
Section 3 - Fire and other Defined Events

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 3 only, are shown below.

Accidental Damage/Accidentally Damaged means sudden, unforeseen, unintentional and unexpected **Damage** occurring wholly during the **Period of Insurance**.

Burglary means:

- a) stealing consequent upon actual forcible and violent entry into or exit from the **Premises**;
- b) stealing or any attempted stealing by any person concealed on the **Premises**; or
- c) stealing consequent upon threat of immediate violence or violent intimidation.

Contents means plant and machinery including their foundations, settings and beddings, and all other contents of every description not more specifically insured by this **Policy**, owned by **you** or for which **you** are legally responsible while in the **Buildings** or open air at the **Premises**, but not:

- a) **Stock in Trade** or **Money**; or
- b) motor vehicles and/or watercraft or their accessories, unless specified in the **Schedule**.

Stock in Trade means:

- a) stock in trade and/or merchandise, including the value of work done, containers and packaging materials and raw material which **you** own; and
- b) customers' goods and items held in trust or on commission for which **you** are legally responsible.

Theft means stealing other than **Burglary**.

Cover Provided

If **your Schedule** indicates that **you** have taken out insurance under Section 3, **we** will pay **you** if the **Property** at the **Premises** is **Damaged** by one or more of the Defined Events listed below occurring during the **Period of Insurance** and on the basis set out

below, except where stated that **we** will not pay. **We** will not pay **you** in respect of any of the matters set out in the Specific Exclusions or the General Exclusions.

1. Defined Event - Fire.

We will not pay for **Damage**:

- a) to the **Property**, where the **Property** is undergoing any process involving the application of heat; or
- b) caused by the **Property's** own spontaneous combustion.

2. Defined Event - Lightning or Thunderbolt.

3. Defined Event - Explosion.

We will not pay for **Damage** to boilers and their contents, except for domestic boilers, domestic economisers or domestic vessels under pressure that do not require a certificate to be issued under the terms of any statute or regulation.

4. Defined Event - Earthquake, Subterranean Fire, Volcanic Eruption or Tsunami.

We will not pay the first 1% of the total **Sum Insured** or \$20,000 of **Damage**, whichever is the lesser, subject to a minimum of \$1,000, for **Damage** to the **Property** during any period of 72 consecutive hours.

5. Defined Event - Riots, Civil Commotion and Labour Disturbances.

6. Defined Event - Escape of liquids as a result of bursting, leaking, discharging or overflowing of pipes, tanks, fixed room heating or water apparatus.

We will not pay:

- a) for **Damage** to the pipes, tanks, fixed room heating or water apparatus themselves; or
- b) more than \$5,000 for the cost of:

- i. locating the cause of the **Damage**; and
- ii. rectification of paths or driveways immediately surrounding and adjoining the **Buildings**, if **Damaged** while locating the cause.

Section 3 - Fire and other Defined Events [cont'd]

