



STEADFAST BUSINESS INSURANCE



SUASBI.0323

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About This Booklet

This booklet contains 2 separate sections:

General 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.

Policy Wording

The Policy Wording details the terms, conditions and exclusions relating to the policy. It forms part of your legal contract with us.

If we issue you with an insurance policy, 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 Wording.

The Policy Wording and the schedule we send 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 your Steadfast broker.

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

From time to time and where permitted by law, we may change parts of the policy. We will issue you with an endorsement or other document to update the relevant information except in limited cases. Any updates which are not materially adverse to you from the view of a reasonable person deciding whether to buy this insurance, may be found on the Sports Underwriting Australia's website at www.sportsunderwriting.com.au.

You can obtain a paper copy of updated information without charge by contacting your Steadfast broker.

About Steadfast

Steadfast Group Limited (Steadfast) is a public company. It includes a large network of insurance brokerages who operate in Australia as Steadfast Brokers. This policy is available exclusively to you through a Steadfast broker. Steadfast Group Limited does not issue, guarantee or underwrite this policy.

Important information about Steadfast's advice

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

About Sports Underwriting Australia

Sports Underwriting Australia Pty Ltd (ABN 53 119 852 096, AFSL No. 302484) ('Sports Underwriting Australia') acts under a binding authority provided by the Insurer, Pacific International Insurance Pty Limited (Pacific), to administer and issue policies, alterations, and renewals on their behalf. In all aspects of arranging this Policy, Sports Underwriting Australia acts as an agent of Pacific and not as agent for you.

Sports Underwriting Australia's contact details are:

Office: 46 Kilby Road, Kew East, VIC 3102

Mail: PO Box 288, Kew East, VIC 3102

Phone: 03 8862 2600

Website: www.sportsunderwriting.com.au

Who is the insurer

This Policy is underwritten and issued by Pacific International Insurance Pty Limited (ABN 83 169 311 193, AFSL No. 523921) (Pacific) PO BOX 550, Kotara, NSW 2289.

If you require further information about this insurance or wish to confirm a transaction, please contact Sports Underwriting Australia.

General Information

The information contained in this part is general information only and does not form part of your contract with us.

Important Information

This is a legal contract between you and us. You have paid, or agreed to pay, us the premium and we provide the cover specified in this Policy and as set out in your Schedule.

The terms, conditions and provisions of the insurance we offer you are set out in this Policy. It is important that you:

- read all of the Policy before you buy it to make sure that it gives you the protection you need;
- are aware of the limits on the cover provided and the amounts we will pay you (including any excess that applies); and
- are aware of the definitions in your Policy. You will find definitions throughout your Policy. The definitions within the section, "General Definitions" apply to all parts of the Policy.

You must comply with all provisions of this Policy, otherwise we may be entitled to refuse to pay a claim or reduce the amount you are entitled to receive to the extent we have been prejudiced by your failure.

The Policy is in force for the Period of Insurance set out in your Schedule or until cancelled.

For the limits on the cover provided:

- some of these will be stated in the Policy itself (these are our standard policy limits); and
- the remainder will be stated in your Schedule.

From time to time and where permitted by law and before you enter into the Policy, we may change parts of the Policy. We will issue you with an endorsement or other document to update the relevant information except in limited cases.

Any updates which are not materially adverse to you from the view of a reasonable person deciding whether to buy this insurance, may be found on the Sports Underwriting Australia's website at www.sportsunderwriting.com.au.

You can obtain a paper copy of updated information without charge by contacting your Steadfast broker.

In issuing this Policy to you, we have relied upon the Proposal you have already completed.

Sports Underwriting Australia

Sports Underwriting Australia Pty Ltd (ABN 53 119 852 096, AFSL No. 302484) ('Sports Underwriting Australia') acts under a binding authority provided by the Insurer, Pacific International Insurance Pty Limited (Pacific), to administer and issue policies, alterations, and renewals on their behalf. In all aspects of arranging this Policy, Sports Underwriting Australia acts as an agent of Pacific and not as agent for you.

Sports Underwriting Australia's contact details are:

Office: 46 Kilby Road, Kew East, VIC 3102

Mail: PO Box 288, Kew East, VIC 3102

Phone: 03 8862 2600

Website: www.sportsunderwriting.com.au

Important information about Sports Underwriting Australia's advice

Any advice Sports Underwriting Australia gives about this policy is General Advice only. General Advice is advice that has been prepared without considering your individual objectives, financial situation or needs. For this reason, before you act on this General Advice, you should consider the appropriateness of the General Advice having regard to your individual objectives, financial situation and needs.

Before you make any decisions about whether to acquire this Policy, Sports Underwriting Australia recommends you read this booklet.

The Insurer

This Policy is underwritten and issued by Pacific International Insurance Pty Limited (ABN 83 169 311 193, AFSL No. 523921) (Pacific) PO BOX 550, Kotara, NSW 2289.

Duty of Disclosure

If you are not a natural person, before you enter into an insurance contract, you have a duty to tell us anything that you know, or could reasonably be expected to know, may affect our decision to insure you and on what terms.

You have this duty until we agree to insure you.

You have the same duty before you renew, extend, vary, or reinstate an insurance contract.

You do not need to tell us anything that:

- reduces the risk we insure you for; or

- is common knowledge; or
- we know or should know as an insurer; or
- we waive your duty to tell us about.

If you do not tell us something

If you do not tell us anything you are required to, we may cancel your contract or reduce the amount we will pay you if you make a claim to the extent, we have been prejudiced by your failure, or both.

If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

Where the Marine Insurance Act 1909 applies

If you do not tell us anything you are required to, we may avoid your contract and treat it as if it never existed.

Who needs to tell us

It is important that you understand that you are answering our questions in this way for you and anyone else whom you want to be covered by the policy.

For individuals

If you are a natural person, a different duty of disclosure to the one set out above applies to you. Please contact your intermediary so that you can be informed of the duty of disclosure that applies to you.

Cooling-off period

If, after reading your Policy, you are not satisfied with the cover, you may cancel your Policy within 14 days of receiving it and obtain a full refund less any non-refundable government charges and taxes that we have paid. You may notify us in writing or electronically.

If you make a claim for any incident within the 14-day period, you must pay your annual premium in full.

If your Policy is for an event that will finish within the 14-day cooling off period, you can only exercise your right to cancel before the event starts.

Significant Features and Benefits

This Policy incorporates nine different Sections of cover. Each Section only applies if you have selected it during the application process and the cover has been agreed by us as specified on your Schedule. You should check your Schedule to ensure that you have the Sections and extent of cover you require. The available Sections are:

- Section 1: Business Property Cover
- Section 2: Business Interruption Cover
- Section 3: Theft Cover
- Section 4: Money Cover
- Section 5: Glass Cover
- Section 6: Transit Cover

- Section 7: Electronic Cover
- Section 8: Machinery Cover
- Section 9: General Property Cover

Your Policy and the basis of our agreement with you is the Policy Wording, your Schedule, and the endorsements, if any, noted in the schedule or granted by us after inception of the Policy, any other documents we tell you form part of the Policy, and the information given to us on behalf of you in the Proposal.

The Schedule activates the cover under your Policy and indicates which Sections are included and which property is insured and if you pay the Premium, we will provide you with the cover. Any variation to your Policy will be shown on, or attached to, the Schedule. The General Definitions, General Conditions and General Exclusions apply to all Sections of your Policy. When your Policy is renewed for a further term we will provide you with a new Schedule.

Words defined in the General Definitions have the same meaning wherever they appear in your Policy. Words defined in individual Sections have that meaning wherever they appear in that Section. Where any word is defined every derivative of that word has a corresponding meaning.

We will only be liable for occurrences giving rise to a claim within the Period of Insurance shown on your Schedule.

Significant Risks

Duty of disclosure

You are obliged to provide reliable information and to comply with your Duty of Disclosure on page 5, which outlines your disclosure obligations and the consequences of not complying with these obligations.

Underinsurance / average

Section 1: Business Property Cover and Section 2: Business Interruption Cover are subject to Underinsurance / average provisions. The effect of these provisions is that if, at the time of loss the Sum Insured is less than the full value of the property or revenue / gross profit insured, then you could be called upon to bear a proportionate amount of the loss accordingly. To avoid the possibility of having to bear a portion of any claim you should ensure that you are fully covered at all times.

Conditions, exclusions and policy limits

Read this booklet carefully so that you are fully aware of the cover provided by the Policy and the conditions, exclusions and limits that apply to your insurance.

Failure to pay your insurance premium

For your insurance to remain operational you must pay the insurance Premium by the due date.

Privacy Statement

In this Privacy Statement the use of 'We', 'Us' and 'Our' means Pacific and Sports Underwriting Australia unless specified otherwise.

We are committed to protecting your privacy. We are bound by the obligations of the *Privacy Act 1988* (Cth). This sets out basic standards relating to the collection, use, storage, and disclosure of personal information.

The primary purpose for Our collection, use, storage, and disclosure of your personal information is to enable Us to provide insurance services to you.

We need to collect, use and disclose your personal information (which may include sensitive information) to consider Your application for insurance and to provide the cover you have chosen, administer the insurance and assess any claim. You can choose not to provide Us with some of the details or all your personal information, but this may affect Our ability to provide the cover, administer the insurance or assess a claim.

We may disclose the personal information We collect to third parties who assist Us in providing the above services, such as related entities, distributors, agents, insurers, reinsurers, and service providers. Some of these third parties may be located outside of Australia, for example Barbados or the Republic of Ireland. In all instances where personal information may be disclosed to third parties who may be located overseas, We will take reasonable measures to ensure that the overseas recipient holds and uses your personal information in accordance with the consent provided by you and in accordance with Our obligations under the *Privacy Act 1988* (Cth).

Personal Information will be obtained from individuals directly where possible and practicable to do so. Sometimes it may be collected indirectly (e.g. from your insurance intermediary or co-insureds).

If you provide personal information for another person you represent to Us that:

- you have the authority from them to do so and it is as if they provided it to Us;
- you have made them aware that you will or may provide their personal information to Us, the types of third parties We may provide it to, the relevant purposes We and the third parties We disclose it to will use it for, and how they can access it. If it is sensitive information, We rely on you to have obtained their consent on these matters. If you have not done or will not do either of these things, you must tell Us before you provide the relevant information.

You are entitled to access your personal information and request correction if required.

By providing Us with your personal information, you consent to Our collection, use and disclosure, as outlined above and

in accordance with Sports Underwriting Australia's Privacy Policy.

This consent remains valid unless you alter or revoke it by giving written notice to Sports Underwriting Australia's Privacy Officer. Should you wish to withdraw your consent, We may not be able to provide insurance services to you.

Sports Underwriting Australia's Privacy Policy sets out how:

- Sports Underwriting Australia protects your personal information;
- you may access your personal information;
- you may correct your personal information held by Us;
- you may complain about a breach of the *Privacy Act 1988* (Cth) or Australian Privacy Principles and how Sports Underwriting Australia will deal with such a complaint.

If you would like additional information about privacy or would like to obtain a copy of the Privacy Policy, please contact Sports Underwriting Australia's Privacy Officer by:

Email: privacy@sportsunderwriting.com.au

Phone: +61 3 8862 2600

Mail: PO Box 288, Kew East, VIC 3102

You can download a copy of Sports Underwriting Australia's Privacy Policy by visiting www.sportsunderwriting.com.au.

Complaints and Dispute Resolution Process

Sports Underwriting Australia and Pacific are committed to meeting and exceeding clients' expectations whenever possible and would like to know if your expectations have not been met. You are entitled to make a complaint about any aspect of your relationship with Sports Underwriting Australia or Pacific including the conduct of its agents and authorised representatives. Sports Underwriting Australia and Pacific will attempt, in good faith, to resolve any complaint /dispute in a fair, transparent and timely manner.

What is a complaint: A complaint is an expression of dissatisfaction made to or about us, related to our products, services, staff, or the handling of a complaint, where a response or resolution is explicitly or implicitly expected, or legally required.

The complaints process described below does not apply to your complaint if Sports Underwriting Australia resolve the complaint to your satisfaction by the end of the 5th business day after your complaint was received by Sports Underwriting Australia, or in the circumstances where we are unable to take any further action to reasonably address the complaint and we have explained the circumstances to you. The exemption to the complaints process does not apply to complaints regarding a declined claim, the value of a claim, financial hardship or in the circumstances where a written response is requested.

This policy complies with the General Insurance Code of Practice and any relevant Australian Securities and Investments Commission (ASIC) guidelines. Vulnerability Support and Financial Hardship Financial Hardship involves an inability of the customer to pay a debt, rather than an unwillingness to do so. Financial Hardship can arise from a variety of situations and can be either of limited duration or long term.

If we are informed that you are experiencing Financial Hardship, we are required to supply you with an application form for Financial Hardship assistance and contact details for the National Financial Counselling hotline 1800 007 007.

We will review any applications for Vulnerability Support and/or Financial Hardship in accordance with Part 9 (Supporting customers experiencing vulnerability) and Part 10 (Financial Hardship) of the General Insurance Code of Practice and any applicable guidelines.

1. Internal dispute resolution process (IDR)

1.1 What to do if you have a complaint

Complaints may be referred by either email, telephone or mail:

E: info@sportsunderwriting.com.au

T: + 61 3 8862 2600

M: Service Feedback
PO Box 288, Kew East, VIC 3102

To allow Sports Underwriting Australia to consider your complaint the following information needs to be provided (where available):

Australian Financial Complaints Authority contact details are:

- Name, address, email and telephone number of the policyholder;
- Policy number, claim number and product type;
- Name and address of the insurance intermediary through whom the policy was obtained;
- Reasons why you are dissatisfied and an explanation of the situation that led to the complaint; and
- Copies of any supporting documentation you believe may assist Sports Underwriting Australia in addressing your complaint appropriately.

1.2 How Sports Underwriting Australia will handle your complaint

Sports Underwriting Australia aim to acknowledge receipt of your complaint by either telephone, email, social media channels or letter within 1 business day and advise the name and contact details of the employee assigned to liaise with you.

Sports Underwriting Australia will respond to your complaint in writing within 30 calendar days of first being notified of the complaint, provided Sports Underwriting Australia have all the necessary information and have completed any necessary investigations.

Sports Underwriting Australia will keep you informed of the progress no less than every 10 business days unless it is resolved earlier.

If Sports Underwriting Australia is unable respond within 30 calendar days, Sports Underwriting Australia will provide you with an Internal Dispute

Resolution Delay Notification outlining the reasons for the delay and your right to complain to the Australian Financial Complaints Authority (AFCA) if you are dissatisfied.

2. External dispute resolution process (EDR)

2.1 Australian Financial Complaints Authority

If Sports Underwriting Australia response following the IDR process does not resolve your complaint to your satisfaction, or if Sports Underwriting Australia have not resolved your complaint within 30 calendar days of the date Sports Underwriting Australia first received your complaint, you can seek an external review via the insurer's external dispute resolution scheme administered by AFCA. AFCA is for customers and third parties as allowed under its Rules.

There may be occasions when Sports Underwriting Australia determine that a complaint should be referred to AFCA for resolution. If this is the case your consent would be obtained before any referral is made to AFCA.

AFCA is an independent national scheme for consumers, free of charge and aimed at resolving disputes between the insured and their insurance intermediary/insurer. AFCA can advise you if your dispute falls within their Rules.

Determinations made by AFCA are binding on the intermediary/insurer, where relevant. If you would like to refer your dispute to AFCA, you must do so within 2 years of the final decision from IDR. AFCA may still consider a dispute lodged after this time if AFCA considers that exceptional circumstances apply.

