of the item at the time immediately prior to the Loss or Damage.

Provided that:

- a) We will not pay more than the Sum Insured for the Insured Item; and
- b) this condition will not apply if the amount of any Loss or Damage does not exceed 10% of the Sum Insured for the Insured Item.

2) Excess

We will deduct any Excess applicable for this Section from each and every claim made under this Section.

Optional Benefits

When the Optional Benefits detailed below are shown as insured in the Schedule, and a claim has been admitted for Loss or Damage to Insured Items under this Section, We will also pay for:

1) Restoration of Data

The reasonable costs incurred for the purpose of reproducing or restoring the Data lost as a result of Loss or Damage covered under this Section, including the cost of overtime necessarily incurred, provided that:

- a) the Data is backed up at least once every week;
- b) the Data backup is kept in a safe or strong room or at a secure off-site location;
- c) the most We will pay for any one Event will not exceed the Sum Insured for this Optional Benefit;

- d) the Data Media at the time of the Loss or Damage is:
 - i) at the Risk Address;
 - ii) at a Data storage situation used by You for that purpose within Australia;
 - iii) temporarily at any alternative situation for processing purposes within Australia; or
 - iv) in transit between any of the above within Australia.

Basis of Settlement for this Optional Benefit

We will pay for reasonable expenses necessarily incurred to reproduce or restore the Data lost to a condition equivalent to that existing before the Loss or Damage and necessary to allow the normal operation of the electronic Data processing system for which the Insured Item formed a part. Lost Data may be reproduced in an updated form if the cost is no greater than that of reinstating it in its original form.

2) Increased Costs of Working

The increased costs of working incurred as a result of Loss or Damage covered under this Section, during a period not exceeding 90 days from the date of Loss or Damage, provided that:

- a) the cost is proven to have been necessarily and reasonably incurred during the period, over and above the normal expenses that You would have incurred during the period in respect of the operation of the Insured Item(s);
- b) We will not pay any more than the actual costs borne by You;
- c) We will not pay more than the Sum Insured for this Optional Benefit;
- d) We will not pay for any cost incurred during the first 48 hours following the Loss or Damage;
- e) We will not pay for the cost of Data restoration;
- f) We will not pay for any consequential loss resulting from Loss of or Damage to Insured Items.

Basis of Settlement for this Optional Benefit

We will indemnify You for the following increased costs necessarily and reasonably incurred following an interruption to the normal operation of the Insured Items which are over and above the normal expenses incurred by You in the operation of the Insured Items including:

- a) reasonable professional fees of accountants or auditors and any other reasonable expenses payable by You and necessarily incurred by You which are not otherwise recoverable for preparation of a valid claim under this Optional Benefit;
- b) additional personnel expenses;
- c) additional expenditure for the rental of substitute computers;
- d) additional transportation expenses.

Section 9 – Machinery Breakdown

Introduction

Where Machinery Breakdown is shown as insured in the Schedule with specific Sums Insured shown for the respective items covered, We agree to provide You with the insurance set out in this Section.

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

Definitions Applicable to this Section

Boilers and Pressure Plant means those parts of the permanent structure of boilers and pressure plant (not used for domestic purposes) separately specified in the Schedule which are subject to internal steam, gas or fluid pressure (other than atmospheric pressure) or vacuum, including:

- 1) fittings, pipes and direct attachments which are connected to the permanent structure without any intervening valve or cock;
- 2) supports for the structure (other than foundations, masonry or brickwork) such as furnace doors, access doors, external combustion chambers, smoke boxes and casings; and
- 3) metal parts of pressure and water gauges and their connections to the permanent structure.

Provided that these items:

- 1) have successfully completed initial commissioning; and
- 2) are owned by You or for which You are legally responsible, and which are used for the purpose of the Business.

Breakdown means Damage to Unspecified Machinery, Specified Machinery and Boilers and Pressure Plant from any cause not excluded, which requires repairs or replacement to enable normal working to continue.

Collapse means the sudden distortion of the furnace of a boiler or any part of a pressure vessel caused by the bending or crushing of the permanent structure by the force of steam, gas, fluid pressure or vacuum including Damage caused by overheating resulting from a deficiency of water.