7. Defined Event - Impact by vehicles or animals.
We will not pay for **Damage** to fencing or animals, caused by animals kept at the **Premises**.
8. Defined Event - Impact by trees, watercraft or aircraft and other aerial devices, including space debris, whether artificially created or not, and articles dropped from them.
We will not pay for **Damage** caused by the impact of trees or parts thereof as a result of felling or lopping.
9. Defined Event - Vandalism or Malicious Damage.
We will not pay for:
- a) **Damage** caused by tenants;
 - b) breakage of glass and signs; or
 - c) **Damage** to growing trees and/or crops.
- We** will pay **you** for **Damage** directly resulting from persons gaining or attempting to gain unlawful entry to the **Premises**, but excluding theft of **Property**.
10. Defined Event - Storm, Tempest, Wind, Rainwater, Hail, Snow or Sleet.
We will not pay for **Damage**:
- a) to gates, fences, retaining and free standing walls whether or not forming part of the **Buildings**, textile awnings, shade cloth, blinds, signs, glasshouses, hot houses, igloos, flimsies and the like;
 - b) to **Property** in the open air unless such **Property** comprises, or is part of, a permanent structure designed to function without the protection of walls or a roof, or unless the **Property** is a **Building**;
 - c) from water seeping, percolating or otherwise penetrating into the **Buildings** as a result of structural defects, faulty design or faulty workmanship in construction;
 - d) caused by water entering the **Buildings**, unless it is through an opening made by the storm;
 - e) by water from or action of the sea, tidal wave, storm surge, high water or **Flood**, except that caused by or arising from tsunami;
 - f) to growing crops, trees or any other plants; or
 - g) caused by erosion, subsidence, landslide, collapse or any other movement of earth.
11. Defined Event - Accidental Damage.
We will pay **you** for **Property Accidentally Damaged**.
- If **your Property** is **Accidentally Damaged**, **we** will not pay more than 20% of the total of the **Sum Insured** at the **Premises** under Fire and other Defined events or \$100,000 for any one claim, whichever is the lesser unless a higher amount is stated in the **Schedule**.
- We** will not pay for **Accidental Damage** caused by or resulting from:
- a) any other Defined Event or Optional Benefit 1 in Section 3;
 - b) civil commotion, or locked-out workers;
 - c) the **Property** or **Stock in Trade's** own fermentation or heating;
 - d) burglary, theft, armed hold up, kidnapping, bomb threat, sabotage, extortion or any threat or attempt thereof;
 - e) any fraudulent or dishonest acts by an **Employee**;
 - f) clerical or accounting errors, or unexplained inventory shortage or disappearance;
 - g) shortages in the supply or delivery of materials to, or by, **you**;
 - h) the action of birds, moths, termites or other insects, vermin, rust or oxidation, mildew, mould, wet or dry rot, corrosion, dampness or dryness of atmosphere, or other variation in temperature, action of light, shrinkage, evaporation, contamination, disease, inherent vice or latent defect, adjusting or servicing operation, loss of weight, change in flavour, colour, texture or finish;

Section 3 - Fire and other Defined Events [cont'd]

- i) smoke, smut, sludge or chemicals from industrial or agricultural operations, but **we** will pay for sudden and unforeseen **Damage** resulting therefrom;
- j) dust, sand, mud or smog, but **we** will pay for sudden and unforeseen **Damage** resulting therefrom;
- k) wear, tear, fading, breakage of fragile articles, scratching or marking, gradual deterioration or developing flaws, cost of normal upkeep or making good;
- l) failure of, error or omission in design, plan, specification or testing;
- m) incorrect siting of buildings, as a result of incorrect design or specification;
- n) faulty materials or faulty workmanship;
- o) normal settling, seepage, heaving, vibration, shrinkage or expansion in buildings, foundations, walls, roofs, ceilings, floors, pavements, roads and other structural improvements;
- p) electrical or magnetic injury, disturbance or erasure of electronic recordings;
- q) **Computer Virus**;
- r) data processing or media failure or breakdown, or malfunction of the processing system;
- s) mechanical, electrical, electronic breakdown or failure or derangement, or boiler or pressure vessel explosion or implosion, but this exclusion is limited to the machine, equipment, boiler or pressure vessel immediately or directly affected;
- t) failure of the supply of water, gas, electricity or fuel;
- u) any order of any government or public or local authority including the confiscation, nationalisation, requisition or **Damage** of any **Property**; or
- v) any other event more specifically excluded in this Section or in the General Exclusions.

We will not pay for **Damage** to:

- a) **Money**;
- b) any **Property** or **Stock in Trade** in transit;
- c) aircraft or watercraft of any kind or description, or **Property** or **Stock in Trade** contained therein;
- d) registered motor vehicles or trailers, or **Property** or **Stock in Trade** contained therein;
- e) railways, locomotive or rolling stock, or **Property** or **Stock in Trade** contained therein;
- f) growing crops or standing timber shrubs or pastures;
- g) animals, birds, fish or any other living thing;
- h) the **Property** or **Stock in Trade** arising out of renovation, repair, installation, testing or alteration, or the **Property** or **Stock in Trade** undergoing construction or erection;
- i) land, dams, reservoirs, canals, tunnels, bridges, docks, piers or wharves not forming part of the **Buildings**;
- j) **Property** or **Stock in Trade** during the course of and as a result of its processing; or
- k) glass.

Basis of Settlement

If you have a valid claim under Section 3, we will, at our option, pay you on the basis set out below.

1. Stock in Trade
For **Stock in Trade** we will **Indemnify you**.
2. Patterns or Designs
We will pay up to:
 - a) 5% of the **Sum Insured** for **Contents**; or
 - b) the amount specified in the **Schedule**;for **Damage** to patterns, models, moulds, plans or designs.