T: 1800 931 678

E: info@afca.org.au

M: Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001

W: www.afca.org.au

2.2 Process

If you choose to lodge your dispute with AFCA, they will contact Sports Underwriting Australia and ask for a response from both parties. Response times requested by AFCA vary depending on the situation.

If AFCA advises you that their Rules do not extend to you or your dispute, you can seek independent legal advice or access any other external dispute resolution options that may be available to you.

Policy Wording

Our agreement with you

We agree to provide **you** with the insurance cover set out in each of the Sections in the **Policy Wording** where:

- **you** paid or agree to pay the **Premium** required for this insurance; and
- the Section has been agreed by **us** as specified on **your Schedule**.

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

We will not pay any more than the **Sum Insured** for each Section or item which is specified in the **Policy** and/or on **your Schedule**.

We will not pay the **Excess(es)** specified in the **Policy** or on **your Schedule**. If any loss or damage leads to a claim under more than one Section under this **Policy**, **you** must pay the highest applicable **Excess**, but **you** only need to pay one **Excess**.

Your Policy

Your Steadfast Business Insurance Policy consists of the **Policy Wording** in this booklet, **your Schedule** we give **you** and any document we tell **you** forms part of the **Policy** (such as endorsements).

Please read **your Policy** carefully to satisfy **yourself** that it provides the cover **you** require.

If **you** want more information about any part of **your Policy**, please ask **us**, or **your** Steadfast broker.

You should keep **your Policy Wording** and **Schedule** together in a safe and convenient place for future reference.

The cost of the Policy and paying for the insurance

Premium

All cover is subject to the payment of **Premium** and the terms, conditions, exclusions and provisions of this **Policy**. The **Premium** payable by **you** will be specified in **your Schedule**.

The **Premium** is calculated taking into consideration a number of risk factors including the items insured and their value, the **Excess** chosen, the **Sums Insured** and **your** previous insurance history. **Premiums** are subject to government charges, taxes and levies where applicable. They can include **GST**, stamp duty, and any other charges.

Non-Payment of Premium

If **you** fail to pay the **Premium** within the period of time stipulated in the quotation or within 90 days of inception of the **Policy**, whichever occurs first, ("the due date") or if the payment method is dishonoured and therefore **we** have not received the payment by the due date, **we** will have the right to cancel the **Policy**. Unless **we** tell **you**, any payment reminder **we** send does not change the expiry of the cover or the due date of the **Premium**.

Other costs, fees and charges

Other costs, fees and charges which may be applicable to the purchase of this **Policy** include:

Commission: Sports Underwriting Australia may receive a commission payment from **us** when the **Policy** is issued, varied or renewed. For details of the relevant commission paid, please refer to the Financial Services Guide or contact Sports Underwriting Australia directly.

Agency Fee: An agency fee may be charged by Sports Underwriting Australia for administration and compliance costs associated with Sports Underwriting Australia's role in the distribution of this product. This agency fee is in addition to the **Premium** and is noted separately in the **Schedule** issued. The agency fee is not refundable in the event of cancellation unless the **Policy** is cancelled within the cooling-off period or is a full-term cancellation. For details of the Agency Fee payable, please refer to the Financial Services Guide or contact Sports Underwriting Australia directly.

Preventing our right of recovery

Subject to the *Insurance Contracts Act 1984* (Cth) if **you** have agreed not to seek compensation from another person who is liable to compensate **you** for any loss, damage or liability which is covered by this **Policy**, **we** will not cover **you** under this **Policy** for that loss, damage or liability.

Underinsurance / average

The following sections of cover of the **Policy**:

- Section 1: Business Property Cover
- Section 2: Business Interruption Cover

contain underinsurance / average provisions which require **you** to insure for full value.

If **you** do not, **we** may pay **you** a lower amount after taking into account the proportion of underinsurance / average or **you** may be required to pay a portion of the loss **yourself**.

Words with special meanings

Words with special meanings will be seen throughout **your Policy** in bold lettering. Please refer to the following definitions for the meaning we give these words.

The singular includes the plural and vice versa, unless the context otherwise requires.

A reference to a person includes a body corporate, an unincorporated body or other entity.

Headings are for convenience only and do not affect interpretation. Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.

General Definitions

The following definitions apply to all Sections of the **Policy**:

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

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

Aircraft means any craft or object designed to travel through air or space.

Business Hours means when **you** or any of **your** employees are at the **Business Premises** for the purpose of conducting **your Business**.

Business Premises means the buildings, outbuildings, yards and land used by **you** for **Your Business** at the **Situation**.

Business Property means **Buildings, Contents, Stock** or **Other Items** shown as insured on **your** current **Schedule** with a specific **Sum Insured**, and used in **Your Business**. In respect of Section 3: Theft Cover, **Business Property** also means **Tobacco Products** shown as insured on **your** current **Schedule** with a specific **Sum Insured**, and used in **Your Business**.

Computer Virus means an executable program or computer code segment that is self-replicating, requires a host program or executable disc segment in which it can be

contained and which destroys or alters the host program or other computer code or data causing undesired program or computer system operation.

Excess means the amount specified on **your Schedule**, in the **Policy Wording**, or an endorsement to **your Policy** that **you** must pay in respect of each event or occurrence giving rise to a claim, or the loss applicable to a specified period of time, expressed as an **Excess**.

Family means any member of **your** family who lives permanently with **you**.

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

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

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

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

Other Items means property specified as insured on **your Schedule** with a specific **Sum Insured**, belonging to **you** or for which **you** are responsible for.

Period of Insurance means the time cover commenced to the time cover expires. The dates are specified on **your Schedule** unless ending earlier in accordance with law or the **Policy**. Unless stated otherwise, cover shall expire at 4.00pm local time at the place where **you** arranged the cover.

Policy means this **Policy Wording**, **your Schedule**, and the endorsements, if any, noted in the **Schedule** or granted by **us** after inception of the **Policy**, any other documents **we** tell **you** form part of the **Policy**, and the information given to **us** on behalf of **you** in the **Proposal**.

Proposal means the form completed by **you** giving answers, particulars, and statements in respect of the insurance required by **you**.

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

Schedule means the most current **Schedule** of insurance or any future renewal **Schedule**, including any endorsements issued by **us** in connection with this **Policy**.

Situation means the **Situation** specified on **your Schedule**.

Stock means:

- a. products and material **you** intend to sell;
- b. raw or consumable materials used by **you** to make or alter **your** products;
- c. **your** products while being made, repaired or altered;
- d. any consumable products or materials used in **Your Business**;
- e. goods for which **you** are responsible.

Under Section 3: Theft Cover, **Stock** does not include **Tobacco Products**.

Subsidiary Company means any company in which **you** have a controlling interest. For the purpose of this definition the term 'controlling interest' shall mean the beneficial ownership of shares carrying more than 50% of votes capable of being cast at a general meeting of all shareholders of the company.

Sum Insured means the amount specified on **your Schedule**. At all times, **our** liability is limited to the **Sum Insured** specified on **your Schedule** and shall apply in addition to, and shall not be reduced by, the amount of any applicable **Excess** unless otherwise stated in the applicable Section.

Tobacco Products means stock consisting of cigarettes, tobacco or cigars, specified as insured on **your Schedule** with a specific **Sum Insured**, belonging to **you** or for which **you** are responsible for and used in **Your Business**.

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

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

We, Us, Our, the Insurer means Pacific International Insurance Pty Limited acting through its agent Sports Underwriting Australia Pty Ltd.

You, Your means the person(s), companies or firms specified on **your Schedule** as the 'Insured'.

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

General Conditions

The following conditions apply to all **Sections** of the **Policy**.

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

Accountancy records

You must within a reasonable period of time provide to **us** all books of account, business books and other documents as may be required to investigate or verify claims. If **you** do not, **we** may refuse to pay or may reduce the amount of a claim.

Assistance and co-operation

You shall co-operate with **us** and upon **our** reasonable request, assist in making settlements, in the conduct of lawsuits and in enforcing any right of contribution or indemnity against any person or organisation who may be liable to **you** because of damage or bodily injury with respect to which insurance is afforded under the **Policy**. In that regard, **you** may be requested to attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

Bankruptcy or insolvency

In the event that **you** should become bankrupt or insolvent, **we** shall not be relieved thereby of the payment of any claims hereunder because of such bankruptcy or insolvency.

In case of execution against **you** of any final judgment covered by this **Policy** being returned 'unsatisfied' by reason of such bankruptcy or insolvency, then an action may be maintained by the injured party or their representative against **us** in the same manner, and to the same extent as **you** but not in excess of the **Sum Insured**.

Cancellation

You may cancel this **Policy** at any time by notifying **us** in writing. **You** can do this by giving the notice to **your** Steadfast broker.

The cancellation will take effect from 4:00pm on the day **we** receive **your** written notice of cancellation or such time as may be otherwise agreed.

We will only cancel the **Policy** or any Section thereof, for any of the reasons set out in Section 60 of the *Insurance Contracts Act 1984* (Cth). Cancellation by **us** takes effect from 4:00pm on the day which is three (3) business days from the date **we** notify **you** in writing.

If the **Policy** is cancelled, **we** will refund the **Premium** for the **Policy** less a pro-rata proportion of the **Premium** to cover the period for which insurance applied and less any non-refundable government charges, taxes and levies.

However, **we** may not refund any **Premium** if **we** have paid a claim or benefit under the **Policy**.

Sports Underwriting Australia may not refund any applicable agency fee if the **Policy** has been cancelled outside the cooling-off period.

Premium funders

If the **Premium** has been funded by a premium funding company which holds a legal right over the **Policy** by virtue of a notice of assignment and irrevocable power of attorney, a refund will be made to the premium funding company of the proportionate part of the **Premium** applicable to the unexpired **Period of Insurance** less taxes and duties **we** cannot recover.

Claim preparation expenses

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

However, before **you** incur these claim preparation costs **you** need to obtain **our** written approval, **we** will not unreasonably withhold consent.

This benefit is in addition to any **Sum Insured**.

Claims procedures

- a. As soon as reasonably possible after the happening of any occurrence, accident or event that may give rise to a claim under this **Policy** **you** must:
 - i. advise details to **us**, and then send written confirmation as soon as reasonably possible;
 - ii. take all reasonable steps to minimise the loss, damage or liability, and to prevent any further loss, damage or liability. **We** will not be liable in respect of any further damage arising out of the continued use of damaged property, until such property is repaired to **our** satisfaction;
- iii. use best endeavours to preserve any damaged or defective appliances, plant or things that might prove necessary or useful by way of evidence in connection with any claim and, so far as possible, with due regard for safety, no alteration or repair shall be made without **our** consent;
- iv. retain all damaged property for inspection by **us**, provided it is reasonable and safe to do so;
- v. advise the nearest police station in the case of property lost, stolen or vandalised, and obtain a written police report if requested by **us** and in the event the police station is unable assist **you** please contact **us** to discuss alternatives;
- b. Where a claim arises, **you** must not authorise repairs to, or arrange replacement of, any of the property relevant to the claim without **our** consent other than as provided for under a.iii) above.
- c. Subject to the provisions of the *Insurance Contracts Act 1984* (Cth), **you**, or any person making a claim under this **Policy**, must not make any admission of liability or payment or promise or offer of payment in connection with any such claim, without **our** written consent.
- d. At **your** own expense, **you** will provide **us** with such books of account and **Your Business** books, computer records, vouchers, invoices, balance sheets, and other documents, proofs, information, explanations, and other evidence together with a statutory declaration as **we** may reasonably require for the purpose of investigating or verifying a claim under this **Policy**. **We** will only request information and assistance where relevant to handling the claim and will explain why the information and assistance is required.
- e. **You**, or any other person entitled to claim under this **Policy**, must furnish **us** with a statement giving details of other insurances that may also provide cover on any property or liability hereby insured.
- f. If **we** agree to indemnify **you** under any Section of this **Policy** in respect of a claim, **we** may make progress payments to **you** on account of that claim at such intervals and for such amounts as may be mutually agreed.
- g. Where **we** make a payment under this **Policy** for the acquisition of goods, services, or other supply, **we** will reduce the amount of the payment by the amount of any input tax credit that **you** are, or will be, or would have been entitled to under *A New Tax System (Goods and Services Tax) Act 1999*(Cth), in relation to that acquisition, whether or not that acquisition is actually made.

Where **we** make a payment under this **Policy** as compensation instead of payment for the acquisition of goods, services, or other supply, **we** will reduce

the amount of the payment by the amount of any input tax credit that **you** would have been entitled to under *A New Tax System (Goods and Services Tax) Act 1999* (Cth) had the payment been applied to acquire such goods, services or other supply.

Claims reporting

You must give **us** notice in writing of any loss or damage as soon as reasonably practicable.

Such notice must be sent to Sports Underwriting Australia:

Email: claims@sportsunderwriting.com.au

Mail: Claims Team, PO Box 288, Kew East, VIC 3102

A failure to furnish **us** with notice within the time provided in the **Policy** will not invalidate any claim but **we** may reduce **our** liability under the **Policy** to the extent to which **we** have suffered any prejudice due to such failure.

Designation of property

For the purpose of determining under which Item any property is insured, **we** agree to accept the designation under which such property appears in **your** books of account.

Provided always that this General Condition shall not apply to Section 3: Theft Cover with respect to **Tobacco Products**.

Furthermore, under Section 3: Theft Cover, **Stock** does not include **Tobacco Products**.

Excess

If more than one **Excess** can be applied to one occurrence, then **you** will only need to pay the highest **Excess**. **Sums Insured** and sub-limits of liability shall apply in addition to, and shall not be reduced by, the amount of any applicable **Excess** unless otherwise stated in the applicable Section.

Governing Law

This **Policy** is to be governed by the laws of Australia and the State or Territory where the **Policy** was issued. The relevant courts of the place where the **Policy** was issued shall have jurisdiction in any dispute concerning or under this **Policy**.

GST basis of settlement

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

When **we** pay a claim, **your** GST status will determine the amount **we** pay.

When **you** are:

- a. not registered for GST, the amount **we** pay is the **Sum Insured** or the other limits of insurance cover including GST;
- b. registered for GST, **we** will pay the **Sum Insured** or the other limits of insurance and where **you** are

liable to pay an amount for GST in respect of an acquisition relevant to **your** claim (such as services to repair a damaged item insured under the **Policy**) **we** will pay for the GST amount.

We will reduce the GST amount **we** pay by the amount of any Input Tax Credits to which **you** are or would be entitled if **you** made a relevant acquisition. In these circumstances, the Input Tax Credit may be claimable through **your** Business Activity Statement (BAS).

You must advise **us** of **your** correct Australian Business Number and Taxable Percentage.

Any GST liability arising from **your** incorrect advice is payable by **you**.

Where the settlement of **your** claim is less than the **Sum Insured** or the other limits of insurance cover, **we** will only pay an amount for GST (less **your** entitlement for Input Tax Credit) applicable to the settlement. This means that if these amounts are not sufficient to cover **your** loss, **we** will only pay the GST relating to **our** settlement of the claim.

We will (where relevant) pay **you** on **your** claim by reference to the GST exclusive amount of any supply made by any business of **yours** which is relevant to **your** claim.

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

Taxable Percentage is **your** entitlement to an Input Tax Credit on **your Premium** as a percentage of the total GST on that **Premium**.