Deterioration means the deterioration of Refrigerated Stock to the point that it cannot be used for the purpose for which it was intended as a result of the rise or fall in temperature of refrigerated room(s) or cabinet(s) arising from:

- 1) an insured Breakdown for which a claim has been admitted under this Section, or would have been admitted other than for the application of the Excess;
- 2) the operation or failure of fuses, thermostats and overload devices protecting the refrigeration Machinery in its operation provided that the Machinery is otherwise regularly maintained or serviced;
- 3) a change in gaseous concentration in the storage chamber caused by an insured Breakdown;
- 4) contamination of Refrigerated Stock caused by direct contact of refrigerant leaking from the storage chamber;
- 5) failure of the electrical supply authority to supply or restrict electricity to the Risk Address caused by:
 - a) an accidental failure of the supply authority's system;
 - b) the rationing of electrical supply caused solely by the accidental damage to part of the supply authority's system;
 - c) a deliberate act of the supplier for the sole purpose of safeguarding life or protecting a part of the supply authority's system.

Explosion means the sudden, unforeseen and violent rending of any Boilers and Pressure Plant by force of internal steam, gas or fluid pressure or the pressure of ignited flue gases.

Machinery means mechanical, hydraulic and electrical plant and machinery which:

- 1) have successfully completed initial commissioning; and
- 2) is owned by You or for which You are legally responsible, and which is used for the purpose of the Business.

Provided that Machinery does not include:

- 1) Boilers and Pressure Plant;
- 2) central air-conditioning plant;
- 3) motor vehicles or other mobile plant;
- 4) lifts or escalators;
- 5) wiring, fittings and outlet sockets of electric lighting or electric power circuits;
- 6) computers and electronic data processing equipment

- 7) calculators, photocopiers, typewriters, portable and/or hand held electronic equipment, and other office equipment;
- 8) telephone and other communication equipment;
- 9) research, electro-medical and diagnostic equipment;
- 10) vending or amusement machines or any coin or card operated machines;
- 11) audio visual, amplification, burglar alarms and closed circuit television installations or other monitoring or surveillance equipment; or
- 12) refrigeration or display cabinet housing.

Refrigerated Stock means refrigerated perishable goods owned by You or for which You are legally responsible and which are used for the purpose of the Business, contained in refrigerated chambers cooled by any Machinery insured under this Section and located at the Risk Address.

Specified Machinery means items of Machinery separately listed in the Schedule with specific Sums Insured.

Unspecified Machinery means items of Machinery other than Specified Machinery, which are driven by motors not exceeding 5hp or 4kw.

The Cover

Subject to the provisions of this Policy, We will pay You in accordance with the Basis of Settlement in respect of items shown as insured in the Schedule with a Sum Insured, as follows:

- 1) for Unspecified Machinery, Specified Machinery, Boilers and Pressure Plant, against Breakdown;
- 2) for Boilers and Pressure Plant, against Breakdown, Collapse or Explosion; or
- 3) for Refrigerated Stock, against Deterioration;

occurring at the Risk Address during the Period of Insurance.

Limits Applying to The Cover

The most We will pay:

- 1) in respect of Unspecified Machinery for any one Event is the Sum Insured for Unspecified Machinery;

- 2) in respect of Specified Machinery or Boilers and Pressure Plant during the Period of Insurance or for any one Event is the Sum Insured shown for the item of Specified Machinery or Boilers and Pressure Plant, provided that if the costs of repairing the Machinery or Boilers and Pressure Plant exceed the costs of replacing the Machinery or Boilers and Pressure Plant, We will not pay more than:
 - i) what We would be required to pay to replace it; or
 - ii) the Sum Insured;
 whichever is the lesser.
- 3) for Deterioration of Refrigerated Stock during the Period of Insurance or for any one Event is the Sum Insured for Refrigerated Stock, provided that the Sum Insured for Refrigerated Stock shall be adjusted in accordance with Specific Condition 3) Seasonal Increase in the Sum Insured for Deterioration of Refrigerated Stock.

