
Section 10 - Electronic Equipment

This section is subject to the General Conditions contained in the **Policy Booklet**.

Specific Definitions

The meaning of some of the important words and terms used in Section 10 only, are shown below.

Breakdown means damage resulting from the electronic, electrical or mechanical failure of the **Equipment** arising from internal defects causing sudden stoppage of the function and requiring the repair or replacement of the **Equipment**.

Equipment means the computers, word processors, electronic data processing equipment, systems, or other electronic equipment specified in the **Schedule**.

Expendable Items means items and parts that are not normally reusable and require frequent or periodic replacement.

Indemnity Period means the period specified in the **Schedule** beginning with the use of a **Substitute System** and ending not more than the specified number of months later, during which the results of the **Business** are affected as a result of **Damage** payable under Section 10.

Maintenance Agreement means any agreement which provides for the remedial repair of any fault or breakdown which occurs in the course of the normal operation of the **Equipment**, including the costs of all parts and labour.

Power Surge Protection Device means a device which will protect the **Equipment** from **Damage** resulting from electrical power supply:

- a) surge, interference or overload; or
- b) transient surge spikes.

Substitute System means any reasonable process undertaken to maintain the normal operation of the **Business**.

Cover Provided

If **your Schedule** indicates that **you** have taken out insurance under Section 10, **we** will pay **you** if there is sudden unforeseen **Damage** to the **Equipment**, and on the basis set out below, but only:

- a) while the **Equipment** is at the **Premises**;
- b) after the completion of successful initial commissioning of the **Equipment**; and
- c) for **Damage** occurring during the **Period of Insurance**.

We will not pay **you** in respect of any of the matters set out in the Specific Exclusions listed below or the General Exclusions contained in the **Policy Booklet**.

Basis of Settlement

If **you** have a valid claim under Section 10, **we** will at **our** option pay for or **Reinstate** the **Equipment** on the basis set out below.

1. Equipment
Where the **Equipment** is:
 - a) lost or destroyed, its replacement by similar **Equipment** in a condition equal to but not better or more extensive than its condition when new; or
 - b) **Damaged**, the repair and/or restoration of the **Equipment** to a condition substantially the same as but not better or more extensive than its condition when new;

provided that the total amount **we** pay does not exceed the cost of **Reinstatement**.

We are not bound to **Reinstate** exactly or completely but only as circumstances permit and in a reasonably sufficient manner.

If the **Equipment** can be repaired, then it must be repaired unless the cost of repair exceeds the replacement cost, in which case the **Equipment** will be replaced.

No deductions will be made for depreciation in respect of parts replaced, except that **we** will deduct from the replacement cost of valves, tubes (including picture tubes), and light sources the percentage which the use, up to the time of failure, bears to the expected life as quoted by the manufacturer or supplier.

Section 10 - Electronic Equipment [cont'd]

2. Expenses

We will pay all reasonable expenses incurred to return the **Damaged Equipment** to its former state of serviceability, including:

- a) labour, travel and call out costs;
- b) costs of dismantling, re-erection and removal of debris;
- c) charges for overtime and work on public holidays; and
- d) freight within the Commonwealth of Australia including transportation, as freight, by any recognised airline's scheduled service.

3. Installed Value Less than \$10,000

We will pay for **Breakdown** of **Equipment** with a new installed value of less than \$10,000, without a **Maintenance Agreement**.

We will not pay for **Breakdown** of **Equipment** with a new installed value of \$10,000 or more, unless **you** have a **Maintenance Agreement**.

4. Salvage

The agreed value of any salvage will be deducted from any claim and the salvage will remain **your** property.

5. Our Limit of Liability

Our total liability is limited to the **Sum Insured** in respect of each item stated in the **Schedule** less the **Excess** shown.

6. Automatic Reinstatement of the Sum Insured

Following the occurrence of **Damage**, 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**.

7. Underinsurance

This section is subject to Underinsurance, as defined in the General Conditions.

1. Newly Installed or Replaced Items

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

- a) 10% of the total **Sum Insured** for **Equipment**; 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 **Premises** during the **Period of Insurance**.