Inspections

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

Material changes to the risk

You must notify **us** in writing as soon as reasonably possible of any alteration to the facts or circumstances relating to **Your Business** that existed when **we** agreed to insure **you** under this **Policy** which substantially varies any of the material facts or circumstances existing at the commencement of each **Period of Insurance**. If **we** agree in writing to insure the altered risk, **you** must pay any reasonable additional **Premium** requested by **us**. If **we** do not agree to insure the altered risk, **we** will cancel the **Policy**. If **you** do not pay the additional **Premium**, **we** will reduce the amount that **we** pay **you** for any liability by the amount of the additional **Premium**.

Maximum liability

Except as otherwise stated elsewhere in this **Policy**, the maximum amount **we** will pay will not exceed the amount specified on **your Schedule** as the **Sum Insured** for those Sections selected.

The **Sum Insured** and sub-limits of liability shall apply in addition to, and shall not be reduced by, the amount of any applicable **Excess** unless otherwise stated in the applicable Section.

Non-imputation

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

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

Other insurance

In the event of a claim, **you** must advise **us** as to any other insurance that covers the same risk which are insured by this **Policy**, or that **you** are entitled to claim under or have access to.

Other persons or organisations

If any person or entity other than you has any interest in the **Business Property**, **we** shall protect that interest in the event of a claim, provided that the interest is disclosed in **Your Business** records and **you** have disclosed the nature and extent of that interest to **us** at the time of notification of the claim.

Where the separate interests of more than one party in the **Business Property** are insured under this **Policy**, any act or neglect of one party will not prejudice the rights of the remaining party or parties provided that the remaining party(ies) shall, within a reasonable time after becoming aware of any act or neglect whereby the risk of loss, damage or destruction has increased, give notice in writing to **us** and shall on demand pay such reasonable additional premium as **we** may require.

You cannot transfer the **Policy** into someone else’s name without **our** written consent. **We** will not unreasonably withhold consent.

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

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

Progress payments

We will make progress payments on claims at intervals to be agreed by **us** following receipt of an interim report from **our** loss adjuster or representative. **We** will not unreasonably withhold progress payments.

Reasonable care

You must take reasonable precautions to prevent personal injury or property damage as if **you** were not covered by this **Policy**.

If **you** do not take reasonable precautions **we** may refuse to pay part or all of **your** claim if we have been prejudiced by **your** failure.

Reinstatement of Sum Insured

In the event of damage insured under one or more of Section 1: Business Property Cover, Section 2: Business Interruption Cover, Section 3: Theft Cover, Section 4: Money Cover, Section 5: Glass Cover, Section 6: Transit Cover and ‘Deterioration of Stock in cold storage cover’ under Section 8: Machinery Cover of this **Policy**, the amount by which the **Sum Insured** is reduced as a consequence of the loss or damage will be automatically reinstated as from the date of loss or damage provided that:

- a. there is no written request from **you** or written notice by **us** to the contrary;
- b. the Section is an operative Section of the **Policy**; and
- c. **you** pay the **Premium** which **we** require for the reinstatement.

We will not reinstate the **Sum Insured** for Section 1: Business Property Cover or Section 2: Business Interruption Cover if **we** have paid a total loss under either of these Sections.

Such reinstatement will be available only once during the **Period of Insurance** for Section 6: Transit Cover and ‘Deterioration of Stock in cold storage cover’ under Section 8: Machinery Cover, and therefore, purchasing of further cover beyond the first reinstatement will be on the basis of offer and acceptance only.

Rewards

We will pay **you** up to \$5,000 or any higher amount specified on **your Schedule** for the reasonable cost of any reward paid by **you** to recover any property belonging to **you** or for which **you** are responsible that is lost, destroyed, or damaged and which is insured under Section 1: Business Property Cover, Section 3: Theft Cover, Section 4: Money Cover or Section 5: Glass Cover.

However:

- a. the terms of the reward must be agreed by **us** before it is offered; and
- b. no such payment shall be made by **you** unless the value of the property recovered exceeds the reward.

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

Sale of salvage

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

Severability

A term or condition of this **Policy** that is illegal or unenforceable may be severed from this **Policy** and the remaining terms and conditions of this **Policy**, or parts thereof, continue in force.

Single occurrence

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

Subrogation

Save as to the circumstances set out in Sections 65(5) and (6) of the *Insurance Contracts Act 1984* (Cth), when **we** pay any amount under this **Policy**, **you** or your legal representative agree that **we** shall be subrogated to all of **your** or your legal representative's rights to recover against any person or entity and **you** or your legal representative agree to execute and deliver any certificates, information and other documentation as **we** may reasonably require and do whatever else is reasonably necessary to enable **us** to secure such rights.

Waiver of subrogation rights

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

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

include a disclaimer clause in favour of the lessor or the owner.

General Exclusions

The following exclusions apply to all Sections of the **Policy**.

1. Business in liquidation or ceases to trade

If **Your Business** is placed into liquidation or administration, a receiver is appointed or the business is wound up or is permanently discontinued, then unless otherwise agreed by **us** in writing, all cover under this **Policy** ceases from the time **your** interest is transferred or **Your Business** ceases to trade.

2. Confiscation

Confiscation, nationalisation, requisition, embargo, or destruction of or damage to property by order of any government authority unless the order is given for the purpose of controlling fire or another event which is covered by this **Policy**.

3. Consequential loss

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

4. Date recognition

There is no insurance under this **Policy** in respect of any claim of whatsoever nature which consists of or arises directly or indirectly out of or in connection with the failure or inability of any:

- a. electronic circuit, microchip, integrated circuit, microprocessor, embedded system, BIOS or other instruction set, hardware, software, firmware, program, computer, data processing equipment, telecommunication equipment or systems, or any similar device; or
- b. media or systems used in connection with any of the foregoing;

whether **your** property or not, at any time to achieve fully and successfully any or all of the purposes and consequential effects intended by the use of any number, symbol or word to denote, represent or express a date including, but without being limited to, any failure or inability to recognise, capture, save, retain or restore and/or correctly to manipulate, interpret, transmit, return, calculate or process any date, data, information, command, logic or instruction as a result of or in connection with:

- i. anything referred to in a. or b. above recognising, using or adopting any date, day of the week or period of time, otherwise than as, or other than, the true or correct date, day of the week or period of time; or

- ii. the operation of any command or logic which has been programmed or incorporated into anything referred to in a. or b. above.

This special exclusion will not exclude any claim for subsequent loss or destruction of or damage to any **Business Property** or consequential loss which is solely and directly occasioned by a Defined contingency (as defined hereunder), arising under any of the Sections listed below, but only to the extent that such claim would otherwise be insured under those Sections.

- Section 1: Business Property Cover
- Section 2: Business Interruption Cover
- Section 4: Money Cover
- Section 5: Glass Cover
- Section 6: Transit Cover
- Section 7: Electronic Cover
- Section 8: Machinery Cover
- Section 9: General Property Cover

This exclusion does not apply in respect of Section 3: Theft Cover, if provided by this **Policy**.

For the purposes of this special exclusion only, 'Defined contingency' shall mean fire, lightning, explosion (other than loss or destruction of or damage to boilers and pressure vessels), **Aircraft** and other aerial devices or articles dropped from them, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, malicious persons, earthquake, storm, Flood, escape of water from any tank or apparatus or pipe, impact by any road **Vehicle** or animal, or theft (other than theft by employees).

5. Demolition

Caused by or arising directly or indirectly out of or in connection with demolition of property the highest part of which, immediately before demolition works commence, exceeds 10 metres from ground level.

6. Electronic Data exclusion

- a. Total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of electronic data;
- b. error in creating, amending, entering deleting or using electronic data; or
- c. total or partial inability or failure to receive, send, access or use electronic data for any time or at all, from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

Where an event listed in paragraphs (f), (g) and (h) below (being an event insured under Section 1: Business Property Cover, Section 2: Business Interruption Cover, Section 3: Theft Cover, Section 4: Money Cover, Section 5: Glass Cover, Section 6: Transit Cover and Section 9: General Property Cover but for this exclusion) is caused by any of

the matters described in paragraphs (a), (b) or (c) above, then these Sections will insure:

- d. physical loss of or damage to **Property Insured** directly caused by the event, and/or
- e. consequential loss insured by this **Policy**.

This **Policy** subject to all of its terms, conditions and exclusions, will provide cover for loss of electronic data caused by the following events:

- f. fire, explosion, earthquake, subterranean fire, volcanic eruption, tsunami, lightning, storm including rain, hail, snow and wind, leakage of water or liquid, malicious damage by persons taking part in industrial disputes or riots, civil commotions or labour disturbances, impact by **Vehicles, Aircraft** or anything dropped from them, satellites, space debris or sonic boom, communication masts or towers, aerials, antennae, satellite dishes, falling trees or branches;
- g. **Breakage of Glass**;
- h. theft of electronic data solely where the theft is accompanied by theft of the computer hardware, firmware, microchip, or integrated circuit or similar device containing such electronic data.

This exclusion does not apply to the 'Electronic Data and Electronic Data Media' extension in Section 7: Electronic Cover.

For the purposes of this exclusion electronic data means any facts, concepts and information converted to a form usable for communications, display, distribution, interpretation, or processing by electronic or electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of or for such equipment.

7. Geographical limitations

Unless **we** agree in writing to the contrary, **we** will not pay for any loss or damage to **your Business Property** that is outside of Australia at the time of its loss or damage, except as specifically stated otherwise in the appropriate Section.

8. Known defects

We will not pay for loss or damage caused by faults or defects known to **you** or any employee whose knowledge in law would be deemed to be **yours** and not disclosed to **us** at the time this insurance was arranged.

9. Sanctions limitation

The **Insurer** shall not be deemed to provide cover and the **Insurer** shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the **Insurer**, its parent company or its ultimate controlling entity to any

sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, the European Union or the United States of America.

10. Unoccupancy

Unless **we** otherwise agree in writing, **we** will not pay for any loss or damage to **your Business Property** if the occurrence happens after **your Business Premises** has been unoccupied for more than 90 consecutive days.

11. War, Terrorism, Biological or Chemical Materials and Nuclear Material

- a. caused by or arising directly or indirectly out of or in connection with war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, civil commotion, coup, military rising, insurrection, military or usurped power, rebellion, revolution, confiscation, nationalisation, requisition or looting, sacking or pillage, destruction of or damage to property by or under the order of any government or local authority;
- b. for death, injury, illness, loss, damage, cost or expense directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any **Act of Terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss;
- c. for death, injury, illness, loss, damage, cost or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any action in controlling, preventing, suppressing, retaliating against, or responding to any **Act of Terrorism**;
- d. caused by or arising directly or indirectly out of or in connection with the actual or threatened malicious use to pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto;
- e. caused by or arising directly or indirectly out of or in connection with nuclear weapons material or ionising radiation or contamination by radioactivity from any nuclear fuel or nuclear waste or from the combustion of nuclear fuel or from any other self-sustaining process of nuclear fission; or
- f. caused by or arising directly or indirectly out of or in connection with the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

12. Wilful acts

Subject to the provisions of the *Insurance Contracts Act 1984* (Cth), We will not pay for any loss or damage caused by either **your** wilful act or by the wilful act of another party committed with **your** knowledge and consent and which **you** were capable of preventing.

Section 1: Business Property Cover

This Section of the **Policy** only applies if **you** have selected it during the application process and cover for Section 1: Business Property Cover has been agreed by **us** as specified on **your Schedule**.

What you are covered for

Your Schedule specifies the **Business Property** we have agreed to cover and which method of settlement is applicable to **your Policy**.

1.1 Defined events cover

We cover **you** for loss or damage to **your Business Property** at the **Business Premises** which occurs during the **Period of Insurance** caused by the following defined events:

1. Bursting, leaking, discharging, or overflowing of fixed apparatus, fixed tanks, fixed appliances, fixed pipes, or other systems used to hold or carry liquid (including the reasonable cost of identifying and locating the cause of damage) but **we** will not cover the repair or replacement of such apparatus, appliances, tanks, pipes, or other systems which cause the damage.

2. Earthquake, volcanic eruption, subterranean fire, or tsunami.

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

You only need pay one **Excess** if further damage occurs within 72 hours of an occurrence.

3. Fire, lightning, or explosion.

4. Impact by:

- a) a **Vehicle** designed primarily for use on land;
- b) an animal;
- c) trees or branches (**we** will also cover **you** for the reasonable costs incurred by **you** associated with the removal and disposal of the tree or branches, which caused the damage);
- d) communication masts, towers, antennae, or satellite dishes;
- e) **Aircraft** or **Watercraft**;
- f) meteorites or debris from an **Aircraft**, rocket, or satellite;
- g) a falling building or other structure or part thereof.

5. Malicious damage, including damage by burglars or thieves, other than damage caused by **you** or anyone who permanently or temporarily lives with **you**.

6. Riots, civil commotions, strikes or locked out workers or persons taking part in labour disturbances including resultant acts of any lawfully constituted authority.

7. Storm, tempest, rainwater, snow, sleet, wind, hail but not:

- a) by water from or action of the sea, tidal wave, storm surge, high water or **Flood**;
- b) to gates, fences, retaining walls, shade cloth, exterior textile awnings, or blinds which exceeds \$25,000 in respect of any one occurrence for loss or damage;
- c) to **your Business Property** in the open air unless such property is a permanent structure designed to function without the protection of walls or roof;
- d) erosion, subsidence, landslide, collapse, or any other movement of earth;
- e) caused by water entering the **Buildings** through an opening in the wall or roof made for the purpose of alterations, additions, renovations, or repairs.

8. Escape of molten material from its intended confines on or about the **Business Premises** but excluding:

- a) the cost of repairing any fault which permitted such escape;
- b) the cost of retrieving or removing escaped material from any escape channel or catchment area designed for that purpose;
- c) loss of or damage to such escaped material;
- d) loss or destruction of or damage to furnace linings, crucibles, moulds, other containers, or ladles from which molten material escapes.

1.2 Accidental damage cover

We will cover **you** for accidental loss or damage to **your Business Property** at the **Business Premises** which occurs during the **Period of Insurance**.

The maximum amount **we** will pay for '1.2 Accidental damage cover' for any occurrence is the lesser of \$250,000 or the total **Sum Insured** for **Buildings** and **Contents** unless a higher amount is specified in **your Schedule** as the 'Accidental damage' **Sum Insured**.

WHAT YOU ARE NOT COVERED FOR UNDER ACCIDENTAL DAMAGE COVER

We will not pay for claims under '1.2 Accidental damage cover' for:

- 1. loss or damage caused by any defined events cover in this Section;
- 2. loss or damage caused by events or to the items listed under General Exclusions;
- 3. loss or damage insurable under any other Section(s) of this **Policy**;

4. **Business Property** to the extent insurable under Section 9: General Property Cover;
5. damage which occurs as a result of **you** failure to repair or prevent bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks or fixed pipes used to hold or carry liquid within a reasonable amount of time of discovering an occurrence;
6. resulting from clerical or accounting errors or shortages in supply or delivery of materials to or by **you**;
7. loss or damage caused by demolition, other than demolition by or ordered by a public authority, if the value of the demolition work exceeds \$500,000 or 20% of the total **Sum Insured** on **Buildings** and **Contents**, whichever is the lesser;
8. pollution or contamination of **Business Property** unless caused by a defined event;
9. theft, except where the **Business Premises** 'Buildings' insured by the owner under this Section are tenanted under a lease agreement by another party, person or entity not named in the **Policy**, in which case, the insured owner will be entitled to be indemnified against loss by theft of their **Business Property** (as defined in this Section for 'Buildings') at the **Business Premises** in accord with the terms and conditions of Section 3: Theft Cover of this **Policy** regardless of whether it is selected in this **Policy** or otherwise. The maximum **we** will pay in respect to any loss under this additional protection provided under this Section in relation to theft shall be limited to \$20,000 in total any one occurrence happening during the **Period of Insurance** of the **Policy**;
10. loss or damage following breakage of external glass to signwriting or ornamentation affixed to the glass, except where **you** are a tenant of a building and not required by lease to insure glass;
11. **we** do not cover any loss the sole evidence of which is unexplained discovery or unexplained inventory shortage.