Additional Benefits

1) Cover for additional Unspecified Machinery

Where Unspecified Machinery is shown in the Schedule as insured, cover under this Section extends to include an additional item of Unspecified Machinery installed or brought into use at the Risk Address during the Period of Insurance, provided that:

- a) You will notify Us within 90 days from the date of installation or bringing into use (whichever is applicable) of full particulars of the item of Unspecified Machinery and pay to Us on demand the premium for the additional item;
- b) the additional item of Unspecified Machinery shall be free from known defects, comply with any Statutory requirements, and is in sound working order when it is commissioned;
- c) this cover shall not operate until the item of Unspecified Machinery has worked satisfactorily for 8 hours and has become Your responsibility;
- d) if the item of Unspecified Machinery is unacceptable to Us for insurance, We shall, within 3 days of receiving Your notice, give You not less than 3 business days notice advising that the additional item of Unspecified Machinery is no longer covered under this Section.

2) Hire costs of temporary machinery or boilers and pressure plant

In the event of Breakdown, Collapse or Explosion to an item of Unspecified Machinery, Specified Machinery or Boilers and Pressure Plant for which a claim is payable under this Section, We will pay the reasonable costs necessarily incurred for hiring a substitute item of Unspecified Machinery, Specified Machinery or Boilers and Pressure Plant (whichever is applicable), provided that We will not pay more than 20% of the Sum Insured for Unspecified Machinery, the Sum Insured for the item of Specified Machinery or the Sum Insured for the item of Boilers and Pressure Plant (whichever is applicable), in addition to the respective Sum Insured.

3) Submersible and Deep Well Pumps

We will pay up to \$500 for any one Event for the costs associated with the removal or reinstallation of borehole or deep well type pumps.

Special Benefit

1) Additional charges

In the event of Breakdown of Machinery or Breakdown, Collapse or Explosion of Boilers and Pressure Plant resulting in a claim which is payable under this Section, We will pay the reasonable expenses necessarily incurred for:

- a) removal of debris, excluding any Pollutants deposited beyond the boundaries of the Risk Address;
- b) any overtime work including penalty rates, or work performed on public holidays;
- c) freight charges within Australia, provided that air freight is by a recognised airline's scheduled service; and
- d) overseas air freight by any recognised scheduled service or overseas labour.

Provided that We will not pay more than 50% of the Sum Insured for Unspecified Machinery, the Sum Insured for the item of Specified Machinery or the item of Boilers and Pressure Plant (whichever is applicable), provided further that the respective Sum Insured is not otherwise exhausted.

Specific Exclusions

We will not pay for:

- 1) any costs associated with:
 - a) cleaning or maintenance services;
 - b) alterations, additions, improvements or overhauls, adjustments or replacement of undamaged components whether carried out in the course of repairs or as a separate operation;
 - c) replacement or restoration following gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);
 - d) repair of or claims for scratches to, or discolouration, of painted or polished surfaces;
 - e) adjustment, cleaning or recharging of refrigeration or air conditioning equipment unless necessary as part of the repair of Machinery insured under this Section;
 - f) provisional repairs or remedial action unless such repairs or action constitute part of the final repairs and do not increase the total repair costs; or
 - g) loss of refrigerant, oil or lubricant due solely to worn or deteriorated seals or valves;
- 2) the cost of repair or replacement of:
 - a) worn or spent belts, filters, refrigerant dryers, fuses, electric heating elements, electrical contacts, thermostats, thermostatic expansion valves, lamps gland packing, seals, cutting blades, glass or ceramic components, fuel lamps, collecting brushes, belts, joints or non metallic parts and all operating media; or
 - b) component parts necessitated by wear and tear caused by or resulting from ordinary use or working or gradual deterioration;
- 3) loss, destruction or damage caused:
 - a) by any crack, fracture, blister, lamination, flaw or grooving even when accompanied by leakage, which has not penetrated completely through the entire thickness of the material of the Machinery or Boilers and Pressure Plant;
 - b) by any slowly developing deformation or distortion to any Machine or Boilers and Pressure Plant;
 - c) by fire, smoke or soot, extinguishment of a fire or subsequent demolition, spontaneous combustion;