Section 3 - Fire and other Defined Events [cont'd]

3. Work of Art

We will pay up to \$2,000 for **Damage** to any one item, pair, set or collection of curiosities or art, up to a maximum of \$20,000 for any one claim.

4. All Other Property

For all other **Property**, unless otherwise stated in the **Schedule**, **we** will **Reinstate** the **Property** provided that:

- a) replacement, rebuilding or repair is carried out within a reasonable time. This may be at another site providing **our** liability is not thereby increased;
- b) any repair costs do not exceed the **Reinstatement** costs had the **Property** been totally destroyed;
- c) a sum equal to the cost of **Reinstatement** has actually been incurred; and
- d) all other insurances in respect of the **Property** have the same **Reinstatement** wording;

otherwise **we** will **Indemnify you**.

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

Where any state, local or other statutory authority permits the **Reinstatement** of **Buildings** but only subject to:

- i. a reduced plot ratio; or
- ii. the payment of certain fees, contribution or impost;

we will pay, in addition to any amount payable for **Reinstatement**:

- aa) the difference between the actual cost of **Reinstatement** incurred in accordance with the reduced plot ratio and the cost of **Reinstatement** which would have been incurred had a reduced plot ratio not been applicable. Any payment of the difference will be made as soon as the difference is ascertained and certified by the architect acting on **your** behalf in the **Reinstatement** of the **Buildings**; and

- bb) the fee, contribution or other impost payable to any state, local or other statutory authority, where such fee, contribution or impost is a condition precedent to the obtaining of consent to **Reinstate** the **Buildings**.

The Underinsurance provision in General Conditions:

- applies separately to each individual item of **Property**; and
- does not apply to the extra cost described in paragraph c) of the General Definition of **Reinstatement**.

5. 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**.

6. Our Limit of Liability

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

Additional Benefits

If you have a valid claim under Section 3, we will also pay you the following amounts necessarily and reasonably incurred by you, and in addition to the Sum Insured.

1. Professional Fees

We will pay up to:

- a) \$10,000; or
- b) the amount specified in the **Schedule**;

whichever is greater, for professional fees necessarily incurred repairing or reinstating the **Property**, but not for claims preparation.

2. Removal of debris

We will pay up to:

- a) \$10,000; or
- b) the amount specified in the **Schedule**;

Section 3 - Fire and other Defined Events [cont'd]

whichever is greater, for the cost of removal, storage, disposal, demolition or dismantling of debris.

3. Temporary Repair

We will pay up to:

a) \$25,000; or

b) the amount specified in the **Schedule**;

whichever is greater, for the cost of emergency protection, shoring up, underpinning, propping or other temporary repair of the **Property**.

If you are insured under Section 3, we will extend your insurance to include the following Additional Benefits.

4. Undamaged Foundations

Where a **Building** or an installation constructed on its own foundations is **Damaged** as a result of a Defined Event in Section 3 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 3, whichever shall occur later.

5. Discharge of Mortgage

Where the **Sum Insured** is not otherwise exhausted, **we** will pay up to the balance of the **Sum Insured**, the reasonable legal costs to discharge a mortgage or mortgages on **Buildings** or **Contents** following a settlement of a claim made by **you** on the basis of a total loss whether actual or constructive.

When the **Sum Insured** is exhausted, in respect of the discharge of a mortgage on **Buildings** only, **we** will pay up to 10% of the **Sum Insured** for the **Buildings**, following settlement of a claim on the basis of a total loss whether actual or constructive.

6. Exploratory Costs

We will pay the reasonable cost of identifying and locating the source of the **Damage**, where the **Damage** is caused by the discharge, overflowing or leakage from fixed apparatus, fixed appliances, fixed pipes or other systems used to hold or carry liquid of any kind.

We will not pay for the repair or replacement of any apparatus, pipes or other systems which gave rise to the **Damage**.

We will pay up to:

a) \$10,000; or

b) the amount specified in the **Schedule**;

whichever is greater.

7. Government Fees

Provided that the applicable **Sums Insured** for **Buildings** and/or **Contents** are not otherwise exhausted, **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 **Buildings** and/or **Contents** insured under Section 3 that are the subject of **your** claim that **we** have paid. However, **we** will not pay for any fine or penalty imposed by such authorities.