How we will pay your claim

There are two possible methods of paying **your** claims. They are 'reinstatement or replacement value' and 'indemnity value'.

The claim payment method **you** are covered for is specified on **your Schedule**.

Method of settlement – reinstatement or replacement value

We will pay the cost of rebuilding, replacing, or repairing any damaged part of **your Business Property** to the same condition as when they were new or, where appropriate, in accordance with the 'Output replacement' clause set out below.

Business Property may be rebuilt or erected at another location and in a manner suitable to **you** provided **you** pay any additional costs to build or erect elsewhere.

If the **Business Property** is lost or damaged **you** must commence to rebuild, replace, or repair within a reasonable time of the loss or damage, after **our** consent (which

consent shall not be unreasonably withheld) has been obtained. If **you** do not, **we** will pay no more than the cost that would have been incurred if the work of rebuilding, replacement or reinstatement has been commenced and carried out with reasonable dispatch.

Extra cost of reinstatement (applicable to Buildings, machinery, and plant)

Where 'Reinstatement or replacement' basis of settlement is specified on **your Schedule**, this Section extends to include the extra cost of reinstatement (including demolition or dismantling) of damaged **Building**, machinery and plant insured necessarily incurred to comply with the requirements of any Act of Parliament or Regulation made under an Act or By-law or the Regulation of any Municipal or Statutory Authority, subject to the following provisions and subject also to the terms, conditions and **Sums Insured** of this Section. Provided that:

- a. the work of reinstatement, must be commenced and carried out within a reasonable period, failing which **we** will not pay more than the amount which would have been payable under the **Policy** if the work of reinstatement had been commenced and carried out with reasonable dispatch;
- b. the work of reinstatement may be carried out wholly or partially upon any other site, if the requirements of the Act, Regulation or By-law necessitate it, subject to **our** liability not being increased;
- c. **our** total liability under this clause 'Extra cost of reinstatement' will be limited to:
 - i. the sub limit of liability specified on **your Schedule** for 'Extra cost of reinstatement' which shall be in addition to the **Sum Insured**; or
 - ii. if no such sub-limit of liability is stated, and the damage is less than fifty percent (50%) of the replacement cost of the **Buildings** or **Contents**, **our** liability shall be limited to the extra cost necessarily incurred in reinstating the damaged **Business Property** only;
- d. the amount recoverable shall not include the additional costs incurred with complying with any such Act, Regulation or By-law or requirement with which **you** have been required to comply prior to the happening of the damage.

The 'Underinsurance / average' condition of this Section will not be applied to the amount payable under this clause.

Method of settlement – indemnity value

We will pay the cost to repair or replace the **Business Property** less an equitable amount for age, wear, tear, depreciation and will make an adjustment for the general condition and remaining useful life of the individual item or components that are damaged.

We will also pay, in accordance with the 'Extra cost of reinstatement' clause, the additional costs required to comply with the requirements of any statutory authority or by-laws, provided **you** were not required to comply with any of the by-laws prior to the loss or damage occurring.

Output replacement

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

- a. where any **Business Property** is to be replaced with any item(s) which have the same or a lesser total function, capability, or output, then the basis of settlement is the new installed cost of such replacement item(s) as would give the same total function, capability, or output as the **Business Property**;
- b. where any **Business Property** is to be replaced with an item(s) which have a greater total function, capability or output and the new installed cost of such replacement property is no greater than the replacement value of that **Business Property**, then the basis of settlement is the new installed cost of the item(s) so replaced;
- c. where any **Business Property** is to be replaced by an item(s) which have a greater total function, capability or output and the new installed cost of such replacement property is greater than the replacement value of the **Business Property**, then the basis of settlement is the lesser of the reinstatement value or that proportion of the new installed cost of the replacement item or items which the output of the **Business Property** damaged bears to the output of the replacement item(s). If the reinstatement value of the damaged **Business Property** is not ascertainable then the basis of settlement is the new installed cost of the replacement item(s).

Floor space ratio index (plot ratio)

Where **Buildings** are damaged, the cost of reinstatement is more than 50% of the cost of reinstatement, if the **Buildings** had been totally destroyed, and reinstatement of such damage is limited or restricted by:

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

resulting in either case in the reduction of the floor space ratio index (plot ratio) of the site, then **we** shall pay in addition to the amount payable on reinstatement of such **Buildings** the difference between:

- a. the actual costs incurred in reinstatement subject to the reduced floor space ratio index (plot ratio); and

- b. the estimated cost of reinstatement at the time of damage had the reduced floor space ratio index (plot ratio) not applied.

Provided that **our** total liability for reinstatement or replacement value, additional costs of compliance and under this 'Floor space ratio index (plot ratio)' clause shall not exceed the **Sum Insured** in respect of the **Buildings** which are the subject of the claim.

The Underinsurance / average condition of this Section will not be applied to the amount payable under this clause.

Branded goods

In the event of a claim, any salvage of branded goods or merchandise owned by **you** or held by **you** in trust or on commission and any goods sold but not delivered shall not be disposed of by sale without **your** consent. If such salvage is not disposed of by sale, then the basis of settlement of the claim shall be the **Market Value** of the goods after brands, labels or names have been removed by **you** or on **your** behalf.

Automatic extensions for Section 1

We agree to provide cover under these automatic extensions, for no additional **Premium**, provided that:

- a. the cover provided is subject to the exclusions, conditions, **Excess** and all other terms of this **Policy**; and
- a. the inclusion of any extension shall not increase the **Sum Insured** for this Section unless specified.

1. Capital Additions

We cover additions to **your Buildings, Contents, and Other Items** obtained or built during the **Period of Insurance** to an amount not exceeding 20% of the total **Sum Insured** on **Buildings, Contents and Other Items** or \$500,000 whichever is the lesser, in respect of property insured at any one **Situation**. This automatic extension is in addition to **your Sum Insured**.

2. Catastrophe Escalation Cost

If:

- a. any of **your Buildings** are destroyed or damaged by any event specified in 1.1 Defined events cover;
- b. **we** classify such destruction or damage as a total loss; and
- c. the event giving rise to the destruction or 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 Section, by 20% or the amount

specified in **your 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' automatic extensions of this 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 increase in building costs which are actually incurred by **you**.
- ii. **We** will not pay any amount under this automatic extension until **you** have incurred costs exceeding the **Sum Insured** applicable to such **Building** under this 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 Section and the cost of reinstatement that would have applied had the event not occurred.

3. Directors and Employees personal property

If the personal property, of directors and/or employees of **Your Business**, suffers loss or damage at **your Situation** and is covered under 1.1 Defined events cover or 1.2 Accidental damage cover, we will pay up to a maximum of \$5,000 for any one director or employee, provided the person to whom the personal effects belong is not named as an insured under this **Policy**.

This automatic extension provides cover to **you**. It does not provide any insurance cover to any director and/or employee.

4. Discharge of mortgages

If **Business Property** has been damaged and the damage is covered by this Section, where the **Sum Insured** is not otherwise exhausted, **we** will pay up to the balance of the **Sum Insured**, for the reasonable legal costs to discharge a mortgage or mortgages on **Buildings** or **Contents** following settlement of a claim on the basis of a total loss whether actual or constructive.

Where the **Sum Insured** is exhausted, in respect of the discharge of a mortgage on **Buildings** only, **we** will pay up to an additional ten percent (10%) of the total **Sum Insured** on **Buildings**, for the reasonable legal costs to discharge a mortgage or mortgages following settlement of

a claim on the basis of a total loss whether actual or constructive.

5. Fire Brigade attendance fees

We will pay up to \$50,000 for any statutory charges payable by **you** to a fire brigade or firefighting authority for attendance at a fire or chemical emergency involving insured property. This automatic extension is in addition to **your Sum Insured**.

6. Government fees

We will pay any fee, contribution, or other impost payable to any other Government, Local Government, or other Statutory Authority where payment of the fee, contribution or impost is necessary to obtaining consent to reinstate any property insured if **we** will not be liable for payment of any fines and/or penalties imposed upon **you** by any such authorities.

The cost of government fees is included in the **Sum Insured** for **Business Property**.

7. Landscaping

Loss, damage, or destruction by the defined events (other than storm, tempest, or rainwater) to growing plants, shrubs, garden plots and lawns (including rock work, retaining walls, ornamentation and edging pertaining thereto) and resultant expenses necessarily incurred in cleaning, clearing and/or repairing drains, gutters, sewers, and the like, all contained in or on or forming part of or implicitly pertaining to the **Buildings** insured, up to but not exceeding:

- a. \$50,000 or 20% of the **Sum Insured** at the **Business Premises** specified on **your Schedule** whichever is the lesser, subject to the **Buildings Sum Insured** not otherwise exhausted; or
- b. \$25,000 in addition to the **Buildings Sum Insured**;

whichever is the greater, in respect of any one loss.

8. Limited transit

Business Property is covered, up to the lesser of \$50,000 or twenty percent 20% of the **Sum Insured** for **Contents** including **Stock**, if it is in transit in or on any **Vehicle** owned or operated by **you** anywhere in Australia away from **your Business Premises**, including storage during the transit, but only for damage caused by fire or explosion, wind or earthquake, acts of malicious persons or by collision or overturning of the conveying **Vehicle**.

9. Loss of land value

We will pay for the reduction in land value, which shall be the value certified by the Valuer General or other competent person or authority selected by **us**, that results from the requirements of any statutory authority that does not allow rebuilding (or only partial rebuilding) at the **Business Premises** following loss or damage covered by this Section.

Provided that:

- a. this shall be calculated by subtracting the land value after rebuilding or after **we** have agreed that rebuilding is not possible, from the land value before the damage; and
- b. **we** will not pay more than:
 - i. 20% of the **Sum Insured** for **Buildings** at the **Situation** where the damage happened or \$100,000 whichever is the lesser, in addition to the **Sum Insured**; or
 - ii. \$100,000 subject to the **Sum Insured** not otherwise exhausted,

whichever is the greater, for this automatic extension.

The Underinsurance / average condition does not apply to this automatic extension.

10. New premises – temporary cover

We will temporarily extend cover provided by this Section to **Business Property** at any new situation first occupied by **you** during the **Period of Insurance** provided that:

- a. this temporary cover period is limited to the lesser of;
 - i. 60 days from the date **you** acquire or commence using the premises; or
 - ii. the expiry date of the **Period of Insurance**; or
 - iii. the date on which the property ceases to belong to **you**;
- b. the property is used for **Your 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 **Business Premises** currently specified on **your Schedule**;
- e. **you** must provide to **us** full details of the new premises within 60 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 automatic extension is 50% of the highest **Sum Insured** specified on **your Schedule** for each item of **Business Property**.

11. Playing surfaces

We will pay, up to the amount specified on **your Schedule** for playing surfaces, for the cost of repairing damage to outdoor playing surfaces at the **Situation**, caused by:

- a. vandals or malicious persons, other than **you** or **your** guests, directors' partners, officers, employees or members, or their guests;

- b. fire occurring to insured property at the **Situation** for which **we** have admitted liability under this Section; or
- c. the action of the firefighting services, police or other emergency services in attending to their duties at the **Situation**.

This automatic extension is in addition to **your Sum Insured**.

12. Prevention of imminent damage

We will pay up to \$50,000 for necessary costs **you** incur to:

- a. extinguish a fire on or in the vicinity of **your Business Premises** which causes or threatens property damage; or
- b. prevent or diminish imminent damage to **your** property by any other event under 1.1. Defined events cover.

We will not pay under this additional benefit for:

- a. any fines, penalties or liability incurred by **you**; or
- b. any loss or damage to **your Business Property**.

This automatic extension is in addition to **your Sum Insured**.

13. Professional fees

If **Business Property** has been damaged and the damage is covered by this Section, **we** will pay the reasonable professional fees incurred to rebuild or repair **your Buildings** and **Contents**. Provided that **we** will not pay more than:

- a. \$10,000 in addition to the **Sum Insured**; or
- b. the **Sum Insured** of the property lost or damaged not otherwise exhausted;

whichever is the greater.

14. Removal of debris

If **Business Property** has been damaged or destroyed and is covered by this Section, **we** will pay the reasonable costs **you** incur for the demolition, dismantling, necessary temporary repairs, cleaning up and/or removal, storage, and disposal of debris from the **Business Premises**. **We** will also pay for **your** legal liability for the cost of removal of debris from adjoining premises, property, services, roadways, and waterways as well as at the **Situation**. **We** will pay **you** up to \$50,000 in addition to the **Sum Insured** or the higher amount specified on **your Schedule** for removal of debris or if this is insufficient and **you** have not exhausted **your Sum Insured** on the damaged items requiring demolition and/or removal of debris, **we** will pay up to the remaining balance of the **Sum Insured**.

15. Rewriting of Records

We will pay **you** up to \$25,000 or any higher amount specified in **your Schedule** for 'Rewriting of Records', for clerical and professional costs incurred by **you** to re-write **your** necessary business records if they are lost, destroyed or damaged, whilst located at **your Business Premises** or offsite anywhere in Australia, by an occurrence which **you** are covered for in this Section.

We will not pay **you** for any financial loss caused by the loss of **your** records under this automatic extension.

This automatic extension is in addition to **your Sum Insured**.

16. Seasonal increase in Stock

If **you** have insured **Stock** as a separate item to **your Contents**, the **Sum Insured** on **Stock** is increased by 50% for:

- a. eight weeks prior to and including Christmas Day;
- b. three weeks after and including 26 December;
- c. six weeks prior to and including Easter Tuesday;
- d. one week after but not including Easter Tuesday;
- e. six weeks prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter);
- f. one week after the same festive, religious or ethnic event or celebration;
- g. any other period specified on **your Schedule**, in lieu of the covers in a) to f) above.

Provided that **you** can demonstrate that the **Stock** levels during such period has risen by more than 20% above standard levels and that the increase has happened solely for the purpose of meeting additional customer demand associated with such period.

If **your Sum Insured** for **Stock** is included in another item on **your Schedule**, we will only apply the increase to the portion of the **Sum Insured** which relates to **Stock**.

17. Temporary protection and security guards

If **Business Property** has been lost or damaged and is covered by this Section, we will pay for the cost of temporary protection, including employment of security guards, to safeguard the property insured:

- a. where the **Sum Insured** is not otherwise exhausted, we will pay the reasonable costs and expenses reasonably incurred; and
- b. when the **Sum Insured** becomes exhausted, we will pay an additional amount of up to \$25,000, pending repair or replacement, consequent upon damage for which a claim is payable.

If an occurrence results in an entitlement to cover under this automatic extension and another Section of the **Policy**, the highest single limit under the relevant Section applies and only one payment under the **Policy** will be made.

18. Temporary removal

We will cover **your** insured **Business Property** while temporarily removed to any other premises within Australia.