- d) by lightning or thunderbolt, Earthquake, hail, wind, rain, storm, Flood, Storm Surge, action of the sea, tidal wave, erosion, collapse, subsidence, landslide, mudslide, settling or movement of earth;
 - e) by impact by Aircraft or other aerial devices, falling trees, vehicles, Watercraft, external antennas, communication towers, masts, satellite dishes or any animal;
 - f) by theft or attempted theft, malicious damage;
 - g) by leakage of water or liquid from any pipe, tank, guttering or fixed apparatus including automatic fire sprinkler systems;
 - h) by any process of heat treatment, welding, grinding, cutting, drilling, shaping or the application of tools to the Machinery or Boilers and Pressure Plant;
 - i) by unloading on delivery to, or loading prior to dispatch from the Risk Address; or
 - j) by testing and commissioning, intentional overloading or experiments, and any usage beyond or outside the manufacturers specifications;
- 4) any additional costs due to:
- a) delay or detention; or
 - b) penalties;
- 5) any Loss or Damage to any Machinery or Boilers and Pressure Plant for which the manufacturer or supplier or other parties are responsible under any maintenance or service agreement or manufacturers or suppliers warranty, or would have been responsible but for a breach of the conditions of such agreements or warranty by You;
- 6) any loss, damage or destruction to:
- a) reticulated electrical wiring, liquid or gas piping; or
 - b) a safety or protective device caused by its own operation;
- 7) consequential loss of any kind or description whatsoever unless specifically included in this Section;
- 8) damage to a submersible or borehole pump as a result of the submersible or borehole pump not being fitted with an effective operational water flow or pressure switch capable of stopping the submersible or borehole pump in the event of water pressure drop or insufficient water flow.

Basis of Settlement

Unless otherwise specified in the Schedule and subject to any limitation or restriction applying to any specific Additional Benefit, Special Benefit or Specific Condition, claims will be settled on the following basis:

In the event of a claim payable under this Section for:

1) Breakdown

In respect of Breakdown of Specified Machinery, Unspecified Machinery or Boilers and Pressure Plant, subject to any limitation or restriction applying to any specific Additional Benefit or Special Benefit We will at Our option repair or replace the items that suffered Loss or Damage or pay a cash equivalent of such repair or replacement. We will also pay the cost of:

- a) liquids or refrigerant gases or insulating oil necessary to complete the repairs;
- b) transport, labour and the on-site cost of parts.

Provided that:

- a) if necessary parts are unavailable or obsolete, Our liability will be limited to the estimated cost of similar parts for similar equipment to that which suffered Loss or Damage that is currently available;
- b) if necessary parts are found to be unobtainable, Our liability will be limited to the manufacturers or suppliers last list price;
- c) We will not pay for the cost of alterations, improvements, maintenance or overhauls carried out in conjunction with the repair or replacement.

2) Collapse or Explosion

In respect of Collapse or Explosion of Boilers and Pressure Plant, We will at Our option repair or replace the damaged or destroyed item or pay the cash equivalent of such repair or replacement.

Provided that:

- a) if the damage is repairable We will pay the necessary costs to restore the item to its condition immediately before the Collapse or Explosion;
- b) if restoration costs exceed the value of a new and equivalent replacement item then We will replace the damaged or destroyed item with an item of similar quality and size. If the item is replaced with one that is of a better quality or size, We will pay the cost that would have been incurred if an exact replacement had been installed;

- c) if repair or replacement is not effected within 12 months from the date of Collapse or Explosion, We will not pay more than the Indemnity Value of the item immediately before the Collapse or Explosion; and
- d) We will not pay for the cost of alterations, improvements, maintenance or overhauls carried out in conjunction with the repair or replacement.

3) Deterioration

In respect of Deterioration of Refrigerated Stock, We will at Our option:

- a) replace the deteriorated Refrigerated Stock; or
- b) pay the actual cost price of the deteriorated Refrigerated Stock.

We will also pay for the additional expenses reasonably incurred by You to reduce the loss by transferring the Refrigerated Stock to suitable alternative storage.