8. Restricted Transit

We will insure **you** for **Damage** caused by Fire, Explosion, Wind or Earthquake to **Property** (other than the property for which **you** are legally responsible, or have assumed a responsibility to insure) in transit anywhere in Australia.

Cover under this Additional Benefit will not apply when cover is available under Additional Benefit 12 Temporary Removal (including when the limit under Additional Benefit 12 Temporary Removal has been exhausted).

We will pay up to:

a) 10% of the **Sum Insured** for **Contents** and **Stock in Trade**; or

Section 3 - Fire and other Defined Events [cont'd]

b) \$10,000;

whichever is the lesser.

9. Playing Surfaces

We will pay up to the amount stated in the **Schedule** for "Playing Surfaces" for the cost of repairing **Damage** to outdoor playing surfaces at the **Premises** caused by:

- a) Defined Event (1) – Fire; or,
- b) Defined Event (9) – Vandalism or Malicious Damage; or,
- c) the actions of fire fighting services, police and/or other emergency services in attending to their duties at the **Premises**.

10. Seasonal Increase in Sum Insured for Stock in Trade

We will increase the **Sum Insured** for **Stock in Trade** by 30% or \$75,000, whichever is the lesser amount, during the following periods:

- a) for 60 days prior to Christmas Day and for 21 days following Christmas Day; and
- b) for 35 days prior to Easter Tuesday.

11. Stock in Trade while in Transit

If **Stock in Trade** is specified as insured in the **Schedule**, **we** will pay up to \$1,000 for any one load of **Stock in Trade** lost or **Damaged**:

- a) while in transit, anywhere in the Commonwealth of Australia, between a wholesaler's premises and the **Premises**, 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.

12. Temporary Removal

If **Stock in Trade** and **Contents** are specified as insured in the **Schedule**, **we** will insure them for **Damage**:

a) while temporarily removed from the **Premises** to any other **Premises** anywhere within the Commonwealth of Australia, including while in transit; and

b) while in transit, cover is limited to any damage from Fire, **Flood**, collision or overturning of the vehicle or trailer; and

c) while temporarily stored, as a result of a Defined Event in Section 3.

The **Sum Insured** for the **Stock in Trade** and **Contents** remaining at the **Premises** will be reduced accordingly by the amount of such items.

We will not pay:

- a) more than 10% of the **Stock in Trade** or **Contents Sum Insured** specified in the **Schedule** for each; or
- b) if the **Stock in Trade** or **Contents** have been removed for a period greater than 90 days; or
- c) if the **Damage** is caused by Defined Event (10) Storm, Tempest, Wind, **Rainwater**, Hail, Snow or Sleet while the **Stock in Trade** or **Contents** are in the open; or
- d) if the **Stock in Trade** or **Contents** are located outside of Australia.

13. Alterations and Additions

If **you** make alterations or additions to the **Property** during the **Period of Insurance**, **we** will increase the **Sum Insured** by the amount of the value of the alterations/additions, for all **Property** other than **Stock in Trade**, up to a maximum of:

- a) 10% of the original **Sum Insured**; or
- b) \$500,000

whichever is the lesser.

14. Fire Extinguishing Costs

We will pay up to:

- a) \$25,000; or

Section 3 - Fire and other Defined Events [cont'd]

b) the amount specified in the **Schedule**;

whichever is greater, for the cost of:

- i. the wages of **your Employees** other than full time members of a fire brigade;
- ii. replenishment of fire fighting appliances; and
- iii. the destruction of or **Damage to Employees'** clothing not more specifically insured under this **Policy**;

resulting from the fighting of fire at or in the immediate vicinity of the **Premises**.

15. Cost of Restoring Records and Books

We will pay up to:

a) \$25,000; or

b) the amount specified in the **Schedule**;

whichever is greater, for the cost of restoring **your** records and books of account **Damaged** as a result of a Defined Event in Section 3.

16. Directors', Proprietors', Partners' and Employees' Personal Property

We will pay up to:

a) \$5,000 in respect of any one director or **Employee**; and

b) up to a maximum of \$20,000 in total during the **Period of Insurance** for the cost of directors' and **Employees'** tools of trade and personal property, other than **Money**:

- i. on the **Premises**;
- ii. used in connection with the **Business**; and **Damaged** as a result of a Defined Event in Section 3.