Provided that:

- a. we will not cover motor **Vehicles** or trailers, **Watercraft**, caravans, or motorcycles unless they are:
 - i. **Stock** in trade of **Your Business**; or
 - ii. forklift trucks or similar appliances that are normally used for hauling or lifting goods at **your Business Premises**;
- b. we will not cover **Stock** in trade that is on consignment to other parties unless it is owned by **you** or is property for which **you** are responsible;
- c. the maximum amount we will pay for this automatic extension will be 20% of the **Sum Insured**;
- d. this automatic extension will not apply to any property insured, which has been removed for a period greater than 90 days without **our** prior written consent.

19. Undamaged foundations

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

Optional extensions for Section 1

1. Flood

When 'Flood' is specified as included on **your Schedule**, we will cover loss of or damage to **Business Property** caused by **Flood** and exclusion 1h) under 'Additional Exclusions for Section 1' will not apply to this Section.

Additional exclusions for Section 1

In addition to the General Exclusions of the **Policy** we will note pay for:

1. loss or damage caused by:
 - a) Tenants: intentional loss or damage caused by **your** tenants other than damage caused by fire or explosion.

- b) Wear and tear:
 - i. birds, insects, mice, rats or other vermin;
 - ii. rust, corrosion, or oxidation;
 - iii. mildew, mould, rotting, disease, contamination, pollutants, or industrial fallout;
 - iv. inherent vice, change of colour, loss of weight, loss of volume, change in flavour, change in texture;
 - v. variation in temperature, variation in humidity, variation in controlled atmosphere; or
 - vi. wear, tear, fading or gradual deterioration.

Provided that this Exclusion 1b) shall not apply to subsequent loss or damage to **your Business Property** occasioned a Defined event (not otherwise excluded) resulting from any event referred to in this exclusion.

- c) Movement of foundations:
 - i. vibration, heaving, creeping, shrinking, settling, or expansion of foundations or supports of **Business Property**;
 - ii. erosion, subsidence, or earth movement unless caused suddenly by a defined event; or
 - iii. collapse of **Business Property** unless caused suddenly by a defined event.
- d) Faulty work:
 - i. error in, omission of, or wrong design; or
 - ii. faulty materials or faulty workmanship.

Provided that this Exclusion 1d) shall not apply to subsequent loss or damage to **your Business Property** occasioned by a peril (not otherwise excluded) resulting from any event referred to in this exclusion.

- e) Cessation of work:

partial or complete cessation of work, process, operation or activity caused by strikes, labour disputes or locked out workers except as a result of physical loss or damage to the **Business Property** committed by persons taking part in strikes or labour disputes, or by locked out workers.
- f) Incorrect siting of **Business Property**.
- g) Heat:

spontaneous combustion, fermentation, heating, or any process involving the direct application of heat.

Provided that this Exclusion 1g) shall be limited to the item or items of **your Business Property** immediately affected and shall not extend to other **Business Property** damaged as a result of such spontaneous combustion, fermentation or

heating or process involving the direct application of heat.

- h) Flood.
 - i) The sea:

the action of water from the sea, tidal wave or high water.
 - j) Self-explosion of boilers or other pressure vessels.
2. Legal liability:

any legal liability **you** incur to pay compensation, damages, fines, or penalties;
 3. Breakdown:

cost to repair or replace **Business Property** due to:

 - a) mechanical, hydraulic, electrical, or electronic breakdown, malfunction, breakage, or failure unless caused by an insured occurrence;
 - b) **Computer Virus**; or
 - c) access to **your** computer systems and records by any person not on **your Business Premises**.
 4. loss or damage arising from demolition ordered by government or public or local authorities due to failure by **you** or **your** agents to obtain the necessary permits.

Additional conditions for Section 1

In addition to the General Conditions of the **Policy**, the following conditions apply to this Section:

1. Tenants Actions

If a tenant of **yours** or a tenant of **your** landlord (but not **you**) without **your** consent, causes or contributes to any loss or damage covered by this Section which is in breach of any terms or conditions, **we** will cover **you** for **your** loss or damage as per this Section, provided **you**:

- a. have taken all reasonable actions, as soon as **you** become aware of conditions causing the breach, to have the tenant comply with the terms;
- b. notify **us** within a reasonable amount of time of becoming aware of the breach; and
- c. agree to pay a reasonable increase in **Premium** for the additional risk.

2. Underinsurance / average

For each occurrence under this Section:

- a. 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 part b) of this condition) **we** will not be liable for more than that proportion of damage which, in respect of **Buildings, Contents, Stock** and **Other Items** the **Sum Insured** on the total amount for **Buildings, Contents, Stock** and **Other Items** at the **Situation**, at the time of the commencement of each **Period of Insurance** bears to 70% of the **Full**

Insurable Value of such **Buildings, Contents, Stock** and **Other Items**; or

- b. in the event of loss of or damage to **Buildings, Contents, Stock** or **Other Items** caused by a natural disaster which is covered under Section for which the Federal Minister for Emergency Services activates the Commonwealth/State Natural Disaster Relief Arrangements (NDRA), and the **Situation** falls within the area formally defined by the Minister of Emergency Services, **we** will not be liable for more than that proportion of damage which:
 - i. in respect of **Buildings, Contents, Stock** and **Other Items** the **Sum Insured** on the total amount for **Buildings, Contents, Stock** and **Other Items** at the **Situation**, at the time of the commencement of **each Period of Insurance** bears to 70% of the **Full Insurable Value** of such **Buildings, Contents, Stock** and **Other Items**; or
 - ii. in respect of **Buildings, Contents, Stock** and **Other Items** the **Sum Insured** on the total amount for **Buildings, Contents, Stock** and **Other Items** at the **Situation**, at the time of the loss or damage bears to 50% of the **Full Insurable Value** of such **Buildings, Contents, Stock** and **Other Items**, whichever is the greater.

Conditions:

- a. **Our** liability is limited to the **Sum Insured** at the **Situation** as specified on **your Schedule**;
- b. this clause will not apply if the amount of any damage does not exceed ten percent (10%) of the **Sum Insured** at the **Situation**.

Example (in the event of loss or damage not caused by a natural disaster as defined under part b) of this condition):

Total value	= \$200,000
70% of value	= \$140,000
Sum insured	= \$124,000
Therefore, if a \$100,000 loss occurs, we would pay \$88,572	
Calculated as:	
$(\$124,000 / \$140,000) \times \$100,000 = \$88,572$	

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

3. Release

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

4. Leased building clause

Without prejudicing **your** position under this Section, **you** may agree to enter into a lease for occupancy of any building or a lease for hiring of property where the terms of the lease include a disclaimer clause in favour of the owner by the lessor.

5. Storage premises

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

Additional definitions for Section 1

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

Buildings means buildings and structural appurtenances at the **Situation**.

Buildings includes:

- a. verandahs, carports, car parks, sealed driveway and paths, shelters, awnings, gangways, staircases, and all outbuildings;
- b. fixtures and fittings owned by the owner of the building;
- c. underground and above ground services including aprons, supply mains, and meters;
- d. walls, gates, fences, flagpoles, floodlights, and signs;
- e. permanently fixed water and fuel tanks.

Buildings does not include:

- a. plant and machinery;
- b. **Stock**;
- c. **Contents**;
- d. property undergoing erection, construction, alteration or addition (including the partial dismantlement of existing structures), where the total contract value of all work to be carried out at any one **Business Premises** exceeds \$500,000 or 20% of the total **Sum Insured** on **Buildings** and **Contents**, whichever is the lesser, provided that this limit shall apply only to the portion of the **Business Premises** or **Business Property** which is the subject of any such work and not to any other portion of the **Business Property**;

- e. land, unsealed driveways and paths, dams, bridges, canals, tunnels, railway tracks and roadways (not at the **Situation**), wharves, docks, and piers.

This definition of 'Buildings' is subject to the 'Designation of property' General Policy condition.

Contents means all property at the **Business Premises**, belonging to **you** or for which **you** are responsible for.

Contents includes:

- a. fixtures, fittings; and glass owned by **your** landlord which **you** are legally responsible for and leasehold improvements;
- b. machinery;
- c. plant permanently fixed to **your Buildings**;
- d. documents of title and any other documents of aesthetic, historic, scientific, or social value for past, present or future generations;
- e. computer systems records, manuscripts, other documents, deeds, specifications, plans, drawings, designs, business books, and other records of every description;
- f. paintings, works of art and curios;
- g. **Stock**, unless **Stock** is specified as separately insured on **your Schedule** with a specific **Sum Insured**;
- h. goods sold but not delivered and goods held by **you** on consignment or commission;
- i. property not owned by **you** but on **your Business Premises** for service, repair, alteration or safe keeping;
- j. property of **your** welfare, sports and social clubs.

Contents does not include:

- a. **Buildings**;
- b. growing crops, trees or plants other than pot-plants;
- c. animals, livestock, fish, birds and any other living organism except laboratory cultures, **Stocks** of foodstuffs, of nursery plants, or **Stocks** of a pet shop;
- d. motor **Vehicles** or trailers, caravans; or motorcycles all while registered or licensed to travel on a public road, provided that this exclusion will not apply to:
 - i. mobile plant and equipment (excluding cars, sedans, panel vans, and trucks) not otherwise insured;
 - ii. motor **Vehicles** or trailers, caravans or motorcycles that are **Stock** in trade of **Your Business**;
- e. **Money**;

- f. jewellery, furs, bullion, articles containing gold and silver which are not **Stock** and which exceed \$10,000 any one item;

- g. **Contents** undergoing erection, construction, alteration or addition (including the partial dismantlement of existing structures), where the total contract value of all work to be carried out at any one **Business Premises** exceeds \$500,000 or 20% of the total **Sum Insured** on **Buildings** and **Contents**, whichever is the lesser, provided that this limit shall apply only to the portion of the **Business Premises** or **Business Property** which is the subject of any such work and not to any other portion of the **Business Property**;
- h. land, dams, bridges, canals, roadways, tunnels, railway tracks (not at the **Situation**), wharves, docks and piers;
- i. **Watercraft, Aircraft** or any accessories, equipment or spare parts whilst contained in or on these items unless they are **Stock** and are on **your Business Premises** at the time of any loss or damage.

This definition of 'Contents' is subject to the 'Designation of property' General Policy condition.

Full Insurable 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. Where the method of settlement is specified on **your Schedule** as 'indemnity value', the **Full Insurable Value** shall mean the current value of the **Business Property**.

Market Value means the estimated amount for which the **Business Property** should exchange immediately before the damage, between a willing buyer and a willing seller in an arms-length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.

Section 2: Business Interruption Cover

This Section of the **Policy** only applies if **you** have selected it during the application process and cover for Section 2: Business Interruption Cover has been agreed by **us** as specified on **your Schedule**.

There are three Parts available to select from in this Section:

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

Your Schedule specifies which Part has been selected by **you**, if any.

Part A – Annual Revenue basis

What you are covered for

In the event of interruption of or interference with **Your Business** in consequence of **Damage** that occurs during the **Period of Insurance** to any building or any other property or any part thereof used by **you** at **your Business Premises** for the purpose of **Your Business**, **we** will pay **you** in respect of each Item selected by **you** and specified as insured on **your Schedule** with a specific **Sum Insured**, the amount of the loss resulting from such interruption or interference.

Provided that:

- the payment is in accordance with the basis of settlement provision for the Item;
- we** have paid for or admitted liability in respect of such **Damage** under the relevant Section of **your Policy**, or another insurer has paid for or admitted liability in respect of such **Damage**, unless no such payment shall have been made or liability shall not have been admitted for such **Damage** (by **us** or another insurer) solely due to the application of an **Excess**; and
- our** liability in no case will exceed in respect of each Item the **Sum Insured** specified on **your Schedule** for that Item.

The insurance under this Part A provides protection for loss under:

Item 1. Revenue

Item 2. Additional increase in cost of working

Item 3. Accounts receivable

Item 4. Claim preparation expenses

How we will pay your claim

Item 1. Revenue

This Item is limited to the loss of **Revenue** and increase in **your** cost of working.

The amount payable as indemnity under Item 1 will be:

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

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

Provided that:

- where **Damage** is not caused by a natural disaster as defined below, if the **Sum Insured** for this Item is less than 70% of the **Annual Revenue** (or its proportionately increased multiple where the **Indemnity Period** exceeds 12 months), the amount payable will be reduced so that **we** will be liable for no greater proportion of the loss under this Item than that which the **Sum Insured** bears to 70% of the **Annual Revenue** (or its proportionately increased multiple where the **Indemnity Period** exceeds 12 months); or
- where **Damage** is caused by a natural disaster for which the Federal Minister for Emergency Services activates the Commonwealth/State Natural Disaster Relief Arrangements (NDRA), and the **Situation** falls within the area formally defined by the Minister for Emergency Services, if the **Sum Insured** for this Item is less than 50% of the **Annual Revenue** (or its proportionately increased multiple where the **Indemnity Period** exceeds 12 months), the amount payable will be reduced so that **we** will be liable for no greater proportion of the loss under this Item than that which the **Sum Insured** bears to 50% of

the **Annual Revenue** (or its proportionately increased multiple where the **Indemnity Period** exceeds 12 months).

This provision will not apply if **your** claim is for less than 10% of the **Sum Insured** for this Item.

Item 2. Additional increase in cost of working

See 'Common Clauses to Parts A, B and C'.

Item 3. Accounts receivable

See 'Common Clauses to Parts A, B and C'.

Item 4. Claim preparation expenses

See 'Common Clauses to Parts A, B and C'.

Additional definitions for Section 2 Part A

Some words have special meaning wherever they appear in Section 2 Part A. These words and their meanings are listed below.

Annual Revenue means the **Revenue** earned during the twelve months immediately before the date of the **Damage***.

Revenue means the money paid or payable to **you** as a:

- a. wholesaler or retailer of goods – for goods sold and delivered in the course of **Your Business**, less the cost of any related purchases (after any discounts) and **Uninsured Working Expenses**;
- b. professional practitioner or consumer services provider – for services rendered and work performed in connection with **Your Business**, less **Uninsured Working Expenses**;
- c. property owner – by tenants (being **Rent Receivable**).

Standard Revenue means the **Revenue** earned within that period during the twelve months immediately before the date of the **Damage** which corresponds with the **Indemnity Period***.

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

Part B – Weekly Revenue basis

What you are covered for

In the event of interruption of or interference with **Your Business** in consequence of **Damage** that occurs during the **Period of Insurance** to any building or any other property or any part thereof used by **you** at **your Business Premises** for the purpose of **Your Business**, **we** will pay **you** in respect of each Item selected by **you** and specified as insured on **your Schedule** with a specific **Sum Insured**, the amount of the loss resulting from such interruption or interference.

Provided that:

- a. the payment is in accordance with the basis of settlement provision for the Item;
- b. **we** have paid for or admitted liability in respect of such **Damage** under the relevant Section of **your Policy**, or another insurer has paid for or admitted liability in respect of such **Damage**, unless no such payment shall have been made or liability shall not have been admitted for such **Damage** (by **us** or another insurer) solely due to the application of an **Excess**; and
- c. **our** liability in no case will exceed in respect of each Item the **Sum Insured** specified on **your Schedule** for that item, provided that the **Weekly Revenue Sum Insured** will increase by 30% for any interruption of or interference with **Your Business** occurring:
 - i. in the months of November and December;
 - ii. during the period of 30 days up to and including Easter Tuesday; and
 - iii. on any gazetted bank or public holiday, provided further that the **Damage** occurs during the **Period of Insurance**.

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

The insurance under this Part provides protection for loss under:

- Item 1. Weekly Revenue
- Item 2. Additional increase in cost of working
- Item 3. Accounts receivable
- Item 4. Claim preparation expenses

How we will pay your claim

Item 1. Weekly Revenue

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

Item 2. Additional increase in cost of working

See 'Common Clauses to Parts A, B and C'.