You must at the end of the **Period of Insurance** forward to **us**:

- i. details of the equipment newly installed or deleted during the **Period of Insurance**; and
- ii. copies of all guarantees/warranties in effect pertaining to that equipment; and
- iii. 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 Cover Provided and Basis of Settlement to **Equipment**, are also a reference to the additional equipment referred to in this clause.

2. Equipment while Temporarily Removed

We will pay for **Damage** to normally static **Equipment** while it is being transported away from the **Premises** to anywhere in the Commonwealth of Australia, for the purpose of repair, alteration or modification.

We will pay up to:

- a) \$5,000; or
- b) any other amount specifically agreed in writing by **us**;

for any one accident, less the **Excess** specified in the **Schedule**.

We will not pay for **Damage**:

- i. due to theft or attempted theft while the **Equipment** is unattended unless inside a:
 - locked building; or
 - securely locked motor vehicle; or

Additional Benefits

If Section 10 forms part of the Policy, we will extend your insurance to include the following Additional Benefits and in addition to the Sum Insured.

Section 10 - Electronic Equipment [cont'd]

- ii. unless packed in the original manufacturer's shipment container and packing, or equivalent purpose built transportation container.

Specific Exclusions

We will not pay **you** under Section 10 in the following circumstances.

1. Maintenance and Alterations

We will not pay for the cost of:

- a) maintenance work; or
- b) alterations, additions, improvements or overhauls whether carried out in the course of payable repairs or as a separate operation.

2. Wear and Tear

We will not pay for the cost of replacement or restoration following gradual deterioration, wear and tear, rust, corrosion, erosion, oxidation or scale formation.

3. Temporary Repairs

We will not pay for the cost of temporary repairs except where such repairs constitute part of final repairs and do not increase the total repair costs.

4. Hire, Rental, Lease or Loan

We will not pay for **Damage** occurring to **Equipment** during any period when it is out of **your** possession on hire, rental, lease or loan.

5. Atmospheric Moisture or Fluctuation in Temperature

We will not pay for **Damage** caused by atmospheric moisture or fluctuation in temperature.

6. Scratching of Painted or Polished Surfaces

We will not pay for **Damage** caused by or arising from scratching of painted or polished surfaces.

7. Maintenance Agreement

We will not pay for **Damage** covered under any **Maintenance Agreement** or which would have been covered but for a breach of **your** obligation under the terms of the **Maintenance Agreement**.

8. Manufacturers' or Suppliers' Guarantee/Warranty

We will not pay for **Damage** covered under any manufacturers' or suppliers' guarantee/

warranty or which would have been covered but for a breach of **your** obligations under the terms of the guarantee/warranty.

9. Data or Data Media

We will not pay for **Damage** to electronic data processing media unless **you** have Optional Cover under clause 2 below.

10. Computer Virus

We will not pay for **Damage** caused by or arising from a **Computer Virus**.

11. Valves, Tubes, Batteries and other Expendable Items

We will not pay for the cost of replacement of:

- a) valves, tubes (including picture tubes) and light sources which are components of the **Equipment** and which:
 - i. have reached the end of their normal working life; or
 - ii. are being replaced because of **Damage**, which in the opinion of the manufacturer or supplier of the **Equipment** affected, was caused by wearing out resulting from ordinary use or working;
- b) **Damaged**, worn or spent batteries, belts, chains, tapes, ribbons, films, filters, fuses, electronic heating elements, glass components or lubricants; or
- c) any other **Expendable Items** including component parts worn or deteriorated through normal operation.

12. Cleaning

We will not pay for **Damage** caused by or arising from cleaning any **Equipment**.

Specific Conditions

If Section 10 forms part of the **Policy**, **you** must follow the Specific Conditions noted below otherwise **we** may not pay a claim under Section 10.

1. Claims Procedures and Requirements

You must notify **us** prior to commencement of any repairs in excess of \$500, to ensure repairs are acceptable to **us**.

Section 10 - Electronic Equipment [cont'd]

Your repairer must leave on the **Premises**, for **our** inspection, all parts which have been replaced.

2. Power Surge Protection

Where a **Power Surge Protection Device** has been installed, **you** must ensure that it is maintained in good working condition and activated at all times when the **Equipment** is connected to the electric power supply.