Provided that:

- a) We will not pay for any Refrigerated Stock item that has passed its "used by" or "best before" date;
- b) We will deduct the value of any salvageable Refrigerated Stock items from Our settlement.
- c) We will not pay for Deterioration of Refrigerated Stock caused by the manual operation or manual setting of switches or controls.

Specific Conditions

1) Excess

We will deduct any Excess applicable for this Section from each and every claim made under this Section.

2) Reinstatement of Sum Insured for Deterioration of Refrigerated Stock

Following a claim under this Section for Deterioration of Refrigerated Stock, the amount by which the Sum Insured for Deterioration of Refrigerated Stock is reduced as a consequence of the Deterioration will be reinstated as from the date of Deterioration provided that:

- a) there is no written request from You or written notice by Us to the contrary;
- b) You implement any risk improvements required by Us within a reasonable time frame; and

- c) You pay the premium We require for the reinstatement of the Sum Insured.

Provided further that such reinstatement will be available only once during the Period of Insurance, and therefore, purchasing of further cover beyond the first reinstatement will be on the basis of offer and acceptance only.

3) Seasonal Increase in the Sum Insured for Deterioration of Refrigerated Stock

This Specific Condition increases the Sum Insured for Deterioration of Refrigerated Stock by 50% for any one Event occurring during:

- a) the period of 60 days prior to and including Christmas Day and 21 days following Christmas Day;
- b) the period of 42 days up to and including Easter Tuesday and 1 week after but not including Easter Tuesday; and
- c) any gazetted Bank or public holiday;

provided that the Event also occurs during the Period of Insurance.

4) Undeclared Property Insured

In respect of Unspecified Machinery, You must notify Us in writing, either in:

- a) Your Application Form; or
- b) a subsequent declaration to Us.

The total of all items of Machinery falling under the definition of Unspecified Machinery which are present at the Risk Address at the time You make the declaration.

In the event of a claim, if it is found that the declared total of Unspecified Machinery items is less than the total amount of items at the time of declaration, We will reduce our payment in proportion to the amount that the items of Unspecified Machinery were under declared.

Section 10 – General Property

Introduction

Where General Property is shown as insured in the Schedule with specific Sums Insured shown for the respective Property Insured items covered, We agree to provide You with the insurance set out in this Section.

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

Definitions Applicable to this Section

Property Insured means Specified Items and Unspecified Items.

Specified Item(s) mean those item(s) which are shown in the Schedule as specifically covered with a Sum Insured, owned by You or for which You are legally responsible, and which are used for the purpose of the Business.

Unspecified Item(s) mean item(s) other than:

- 1) laptop computers, personal digital assistants (PDAs), video cameras, digital cameras or mobile phones; or
- 2) any item worth more than \$1,000;

shown in the Schedule as covered with a Sum Insured, and which are owned by You or for which You are legally responsible, and which are used for the purpose of the Business.

The Cover

Subject to the provisions of this Policy, We will pay You in accordance with the Basis of Settlement for Loss of or Damage to Property Insured which occurs during the Period of Insurance.

Limits Applying to The Cover

In the event of a claim, the most We will pay for Loss of or Damage to:

- 1) any one Unspecified Item is \$1,000;
- 2) any one Specified Item is the Sum Insured for that Item.

The most We will pay for all claims for Loss of or Damage to Unspecified Items arising during the Period of Insurance is the Sum Insured for Unspecified Items.

Special Benefit

1) Theft Without Forcible or Violent Entry

We will pay up to:

- a) 20% of the total Sum Insured shown on the Schedule; or
- b) \$1,000;

whichever is the lesser, for the theft of Property Insured, other than Stock in Trade, provided that:

- i) this is the maximum amount for any one occurrence and in total during the Period of Insurance;
- ii) the loss is discovered within 7 days of its occurrence; and
- iii) the perpetrators were not members of Your family or employees.