Item 3. Accounts receivable

See 'Common Clauses to Parts A, B and C'.

Item 4. Claim preparation expenses

See 'Common Clauses to Parts A, B and C'.

Additional definitions for Section 2 Part B

Some words have special meaning wherever they appear in Section 2 Part B. These words and their meanings are listed below.

Weekly Revenue means the money paid or payable to **you** each week as a:

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

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

Part C – Insurable Gross Profit basis

What you are covered for

In the event of interruption of or interference with **Your Business** in consequence of **Damage** that occurs during the **Period of Insurance** to any building or any other property or any part thereof used by **you** at **your Business Premises** for the purpose of **Your Business**, **we** will pay **you** in respect of each Item selected by **you** and specified as insured on **your Schedule** with a specific **Sum Insured**, the amount of the loss resulting from such interruption or interference.

Provided that:

- a. the payment is in accordance with the basis of settlement provision for the Item;
- b. **we** have paid for or admitted liability in respect of such **Damage** under the relevant Section of **your Policy**, or another insurer has paid for or admitted liability in respect of such **Damage**, unless no such payment shall have been made or liability shall not have been admitted for such **Damage** (by **us** or another insurer) solely due to the application of an **Excess**; and
- c. **our** liability in no case will exceed in respect of each Item the **Sum Insured** specified on **your Schedule** for that Item.

The insurance under this Part C provides protection for loss under:

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

How we will pay your claim

Item 1. Gross Profit

This Item is limited to the loss of **Gross Profit** due to a reduction in **Turnover** and the increase in **your** cost of working.

The amount payable as indemnity under this Item will be:

- a. in respect of reduction in **Turnover**, the sum produced by applying the **Rate of Gross Profit** to the **Shortage in Turnover** during the **Indemnity Period**; and
- b. in respect of the increase in **your** cost of working, the additional expenditure necessarily and

reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **Turnover** which, but for the additional expenditure, would have taken place during the **Indemnity Period** in consequence of the **Damage**, but not exceeding the sum produced by applying the **Rate of Gross Profit** to the amount of reduction thereby avoided;

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

Provided that:

- a. where **Damage** is not caused by a natural disaster as defined below, if the **Sum Insured** for **Gross Profit** at the commencement of each **Period of Insurance** is less than the sum produced by applying the **Rate of Gross Profit** to 70% of the **Annual Turnover** (or its proportionately increased multiple where the **Indemnity Period** exceeds 12 months), the amount payable under this Item will be proportionately reduced; or
- b. where **Damage** is caused by a natural disaster for which the Federal Minister for Emergency Services activates the Commonwealth/State Natural Disaster Relief Arrangements (NDRA), and the **Situation** falls within the area formally defined by the Minister for Emergency Services, if the **Sum Insured** for **Gross Profit** at the commencement of each **Period of Insurance** is less than the sum produced by applying the **Rate of Gross Profit** to 50% of the **Annual Turnover** (or its proportionately increased multiple where the **Indemnity Period** exceeds 12 months), the amount payable under this Item will be proportionately reduced.

This provision will not apply if **your** claim is for less than 10% of the **Sum Insured** for this Item.

Item 2. Additional increase in cost of working

See Common Clauses to Parts A, B and C.

Item 3. Accounts receivable

See Common Clauses to Parts A, B and C.

Item 4. Claim preparation expenses

See Common Clauses to Parts A, B and C.

Item 5. Rent Receivable

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

The amount payable will be:

- a. in respect of loss of **Rent Receivable**, the amount by which the **Rent Receivable** during the **Indemnity Period** falls short of the **Standard Rent Receivable**, in consequence of the **Damage**; and

- b. in respect of additional expenditure, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of **Rent Receivable** which, but for that expenditure, would have taken place during the **Indemnity Period** in consequence of the **Damage**, but not exceeding the amount of the reduction in **Rent Receivable** thereby avoided, less any sum saved during the **Indemnity Period** in respect of such of the expenses and charges payable out of the **Rent Receivable** as may cease or be reduced in consequence of the **Damage**.

Provided that:

- a. where **Damage** is not caused by a natural disaster as defined below, if the **Sum Insured** for this item is less than 70% of the **Annual Rent Receivable** (or its proportionately increased multiple where the **Indemnity Period** exceeds 12 months), the amount payable will be reduced so that **we** will be liable for no greater proportion of the loss under this item than that which the **Sum Insured** bears to 70% of the **Annual Rent Receivable** (or its proportionately increased multiple, if appropriate); or
- b. where **Damage** is caused by a natural disaster for which the Federal Minister for Emergency Services activates the Commonwealth/State Natural Disaster Relief Arrangements (NDRA), and the **Situation** falls within the area formally defined by the Minister for Emergency Services, if the **Sum Insured** for this item is less than 50% of the **Annual Rent Receivable** (or its proportionately increased multiple where the **Indemnity Period** exceeds 12 months), the amount payable will be reduced so that **we** will be liable for no greater proportion of the loss under this item than that which the **Sum Insured** bears to 50% of the **Annual Rent Receivable** (or its proportionately increased multiple, if appropriate).

This provision will not apply if **your** claim is for less than 10% of the **Sum Insured** for this Item.

Additional definitions for Section 2 Part C

Some words have special meaning wherever they appear in Section 2 Part C. These words and their meanings are listed below.

Annual Rent Receivable means the **Rent Receivable** during the twelve months immediately before the date of the **Damage**.*

Annual Turnover means the **Turnover** during the twelve months immediately before the date of the **Damage**.*

Gross Profit means the amount by which the sum of the **Turnover** and the amount of the closing **Stock** and work in progress exceeds the sum of the opening **Stock** and work in

progress and the amount of the **Uninsured Working Expenses**.

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

Rate of Gross Profit means the rate of **Gross Profit**, expressed as a percentage, earned on the **Turnover** during the twelve months immediately before the date of the **Damage***.

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

Standard Rent Receivable means the **Rent Receivable** during that period in the twelve months immediately before the date of the **Damage** which corresponds with the **Indemnity Period***.

Standard Turnover means the **Turnover** during that period in the twelve months immediately before the date of the **Damage** which corresponds with the **Indemnity Period***.

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

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

Common clauses for Parts A, B and C

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

Accumulated Stocks

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

Alternative trading

If during the **Indemnity Period**, goods are sold, work is performed or services are rendered elsewhere than at the **Business Premises** for the benefit of **Your Business**

either by **you** or by others acting on **your** behalf, the money paid or payable in respect of such sales, work or services will be brought into account in arriving at the **Revenue**, **Weekly Revenue** or **Turnover** (as the case may be) during the **Indemnity Period**.

Departmental

If **Your Business** is conducted in departments or business units the independent trading results of which are ascertainable, the provisions of Item 1 will apply separately to each department affected by the **Damage**. For the purposes of this clause, the **Rent Receivable** from letting of property at the **Business Premises** will be regarded as the proceeds of one such department.

Item 2. Additional increase in cost of working

The insurance under this Item is limited to increase in **your** cost of working (not otherwise recoverable hereunder) necessarily and reasonably incurred during the **Indemnity Period** in consequence of the **Damage** for the purpose of avoiding or diminishing reduction in **Revenue** or **Weekly Revenue** or **Turnover** and/or resuming and/ or maintaining normal business operations and/or services.

Item 3. Accounts receivable

Under this Item **we** will pay **you** up to the amount specified on **your Schedule** for all sums due to **you** from debtors that **you** are unable to collect because of **Damage** to records of accounts receivable.

We will also pay collection expenses in excess of normal collection costs made necessary because of the **Damage** as well as interest charges at the ruling rate of **your** bank on any loan to offset impaired collections pending repayment of such sums made uncollectible by such **Damage**.

If **you** cannot accurately establish the total amount of accounts receivable outstanding as at the date of the **Damage**, the amount will be computed as follows:

- a. determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the **Damage** occurs;
- b. calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the year immediately preceding the month in which the **Damage** occurs, as compared with such average for the same months of the preceding year;
- c. the amount determined under a), increased or decreased by the percentage calculated under b) above, will be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said **Damage** occurs;
- d. the amount determined under c) above will be increased or decreased in conformity with the normal fluctuation in the amount of accounts receivable during the fiscal month involved, consideration being given to the experience of **Your Business** since the

last day of the last fiscal month for which statements have been rendered less:

- i. the amounts of such accounts evidenced by records not suffering **Damage** or otherwise established or collected by **you**;
- ii. the amounts of such accounts evidenced by records not suffering **Damage** or otherwise established or collected by **you**;
- iii. all unearned interest and service charges; and
- iv. settlement or term discounts normally allowed.

Item 4. Claim preparation expenses

In addition to the amount payable under General Condition 'Claim preparation expenses' of this **Policy we** will pay **you** up to the amount specified on **your Schedule** for the costs of such reasonable professional fees as may be payable by **you** and other such reasonable expenses necessarily incurred by **you** and not otherwise recoverable, for preparation and negotiation of claims under this Section.

New business

In the event of **Damage** occurring at the **Business Premises** before the completion of the first year's trading of **Your Business**, the defined terms 'Standard Revenue', 'Annual Revenue', 'Standard Weekly Revenue', 'Rate of Gross Profit', 'Standard Turnover' and 'Annual Turnover' shall instead have the following meanings wherever they appear in this Section:

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

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

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

'**Rate of Gross Profit**' means the proportion that the **Gross Profit** bears to the **Turnover** during the period between the date of commencement of **Your Business** and the date of the **Damage**.

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

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

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

Sum Insured

Our liability to **you** will in no case exceed, for each item, the **Sum Insured** specified against that item in **your Schedule**.

Automatic extensions for Section 2

'Automatic Extensions' are part of and not in addition to the total **Sum Insured** of this Section.

Section 2 is extended to include the following automatic extensions. Automatic extensions 1 to 15 inclusive are payable provided that the **Sum Insured** specified against the relevant item(s) on **your Schedule** is not otherwise exhausted.

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

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

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

1. Customers and suppliers –unspecified

Unspecified property at the premises of **your** suppliers or customers of goods or materials or services (other than those services provided by any public utilities) or at storage premises neither owned nor operated by **you** where **you** store goods or materials, all within Australia, provided that **our** liability will not exceed 20% or the percentage specified on **your Schedule** of the **Sum Insured** applicable to this Section.

2. Prevention of access

- a. Property, or intervention of any lawful authority resulting from threat of **Damage** to property within a 50-kilometre radius of the **Business Premises**, which prevents access to or hinders the use of the **Business Premises**;
- b. Property forming part of or contained in a complex in which the **Situation** is located whether the

Business Premises or **your** property forming part of or contained in the complex shall be damaged or not.

3. Public utilities

Any land-based telecommunications system or any electricity, gas, or water supply systems within Australia, provided that where public supply is not at or immediately adjacent to **your Business Premises** the interruption of supply extends for greater than 48 hours.

4. Computer facilities

Computer installations, including ancillary equipment and data processing media, utilised by **you** in Australia other than at the **Business Premises**.

5. Roads, bridges, and railway lines

Roads, bridges and/or railway lines within Australia over which raw materials and other **Stock** are conveyed to or from the **Business Premises**.

6. Storage sites/temporary removal

Your property stored or being processed at any premises in Australia not occupied by **you**. **Our** total liability under this Automatic Extension will not exceed 20% of the **Sum Insured**.

7. Transit

Your property while in transit by road, rail, sea, or air within Australia and outside of the **Business Premises** occupied by **you**, up to an amount not exceeding 20% of the **Sum Insured** in respect of any one occurrence.

8. Explosion of pressure vessels

Damage to pressure vessels including boilers, compressors or economisers by self-explosion or collapse.

9. Documents

Damage to documents and electronic data files belonging to or held in trust by **you**, while in transit or while at the premises not occupied by **you** but limited to 20% of the **Sum Insured** or the amount specified on **your Schedule**, whichever is the greater.

10. Motor Vehicles owned or operated by You

Damage during the **Period of Insurance** to any registered **Vehicles** or trailers owned or operated by **you**, while such **Vehicles** are at the **Business Premises** or at other premises in Australia but not on a public thoroughfare.

11. Infectious disease, etc.

We will also pay **you** for interruption or interference with **Your Business** due to closure or evacuation of the whole or part of the **Business Premises** during the **Period of**

Insurance by order of a competent government, public or statutory authority as a result of:

- a. bomb threat, vermin or pests or defects in the drains or other sanitary arrangements, occurring at the **Business Premises**;
- b. an outbreak of an infectious or contagious human disease occurring within a 20-kilometre radius of the **Business Premises**, however there is no cover for highly pathogenic Avian Influenza or any disease declared to be a listed human disease under the *Biosecurity Act 2015* (Cth) irrespective of whether discovered at the location of **your Business Premises**, or elsewhere;
- c. injury, illness, or disease caused by food or drink supplied at or from **your Business Premises** during the **Period of Insurance**;
- d. murder or suicide occurring at the **Business Premises** during the **Period of Insurance**; or
- e. shark or crocodile attack occurring within a 20-kilometre radius of the **Business Premises** during the **Period of Insurance**.

12. Salvage sale

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

- a. clause a) of Item 1 'Gross Profit' of this Section shall, for the purpose of such claim, read as follows:

In respect of reduction in **Turnover**: the sum produced by applying the **Rate of Gross Profit** to the amount by which the **Turnover** during the **Indemnity Period** (less the **Turnover** for the period of the salvage sale) shall, in consequence of the **Damage**, fall short of the **Standard Turnover**, from which shall be deducted the **Gross Profit** actually earned during the period of the salvage sale;
- b. the definition of **Shortage in Turnover** shall, for the purpose of such claim, mean: the amount by which the **Turnover** during a period (less the **Turnover** for the period of the salvage sale) shall, in consequence of the **Damage**, fall short of the part of the **Standard Turnover** which relates to that period, from which shall be deducted the payroll paid out of the proceeds of the salvage sale.

13. Turnover output

In the event of **Damage** giving rise to a claim under Part A – Annual Revenue basis, Item 1 Revenue, at **your** option, the term "Output" may be substituted for the term "Revenue" and, for the purpose of this Section, "Output" shall mean the sale and / or invoice value of goods manufactured and / or processed by **you** in the course of **Your Business** at the **Business Premises**, less the cost of any related purchases (after any discounts) and **Uninsured**

Working Expenses. Provided that only one such meaning will operate in connection with any one occurrence involving **Damage**.

In the event of **Damage** giving rise to a claim under Part C – Insurable Gross Profit basis, Item 1 Gross Profit, at **your** option, the term “Output” may be substituted for the term “Turnover” and, for the purpose of this Section, “Output” shall mean the sale and / or invoice value of goods manufactured and / or processed by **you** in the course of **Your Business** at the **Business Premises**. Provided that only one such meaning will operate in connection with any one occurrence involving **Damage**.

14. Government incentives

Gross Profit is extended to include the loss of any Government approved incentives, subsidies, or market development allowances **you** are entitled to in relation to **Your Business**.

15. Contractual fines and penalties

Following a claim under Part C – Insurable Gross Profit basis, Item 1 Gross Profit, **we** will also pay:

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

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

Additional exclusions for Section 2

In addition to the General Exclusions of the **Policy** **we** will not pay for interruption or interference with **Your Business** due to closure, evacuation of or inability to access whole or part of the **Situation** and/or **Business Premises** due to:

1. order of a federal or state government or other public or statutory authority as a result of any highly pathogenic Avian Influenza or any disease declared to be a listed human disease under the *Biosecurity Act 2015* (Cth) or under any subsequent amendment, replacement or equivalent legislation or regulation irrespective of where, when or how such disease or the outbreak of such disease occurred.