3. Manufacturers' or Suppliers' Guarantee/Warranty

You must:

- a) lodge with **us** prior to inception of the **Policy**, a copy of all guarantees/warranties being in effect pertaining to the **Equipment**; and
- b) give **us** 30 days prior notice in writing of any alteration, cancellation or termination of the guarantee/warranty.

Optional Covers

If selected by **you** and specified in the **Schedule**, the Optional Cover as indicated below will apply.

1. Portable Equipment

We will pay for **Damage** to **Equipment** specifically designed to be carried by hand or on the person when away from the **Premises**, and while located (including in transit) in the Commonwealth of Australia.

We will not pay for **Damage**:

- a) due to theft or attempted theft while the **Equipment** is unattended unless inside a:
 - i. locked building; or
 - ii. securely locked motor vehicle; or
- b) from any cause whatsoever while installed or carried in or on an aircraft, aerial device, train, bus, waterborne vessel or craft, unless carried as personal baggage, and not contained or transported in cargo holds.

Our liability is limited to the **Sum Insured** in respect of each item stated in the **Schedule** less the **Excess** shown.

2. Electronic Data Processing Media: Loss of Information

If the electronic data processing media (Data Media) is **Damaged** as a result of an insured event under Section 10, **we** will pay:

- a) the reasonable cost of replacement of the **Damaged** Data Media by new unused materials;
- b) all reasonable expenses incurred by **you** strictly for the purpose of restoring the Data Media by reproduction of the data or information to a condition equivalent to that existing prior to the occurrence of **Damage**;
- c) for lost data or information to be reproduced in an updated form, if the cost of doing so is no greater than that of **Reinstatement** to a condition existing prior to the occurrence of **Damage**; and
- d) the cost of extra charges incurred for overtime work. **Our** liability is limited to the **Sum Insured**, less the stated **Excess**.

We will not pay for:

- i. costs and expenses incurred more than 12 months after the occurrence of **Damage** payable under Section 10;
- ii. loss or distortion (of data information or records) which does not arise from **Damage** to the Data Media;
- iii. wasting, wearing away or wearing out, caused by or naturally resulting from ordinary use, working or gradual deterioration;
- iv. faults or defects known to **you**, or **your Employees**, and not disclosed to **us** at the time this insurance was arranged; or
- v. **Damage** caused by atmospheric moisture, or temperature, but not if directly resulting from **Damage** to air conditioning equipment essential for controlling the working or storage environment of the **Equipment**.

Section 10 - Electronic Equipment [cont'd]

3. Increased Cost of Working

a) **We** will pay for all additional expenditure necessarily and reasonably incurred for the use of a **Substitute System** during the **Indemnity Period**:

- i. to maintain a normal **Business** operation during the interruption following **Damage** payable under Section 10; or
- ii. if the normal operation of the **Equipment** is interrupted as the direct result of **Breakdown**, at the **Premises** and during the **Period of Insurance**, for which remedial service is provided under a manufacturer's or supplier's maintenance agreement.

b) **Our** liability is limited to the **Sum Insured** for:

- i. the **Indemnity Period**;
- ii. the aggregate of all interruptions during the **Period of Insurance**; or
- iii. any one interruption, the pro-rata proportion of the **Sum Insured** corresponding to the actual duration of the interruption;

whichever is the lesser, less the stated **Excess**.

The **Excess** is the first 2 working days or the number of working days specified in the **Schedule**, whichever is greater, of each and every loss.

c) **We** will not pay for:

- i. the normal expenses which **you** would have incurred in the operation of the **Equipment**;

ii. the number of days specified in the **Schedule**;

iii. more than 4 weeks of the **Indemnity Period** due to delay in the repair or restoration of **Equipment** of foreign manufacture where such delays result from:

- measures, restrictions or regulations imposed by any government, public or local authority;
- the time required to procure replacement components, parts, or complete equipment in overseas markets;
- the time required to transport or ship component parts or complete equipment between the **Premises** and the overseas place of repair or restoration;
- the time required to engage and transport overseas specialists or consultants to assist in or supervise local repairs;
- any expenses incurred during any period where inability to resume normal operation of the **Equipment** arises solely by reason of the discontinuance of manufacture or obsolescence of the system or any component part of the system; or
- business interruption periods due to alterations or improvements to the **Equipment**, or solely due to the need for cleaning, adjustment, inspection, or maintenance.