17. Loss to you as Owner or Landlord

We will pay up to the **Buildings Sum Insured** for loss to **you**, as owner or landlord, arising from **Damage** to the **Buildings**, caused by theft or attempted theft during the **Period of Insurance**.

We will not pay for **Damage**:

- i. to glass, or
- ii. as a result of **Burglary** or **Theft**.

18. Landscaping

We will pay up to \$10,000 for loss to **you**, as owner or landlord, arising from **Damage** to landscaping, caused by the Defined Events other than Storm, Tempest, Wind, **Rainwater**, Hail, Snow or Sleet, and only for **Damage** occurring during the **Period of Insurance**.

19. Provisional Cover for Additional Premises

We will insure **you** for all property within Australia that you acquire 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 occurs first), but the cover is limited to:

a) the **Business**, and

b) the **Property**.

We will pay up to:

- i. 10% of the highest **Sum Insured** shown in the **Schedule** in relation to each item of **Property**; or
- ii. \$100,000;

whichever is the lesser.

If **you** acquire any additional property during the **Period of Insurance**, **you** must notify **us** in writing within 30 days from **you** first using the additional property. If **we** agree to insure the additional property, **you** must pay any additional premium requested by **us**. If **you** do not pay the additional premium, **we** will not indemnify **you** for **Damage** to the additional property.

20. Loss of Land Value

If, after **we** have paid a claim for **Damage** to **your Property** at **your Premises** and provided that **you** own the **Premises**, the requirements of any statute or regulation or any municipal or statutory authority do not allow rebuilding, or only allow partial rebuilding at the **Premises**, **we** will pay the difference between the land value after such rebuilding and the land value before the **Damage**.

Section 3 - Fire and other Defined Events [cont'd]

We will pay up to:

- a) 10% of the **Sum Insured** for **Buildings** at the **Premises** where the **Damage to your Property** occurred; or
- b) \$100,000;

whichever is the lesser, less any sum paid by anyone to **you** by way of compensation in relation to **Damage to your Property** at the **Premises**.

Specific Exclusions

We will not pay **you** under Section 3 in the following circumstances:

1. Sea
We will not pay for **Damage** caused directly or indirectly by the action of the sea or tidal wave.
2. Earth Movement
We will not pay for **Damage** caused directly or indirectly by erosion, subsidence, landslide or other earth movement.
3. Flood
We will not pay for **Damage** caused directly or indirectly by **Flood**, unless **you** have Optional Cover under Section 3.
4. Hazardous Goods
We will not pay for **Damage** caused directly or indirectly from circumstances where **you** are in breach of any law, by-law, municipal or other public body regulation dealing with the storage of hazardous goods on the **Premises**.
5. Cessation of Work
We will not pay for **Damage** caused directly or indirectly by cessation of work.
6. Documents or Business Books
We will not pay for **Damage** to documents, manuscripts, or **Business** books, except for the cost of restoring **your** records and books of account as provided for in Section 3 Additional Benefit, clause 15.
7. Jewellery, Furs and other Precious Items
We will not pay for **Damage** to jewellery, precious stones, precious metals, bullion, furs or stamps.
8. Explosives
We will not pay for **Damage** to explosives.
9. Underinsurance
We will not pay for loss of any kind due to underinsurance under any section of this **Policy**, or any other policy of insurance.

Optional Cover

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

1. Flood
We will pay **you** if the **Property** at the **Premises** is **Damaged** during the **Period of Insurance** as a result of a **Flood**.
2. Loss of Rent
We will pay for loss of rent receivable while the **Premises** are untenable as a result of the **Property** being **Damaged** by a Defined Event in Section 3 at the **Premises** during the **Period of Insurance**.
3. Book Debts
We will:
 - a) pay **you** for **your** customers' outstanding debts, being **Money** owed for goods purchased from **you** or services rendered by **you** on credit, which **you** would normally have collected and **you** are unable to recover directly due to the **Damage to your** books of account by a Defined Event insured in:
 - i. Section 3 for Fire and Other Defined Events; or
 - ii. Section 5 for Burglary;occurring at the **Premises** and during the **Period of Insurance**;
 - b) pay for the cost of reasonable accountants' fees for certifying any claims under this Optional Cover; and
 - c) make allowance for demonstrable trends of the **Business** at the time of **Damage to your** books of account.