Additional conditions for Section 2

In addition to the General Conditions of the **Policy**, the following conditions apply to this Section:

1. Adjustment of premium

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

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

2. Books of account

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

Additional definitions for Section 2

Some words have special meaning wherever they appear in Section 2. These words and their meanings are listed below.

Damage means physical loss, destruction or damage (occurring during the **Period of Insurance**) from the operation of a peril or event insured against under ‘Section 1: Business Property Cover’, ‘Section 3: Theft Cover’, ‘Section 4: Money Cover’, ‘Section 5: Glass Cover’ or ‘Section 9: General Property Cover’ of **your Policy**.

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

Rent Receivable means the amount of the rent received or receivable (including base rental, **Turnover** rental, and

contributions to outgoings) from the letting of property at the **Business Premises**.

Uninsured Working Expenses means the working expenses of **Your Business** which **you** have elected not to insure under this Section, and which are specified on **your Schedule**.

Section 3: Theft Cover

This Section of the **Policy** only applies if **you** have selected it during the application process and cover for Section 3: Theft Cover has been agreed by **us** as specified on **your Schedule**.

What you are covered for

We cover **you** for loss of or damage that occurs during the **Period of Insurance** to **your Business Property** specified under Section 3: Theft Cover on **your Schedule** caused by:

- a. any person who forcibly and violently enters or attempts to enter **your Business Premises**;
- b. any person unlawfully concealed on **your Business Premises**;
- c. any person who threatens or commits physical violence to **you, your** employees or other persons at **your Business Premises**;
- d. armed hold-up at the **Situation**;
- e. any person who breaks into any locked cabinet and/or counter and/or showcase which is located on the **Business Premises**.

Provided that under this Section, **Contents** excludes **Stock**, unless **Contents** is specified as insured under the 'Contents & Stock' item on **your Schedule** together with a specific **Sum Insured**.

How we will pay your claim

We will not pay more than the **Sum Insured** specified on **your Schedule** for the **Business Property** item under this Section, except to the extent stated under the heading 'Automatic extensions in addition to your Sum Insured'.

Method of settlement – reinstatement or replacement value

We will pay **your** cost to:

- a. replace the property if the covered property is not found within a reasonable time after the loss; or
- b. replace the property if the covered property cannot be economically repaired; or
- c. repair the property if the covered property can be economically repaired.

Method of settlement - Indemnity

We will pay **you** the replacement cost of the insured property less an equitable amount for age, wear, tear, depreciation and will make an adjustment for the general condition and remaining useful life of the individual item or components that are damaged:

- a. if **you** do not replace the covered property which is lost or destroyed; or
- b. if the covered property can be repaired for less than the cost to replace but **you** choose not to replace the property.

Automatic extensions for this Section 3

The following automatic extensions are provided if **you** have selected Section 3: Theft Cover as evidenced by **your Schedule**.

AUTOMATIC EXTENSIONS INCLUDED IN YOUR SUM INSURED

Where a **Sum Insured** is specified in **your Schedule** for **Contents** or **Contents & Stock** and where that **Sum Insured** has not been otherwise exhausted, cover is extended to include:

1. Theft (limited) without forcible and violent entry

- a. loss or damage, limited to \$10,000 for any one occurrence, by theft or attempted theft of **Business Property** other than electronic equipment, **Stock** or customers' goods;
- b. loss or damage, limited to \$20,000 (unless a higher amount applicable to this paragraph b) is specified on **your Schedule** against the above heading) for any one occurrence, by theft or attempted theft of **your** electronic equipment which is not **Stock**;
- c. loss of the buildings at the **Business Premises** if caused by theft, limited to \$10,000 for any one occurrence;

occurring during the **Period of Insurance** from the **Business Premises** without forcible and violent entry but excluding theft or attempted theft from any open sided structure such as, but not limited to, verandas or yards or other open spaces even if they are partially or fully enclosed.

This automatic extension does not cover loss as a result of unexplained disappearance, unexplained or inventory shortage, clerical or accounting errors or shortage in supply or delivery to or from the **Business Premises**.

2. Permanently fixed (non-portable) apparatus

Theft, whether following forcible and violent entry or otherwise, of permanently fixed (non-portable) apparatus or appliances, owned by **you** or for which **you** are legally responsible or have assumed a responsibility to insure, attached to the building other than by means of a flexible or tensile cord to a power point, but limited to an amount not exceeding:

- a. \$10,000; or
- b. the balance of the **Sum Insured** on either **Contents** or **Contents & Stock**;

whichever is the lesser.

AUTOMATIC EXTENSIONS IN ADDITION TO YOUR SUM INSURED

3. Damage to Business Premises

The cost to repair **your Business Premises** and property contained inside. The maximum amount **we** will pay for this automatic extension is:

- a. \$10,000; or
- b. the remaining **Sum Insured** for **Contents** or **Contents & Stock** after payment of a claim;

whichever is the greater.

4. Seasonal increase of cover

All **Sum Insured** under this Section are increased by 50% for:

- a. eight weeks prior to and including Christmas Day;
- b. three weeks after and including 26 December;
- c. six weeks prior to and including Easter Tuesday;
- d. one week after but not including Easter Tuesday;
- e. six weeks prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter);
- f. one week after the same festive, religious, or ethnic event or celebration;
- g. any other period specified **your Schedule**, in lieu of the covers in a) to f) above.

5. Temporary protection and security guards

The cost of necessary temporary protection and repairs and the employment of guards/watchmen to protect insured property following an occurrence covered by this Section. The maximum amount **we** will pay for each occurrence is \$10,000. If an occurrence results in an entitlement to cover under this automatic extension and another Section of the **Policy**, the highest single limit under the relevant Section applies and only one payment under the **Policy** will be made.

6. Locks, keys and combinations

Following an occurrence covered by this Section **we** will pay the cost of:

- a. replacing locks, keys or combinations used in **Your Business** and the cost of opening safes and strongrooms. This automatic extension 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.

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

If an occurrence results in an entitlement to cover under this automatic extension and another Section of the **Policy**, a maximum limit of \$10,000 applies and only one payment under the **Policy** will be made.

7. Rewriting of Records

The cost of additional clerical and professional costs, limited to \$25,000 any one occurrence, incurred by **you** to rewrite **your** necessary business records if they are lost, destroyed or damaged, whilst located at **your Business Premises** or offsite anywhere in Australia, by an occurrence which **you** are covered for in this Section.

8. Property of directors, and employees

Cover is extended to include the personal property of directors and employees of **Your Business** whilst at **your Business Premises** if the person to whom the personal effects belong is not named as an insured under the **Policy**.

Cover is limited to \$5,000 for any one director or employee and \$10,000 in the aggregate for all losses in respect of any one occurrence. This automatic extension provides cover to **you**. It does not provide any insurance cover to any director and/or employee.

9. Temporary removal

We also cover **your** insured **Business Property** while temporarily removed to any other premises within Australia.

Provided that:

- a. **we** will not cover **Tobacco Products**, or alcoholic beverages;
- b. **we** will not cover **Stock** in trade that is on consignment to other parties unless it is owned by **you** or is property for which **you** are responsible;
- c. the maximum amount **we** will pay for this automatic extension will be 20% of the **Sum Insured**;
- d. this automatic extension will not apply to any **Business Property**, which has been removed for a period greater than 90 days without **our** prior written consent.

10. Death following assault

If any person is injured while protecting or attempting to protect the **Business Property** from theft and death results from that injury within twelve (12) months, **we** will pay \$10,000 to the estate of that person. If an occurrence results in an entitlement to cover under this automatic extension and another Section of the **Policy**, a maximum limit of \$10,000 applies and only one payment under the **Policy** will be made.

11. Employee dishonesty

We will pay **you** for loss of **Business Property** by theft or dishonesty by any of **your** employees occurring during the **Period of Insurance**, which is discovered within forty-five days of its occurrence. Exclusion 3, of 'Additional exclusions for Section 3', so far as it relates to loss or damage due to theft or attempted theft committed by an employee, does not apply to this automatic extension. **Our** liability under this automatic extension is limited to \$5,000 for any one occurrence.

If an occurrence results in an entitlement to cover under this automatic extension and another Section of the **Policy**, a maximum limit of \$5,000 applies and only one payment under the **Policy** will be made.

12. Tenanted premises

We will pay the cost of repairing damage to **Business Premises** in which **you** are a tenant and for which **you** are legally liable to pay in accordance with the terms of **your** lease, provided such damage occurs as a result of theft or attempted theft of **Business Property** occurring during the **Period of Insurance**. The limit of **our** liability under this additional benefit is \$10,000 for any one occurrence.

13. Additional premises – Provisional cover

Cover is extended to include all property within 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 occurs first), but the cover is limited to property which is consistent with:

- a. **Your Business**; and
- b. **Business Property**.

Our maximum liability under this automatic extension is limited to 20% of the highest **Sum Insured** specified on **your Schedule** in relation to each item of property insured.

Full details of such additional new **Business Premises** are to be supplied to **us** within 30 days of **your** commencement of the use them. If **we** agree to cover the additional **Situation**, **we** may require payment of an additional premium.

14. Removal of debris

We will pay **you** up to \$2,000 for any one occurrence for the cost of removal of debris and of cleaning up any damage caused by theft or attempted theft of **Business Property** but not resulting from forensic investigation by police.

If an occurrence results in an entitlement to cover under this automatic extension and another Section of the **Policy**, the highest single limit under the relevant Section applies and only one payment under the **Policy** will be made.

15. Removal of debris following forensic investigation

We will pay **you** up to \$2,000 for any one occurrence 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 **Business Property**.

If an occurrence results in an entitlement to cover under this automatic extension and another Section of the **Policy**, the highest single limit under the relevant Section applies and only one payment under the **Policy** will be made.

Optional extensions for Section 3

The following Optional extension does not apply unless agreed by **us** as specified on **your Schedule**.

1. Theft without forcible and violent entry

Theft of **Business Property** in the open air but within the boundaries of the **Situation** or contained in an unlocked building, up to the **Sum Insured** specified on **your Schedule** for 'theft without forcible and violent entry'.

Cover under this optional extension is in addition to the 'Theft (limited) without forcible and violent entry' automatic extension.

Additional exclusions for Section 3

In addition to the General Exclusions of the **Policy** **we** will not pay for:

1. loss of or damage to:
 - a) **Money** and negotiable instruments in excess of \$250;
 - b) jewellery, furs, bullion, property made of gold or silver or precious stones exceeding \$2,000 any one item and \$10,000 any one occurrence unless they are **Stock**;
 - c) motor **Vehicles** unless they are **Stock**;
 - d) glass unless it is **Stock**;
 - e) property not contained in a locked building, unless insured under automatic extensions 'Theft (limited) without forcible and violent entry' and 'Permanently fixed (non-portable) apparatus';

2. loss of or damage to property caused by:
 - a) any person lawfully on **your Business Premises**;
 - b) any person who does not steal or intend to steal property;
3. loss of or damage to property caused by or in any way contributed to dishonest acts by **you, your** directors, partners, employees or any members of **your Family**, other than loss of or damage to property caused by or in any way contributed by an employee following their forcible and violent entry;
4. loss from a safe, strongroom or security enclosure opened by a key or using details of a combination, either of which has been left on **your Business Premises** while closed for business;
5. unexplained disappearances or unexplained shortages, whether resulting from clerical or accounting errors or shortages in supply or delivery of materials to or by **you**.

Section 4: Money Cover

This Section of the **Policy** only applies if **you** have selected it during the application process and cover for Section 4: Money Cover has been agreed by **us** as specified on **your Schedule**.

What you are covered for

We cover **you** for loss of or damage to **Money** which occurs during the **Period of Insurance** as a result of the covered 'Defined Events' specified as insured on **your Schedule** with specific **Sums Insured**.

DEFINED EVENTS

1. Money in transit

Money in **your** personal custody or in the custody of persons authorised by **you** whilst in transit within Australia but not **Money** in a private residence or any **Vehicle** left unattended.

Money in transit includes **Money** whilst contained in the night **Safe**, night depository chute, or automatic teller machine of any **Financial Services Provider**. **Our** liability ceases at the time **your Financial Services Provider** commences trading on the next business day following deposit therein.

2. Money on Business Premises during Business Hours

Money contained in **your Business Premises** during **Business Hours**.

3. Money on Business Premises outside Business Hours

Money contained in **your Business Premises** outside **Business Hours**.

4. Money on Business Premises in a locked Safe or Strongroom

Money contained in **your Business Premises** at any time while contained in a locked **Safe** or **Strongroom**.

5. Money in private residence

Money contained in the home of a person authorised by **you**, when it has been taken from **your Business Premises** or the place of collection to that home for safe keeping until the time **your Financial Service Provider** commences trading on its next full trading day.

6. Combined Money

Money covered under 1 to 5 above.

How we will pay your claim

We will pay **you** up to the **Sum Insured** specified on **your Schedule** for each of the 'Defined Events'.

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

- a. if the securities can, with **our** approval, be replaced, the cost of replacement paid or payable by **you**; or
- b. if the securities cannot or are not to be replaced by **you**, the greater of:
 - i. the price for which **you** purchased them; or
 - ii. the closing market value on the last business day prior to the date of discovery by **you** of the loss or destruction of the securities, or if the time of discovery by **you** is after the close of the market, their closing market value on the day of discovery by **you** of the loss or destruction of the securities; or
- c. in the case of a loss of subscription, conversion, or redemption privileges through the loss of any security, the value of such privileges immediately preceding the expiration thereof, such valuation being in the currency in which the loss was sustained. Losses sustained in currencies other than Australian dollars shall be settled by converting the amount of loss to Australian dollars at the market rate at the time of settlement of the loss or such other rates as may have been expressly agreed with **us**. If there is no market price or value on the relevant day stated herein, then the value shall be agreed between **you** and **us**, or in default thereof, **we** and **you** shall submit to arbitration and be bound by the decision of the arbitrator;
- d. in the case of travellers' cheques, discount house vouchers or lottery tickets, the basis of valuation shall be the original purchase price incurred by **you**.

Automatic extensions for Section 4

The following automatic extensions shall apply only following loss of or damage to **Money** or any attempt thereat, insured by this Section.

ADDITIONAL BENEFITS INCLUDED IN YOUR SUM INSURED

1. 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 \$500 during any one **Period of Insurance**.

ADDITIONAL BENEFITS IN ADDITION TO YOUR SUM INSURED

2. Property of directors, and employees

If **your** directors' or employees' clothing or personal effects are lost or damaged during a theft of **Money**, **we** will pay in addition to the **Sum Insured** the cost of repairing or replacing these items.

Cover is limited to \$5,000 any one director or employee and \$10,000 in the aggregate for all losses in respect of any one occurrence. This automatic extension provides cover to **you**. It does not provide any insurance cover to any director and/or employee.

If an occurrence results in an entitlement to cover under this automatic extension and another Section of the **Policy**, the highest single limit under the relevant Section applies and only one payment under the **Policy** will be made.

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

If **Money** is stolen or there is an attempt at stealing **your Money** from **your Safe** or **Strongroom**, **we** will pay **you**:

- a. the cost of opening the **Safe** or **Strongroom** and to repair or replace any loss or damage to the **Safe** or **Strongroom** that was caused by the theft or attempt;
- b. if **Money** is stolen or if there is an attempt at stealing **your Money**, **we** will pay for loss of or damage to **your** cash carrying bag that was caused by the theft or attempt.