Specific Exclusions

1) We will not pay for any Loss or Damage to Property Insured:

- a) resulting from theft other than theft following violent and forcible entry to the securely locked building or vehicle (or securely locked part of the building or vehicle) in which the Insured Property is contained, unless We have agreed to pay Your claim in accordance with Special Benefit 1) of this Section;
- b) caused by an error or omission in design, plan or specification or failure of design;
- c) caused by faulty materials or faulty workmanship;
- d) caused by fraud or dishonest acts, embezzlement, forgery, erasure, counterfeiting, loss induced by deception and fraudulent misappropriation by electronic means or otherwise;
- e) caused by loading or unloading, delivery or dispatch;
- f) caused by testing, intentional overloading or experiments;
- g) caused by any computer virus;
- h) caused by any process of heat treatment, welding, grinding, cutting, drilling, shaping or the application of tools to the Property Insured;

- i) caused by the action of the sea, tsunami or tidal wave. Provided that this exclusion shall not apply if Loss or Damage is directly or indirectly caused by an Earthquake. The Earthquake Excess stated in Specified Peril 4) Earthquake under the Fire and Specified Perils Section of this Policy also applies;
- j) caused by mechanical, hydraulic, electrical or electronic breakdown, failure, malfunction or derangement of any machine or electrical or electronic device or temperature controlling equipment;
- k) caused by faulty packaging or storage;
- l) caused by wear and tear, fading, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good;
- m) caused by rust, corrosion, oxidation, mildew, mould, moths, vermin, insects, change of colour, change in temperature, cleaning, change in flavour texture or finish, or alteration to the Property Insured;
- n) caused by Flood.

2) We will not pay for any Loss of or Damage to:

- a) any Property Insured during the course of and as a result of its processing or manufacture;
- b) Money, jewellery, furs, bullion, precious metals or precious stones, curios or works of art;
- c) Property Insured in the open air caused by wind, rain (including rainwater runoff over the surface of the land) or hail unless such property is designed to function without the protection of walls or roofs;
- d) any Property Insured whilst being used for the purpose for which it was designed;
- e) motor vehicles, caravans, trailers, motorcycles, Watercraft, Aircraft or aerial devices or the accessories to any of these;
- f) Property Insured whilst undergoing construction, erection, alteration, renovation or demolition;
- g) livestock, animals, birds, fish, plants or growing crops;
- h) laptop computers, personal digital assistants (PDAs), video cameras, digital cameras or mobile phones unless it is a Specified Item.

Basis of Settlement

Unless otherwise specified in the Schedule and subject to any limitation or restriction applying to any Specific Condition, claims will be settled on the following basis:

In the event of a claim payable under this Section for Loss of or Damage to a Specified Item or an Unspecified Item, We will pay:

- 1) where an Item is destroyed or lost, the replacement cost of the Item with a similar Item, to a condition equal to but not better or more extensive than, its condition when new;
- 2) where an Item is Damaged in part only, the cost of repair of the Damage and the restoration of the Damaged portion of the Item to a condition substantially the same as, but not better or more extensive than, its condition when new.

Provided that:

- 1) if the Item forms part of a pair or set We will only pay for the replacement or repair of the Item that suffered the Loss or Damage. We will not pay to replace the pair or set;
- 2) if the Item is not replaced or repaired We will not pay more than the Indemnity Value of the Item;
- 3) We will not pay more than the Indemnity Value of the Item until the cost of replacement or repair is actually incurred;
- 4) where the Item is Damaged in part only, We will not pay more than the sum representing the replacement cost which We would have paid if the Item had been wholly destroyed.

Specific Condition

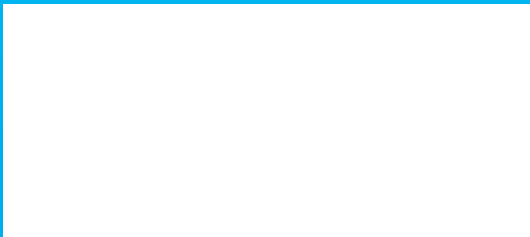
1) Excess

We will deduct any Excess applicable for this Section from each and every claim made under this Section.

2) Automatic Reinstatement of the Sum Insured

Following the occurrence of Loss of or Damage to Unspecified Items, the Sum Insured is reinstated to the full amount specified in the Schedule, provided that We agree to reinstate the Sum Insured and, if required by Us, You pay the appropriate extra Premium.

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