A sub-limit of \$10,000 any one occurrence applies to this automatic extension.

4. Temporary protection and security guards

We will pay **you** the costs necessarily and reasonably incurred by **you** in effecting temporary protection and the employment of guards/watchmen to safeguard the **Money** as a result of theft or attempted theft of **Money** occurring during the **Period of Insurance** and that is insured under this Section. The maximum amount **we** will pay for each occurrence is \$10,000.

If an occurrence results in an entitlement to cover under this automatic extension and another Section of the **Policy**, the highest single limit under the relevant Section applies and only one payment under the **Policy** will be made.

5. Seasonal increase of cover

All Section 4: Money Cover **Sums Insured** are increased by 50% for:

- a. eight weeks prior to and including Christmas Day;
- b. three weeks after and including 26 December;
- c. six weeks prior to and including Easter Tuesday;
- d. one week after but not including Easter Tuesday;
- e. six weeks prior to and including any celebrated event of a festive, religious, or ethnic nature (other than Christmas or Easter);
- f. one week after the same festive, religious, or ethnic event or celebration; and
- g. any other period shown on the current **Policy Schedule**, in lieu of the covers in a) to f) above.

6. Bank and public holidays extension

The **Sums Insured** for Section 4: Money Cover are automatically increased by 100% or \$75,000 whichever is the lesser on days that are gazetted bank or public holidays. This increase shall apply up until bank closing time on the next business day after such holiday. This automatic extension does not apply to damage to **Safes** and **Strongrooms** and seasonal increases.

7. Death following assault

If any person is injured while protecting or attempting to protect **Money** from theft or attempted theft and death results from that injury within twelve months, **we** will pay the estate of that person \$10,000. This amount is in addition to any amount **we** pay for loss of **Money**. If an occurrence results in an entitlement to cover under this automatic extension and another Section of the **Policy**, the highest single limit under the relevant Section applies and only one payment under the **Policy** will be made.

8. Employee dishonesty

We will pay **you** for loss of **Money** by theft or dishonesty by any of **your** employees occurring during the **Period of Insurance** and which is discovered within forty-five days of its occurrence. Exclusion 1(c), of 'Additional exclusions for Section 4', so far as it relates to loss or damage due to theft or attempted theft committed by an employee, does not apply to this automatic extension. **Our** liability under this automatic extension is limited to \$5,000 for any one occurrence. If an occurrence results in an entitlement to cover under this automatic extension and another Section of the **Policy**, a maximum limit of \$5,000 applies and only one payment under the **Policy** will be made..

9. Traveller's Money

Cover under this part is extended to include loss of **Money** belonging to **you**, occurring while such **Money** is in **your** personal custody, or in the custody of **your** employee, up to the lesser of \$10,000 or the amount specified on the **Policy Schedule** for 'Defined Event' 'Money in transit', while travelling outside of Australia in connection with **Your Business**.

10. Additional premises – provisional cover

Cover is extended to include **Money** at, or in transit to or from, any new **Business 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 occurs first), but the cover is limited to **Money** which is consistent with:

- a. **Your Business**; and
- b. the **Money** insured specified on **your Schedule**.

Our maximum liability under this automatic extension is limited to 20% of the **Sum Insured** specified on **your Schedule** in relation to each item of **Money** covered under this Section.

Full details of such new **Business Premises** are to be supplied to **us** within 30 days of **your** commencement to use them. If **we** agree to cover **Money** at the additional **Situation**, **we** may require payment of an additional premium.

11. Locks, keys and combinations

Following an occurrence covered by this Section **we** will pay the cost of:

- a. replacing locks, keys or combinations used in **Your Business** and the cost of opening **Safes** and **Strongrooms**. This 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.

A sub-limit of \$10,000 any one occurrence applies to this automatic extension.

If an occurrence results in an entitlement to cover under this automatic extension and another Section of the **Policy**, a maximum limit of \$10,000 applies and only one payment under the **Policy** will be made.

12. Removal of debris

Following loss of or damage to **Money** or any attempt thereat, insured by this Section, **we** will pay **you** up to \$2,000 for any one occurrence for the cost of removal of debris and of cleaning up any damage resulting therefrom but not resulting from forensic investigation by police.

Provided that any cover provided under this automatic extension shall not accumulate with any similar cover that may be provided under the 'Removal of debris benefit' under Section 3: Theft Cover.

13. Removal of debris following forensic investigation

We will pay **you** up to \$2,000 for any one occurrence for the cost of removal of debris and of cleaning up any damage resulting from forensic investigation by police following loss of or damage to **Money** or any attempt thereat, insured by this Section.

Provided that any cover provided under this automatic extension shall not accumulate with any similar cover that may be provided under the 'Removal of debris following forensic investigation benefit' under Section 3: Theft Cover.

Optional extensions for Section 4

The following Optional benefits do not apply unless agreed by **us** as specified on **your Schedule**.

1. Employee dishonesty

Exclusion 1(c), 2a) and 'Additional benefits in addition to your Sum Insured' 'Employee dishonesty' of this Section are deleted.

Definition applicable to this Optional benefit – "employee(s)" means any person employed by **you** under a contract of service or apprenticeship but does not include:

- a. any director, partner, trustee, or principal except when performing acts within the scope of the usual duties of an employee;
- b. any broker, factor, commission agent, consignee, contractor, or other agent of the same general character.

THE INDEMNITY

We will pay **you** for loss of **Money** caused by theft, fraud, or dishonesty by any of **your employees** provided that the loss:

- a. occurs during the **Period of Insurance**; and
- b. is discovered no later than 12 months after expiry of the **Period of Insurance** or termination of employment of the employee, whichever occurs first.

The maximum amount **we** will pay for all losses incurred during the **Period of Insurance** is the amount specified on **your Schedule** for this Optional benefit.

AUTOMATIC EXTENSIONS APPLICABLE TO EMPLOYEE DISHONESTY

Unidentified employees – If a loss is alleged to have occurred as the result of the fraud or dishonesty of any one or more of **your employees** and **you** are unable to positively identify them, **we** will pay for the loss, provided that **you** are able to provide evidence, at **your** expense, that the loss was due to the fraud or dishonesty of one or more **employees**.

Retroactive cover – The cover provided under this Optional benefit also applies to any loss by fraud or dishonesty committed during the period of insurance of any previous policy provided that:

- a. the discovery period in such previous policy has expired;
- b. the fraud or dishonesty is discovered within:
 - i. the **Period of Insurance** of this **Policy**; or
 - ii. twelve (12) months of the termination of this **Policy** or twelve (12) months after termination of the employment of the employee concerned;
 whichever occurs first;
- c. the cover **we** provide will fall within and not be in addition to the **Sum Insured** specified on **your Schedule**; and
- d. **we** shall not be liable for any loss arising from an act of fraud or dishonesty committed more than twelve (12) months before the inception of this Section of this **Policy**.

WHAT YOU ARE NOT COVERED FOR UNDER EMPLOYEE DISHONESTY

We will not pay for any loss of **Money**:

- a. resulting from any further act of fraud or dishonesty after **you** first discover that the **employee** has previously engaged in provable dishonest conduct or has previous convictions for dishonest acts;
- b. if the only proof of loss is shortage revealed by accounting records or inventory stock-take;

- c. discovered more than twelve (12) months after the **Period of Insurance** has expired or more than twelve (12) months after the termination of employment of the employee concerned;
- d. that is incurred after a period of 21 days of the discovery of any act of fraud or dishonesty on the part of any employee or any other matter in respect of which a claim may arise, unless you have reported such discovery to **us** within 21 days;
- e. beyond the limit of cover stated in this Optional benefit in respect of any one **employee** and all **employees**, even if the dishonest conduct continued during more than one **Period of Insurance**.

SPECIAL CONDITIONS APPLICABLE TO EMPLOYEE DISHONESTY

To the extent permitted by law, **you** must agree to withhold any salary, commission, moneys, or assets that are the property of any **employee** whose dishonesty has caused a claim under this Section. Any such sum shall be deducted from the amount of the loss before any payment is made under this Optional benefit.

In the event of the **Sum Insured** being reduced by the amount of any claim payable under this Optional benefit, the **Sum Insured** will be reinstated in accordance with General Policy Condition 'Reinstatement of sum insured', provided that the amount by which the **Sum Insured** is reinstated shall be available only in respect of acts of fraud or dishonesty committed after such reinstatement.

2. Taxation audit costs

We will cover the reasonable and necessary **Costs you** incur as a result of theft, damage or loss of **Money** following notification received during the **Period of Insurance** of an audit or investigation by a federal or state Commissioner of Taxation relating to **your** liability to pay income tax, fringe benefits tax, capital gains tax, wholesale and sales tax, payroll tax, goods and services tax or superannuation contributions tax in respect of **Your Business** up to the amount specified on **your Schedule** for this Optional benefit.

'Costs' means professional fees paid to accountants or registered tax agents who are not **your** employees, for work undertaken in connection with the audit or investigation.

WHAT YOU ARE NOT COVERED FOR UNDER TAXATION AUDIT COSTS

We shall not be liable under this Optional extension:

- a. for the imposition of any tax, fines, penalties, court costs, penalty tax or interest;
- b. for **Costs** incurred after completion of the audit or investigation;
- c. where any proceedings were initiated, threatened, or started prior to the commencement of the **Period of Insurance**;

- d. arising from **your** improper, unwarranted, or unjustified refusal or failure to comply with any lawful request made by a state or federal Commissioner of Taxation to produce documents or the supply of information. Refusal or failure to comply will not be deemed improper, unwarranted, or unjustified if **you** refuse or fail to comply upon the advice of **your** accountant or tax agent;
- e. for **Costs** from audits or investigations under customs legislation;
- f. for **Costs** from audits or investigations of income received or earned, or where the source of income is, outside Australia or where the services giving rise to the claim are performed by persons or entities ordinarily resident outside Australia;
- g. arising out of any fraud or fraudulent act or omission committed by **you** or on **your** behalf;
- h. arising from audits or investigations which result in **you**, or any person acting on **your** behalf, becoming aware of any error or deficiency in any return of income or other documentation supplied to a state or federal Commissioner of Taxation and failing to notify the Commissioner of Taxation without delay.

**SPECIAL CONDITIONS APPLICABLE TO TAXATION
AUDIT COSTS**

You must lodge taxation and other returns within the time limits applicable to those returns as prescribed by statute or through extension of time granted by a Commissioner of Taxation.

You must make full and complete disclosure of all assessable income (including capital gains), as required by any relevant legislation.

In the event of a claim arising:

- a. **you** must always keep **us** fully and continually informed of all material developments in relation to the claim and in relation to any audit;
- b. **you** must take all necessary and reasonable steps to minimise any delays and the amount of any costs incurred or likely to be incurred in connection with any audit;
- c. **we** or **our** duly appointed agent may make **our** own investigation into any matter which is or may be the subject of a claim; and
- d. **you** must use reasonable efforts to ensure that **your** accountants, registered tax agent and/or solicitor cooperate with **us** and where necessary, assist **us** in relation to any claim and assist **us** with any matter **we** wish to pursue with the Commissioner of Taxation which is or may be the subject of a claim.

Additional exclusions for Section 4

In addition to the General Exclusions of the **Policy** we will not pay for:

1. loss or damage caused by:
 - a) clerical or accounting errors;
 - b) errors in receiving or paying out **Money**;
 - c) dishonest acts of **your** directors, partners, employees or any member of **your Family** other than theft by an employee following visible forcible and violent entry.
2. loss of or damage to **Money**:
 - a) which was not discovered missing within ten working days of the loss or damage occurring;
 - b) whilst contained in an unlocked and unattended **Vehicle**;
 - c) from a **Safe** or **Strongroom** opened by a key or by use of a combination which has been left on the **Business Premises** outside **Business Hours**.
 - d) whilst it is outside Australia, except as provided under automatic extension – ‘Traveller’s Money’.

Additional definitions for Section 4

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

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

Safe means a burglar-resistant container which has been designed to resist fire and attack by hand-held or power-operated tools and has been specifically designed for the storage of **Money** and valuables. **Safe** includes automatic teller machines.

Strongroom means a burglar-resistant structure constructed of masonry and steel which has been designed to resist fire and attack by hand-held or power-operated tools and has been specifically designed for the storage of **Money** and valuables.

Section 5: Glass Cover

This Section of the **Policy** only applies if **you** have selected it during the application process and cover for Section 5: Glass Cover has been agreed by **us** as specified on **your Schedule**.

What you are covered for

We cover **you** under Section 5: Glass Cover for **Breakage** at the **Situation** of the **Glass** specified as insured on **your Schedule** which occurs during the **Period of Insurance**.

How we will pay your claim

We will at **our** option (acting reasonably) either pay the cost to repair or replace broken **Glass** with **Glass** of similar or higher quality to comply with the requirements of The Standards Association of Australia, any statute or regulation.

Automatic extensions for Section 5

If a claim is payable by **us** under this Section **we** will also pay up to the greater of the limit defined below or the **Sum Insured** specified on **your Schedule** for the reasonable cost to replace or repair the following additional items:

1. External Glass

In the event of **Breakage** of **External Glass**, **we** will indemnify **you** for each of the following:

- a. replacing sign writing or ornamentation affixed to the broken **Glass**;
- b. replacing burglar tape or wiring affixed to the broken **Glass**;
- c. replacing shatter resistant or reflective film affixed to the broken **Glass**;
- d. temporary shuttering, boarding up or other protection reasonably necessary for the safeguarding of the **Premises** or contents therein, pending replacement of the broken **Glass**;
- e. replacing damaged window frames and tiled shop fronts, but with due allowance for wear and tear.

Our liability under this automatic extension during any one **Period of Insurance** is limited to \$7,500.

2. Destruction of Stock or contents

We will pay for destruction of, or damage to, **your Stock** or **Contents**, caused by broken **Glass** following the **Breakage** of **Glass** where such **Breakage** constitutes an admissible claim under this Section.

Our liability under this automatic extension during any one **Period of Insurance** is limited to:

- a. the value at cost, of the **Stock** or contents destroyed or damaged, less any amount realised from the sale or salvage; or
- b. the greater of \$7,500 or the **Sum Insured** specified on **your Schedule** for this automatic extension;

whichever is the lesser.

3. Signs

Glass or plastic which forms part of an illuminated **Sign** and which is damaged during the **Period of Insurance** limited to \$7,500 or the **Sum Insured** specified on **your Schedule** for 'Signs'. The admissibility of claims for damage to **Signs** shall not be contingent upon other damage to **Glass**.

4. Overtime

We will pay the reasonable costs for after-hours service by repairers, express delivery and overtime charges to repair or replace broken **Glass**.

5. Malicious damage

Malicious damage to **External Glass**. This automatic extension is payable even where there is no **Breakage** of **External Glass**.

Additional exclusions for Section 5

In addition to the General Exclusions of the **Policy** **we** will not pay the cost to repair or replace broken **Glass**:

1. which is **Stock**;
2. which is chipped or in poor condition when the **Period of Insurance** commences;
3. which is part of any glasshouse, conservatory, radio, television screen, computer screen, vase, picture, crystal, crockery, china, or **Glass** item normally carried by hand.

Additional definitions for Section 5

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

Breakage means:

- a. for plate or sheet **Glass** or porcelain, a fracture extending through the entire thickness of the **Glass** or porcelain;
- b. for laminated **Glass**, a fracture extending through the entire thickness of a lamination but not any other damage or disfiguration.

External Glass means glass, or plastic material used as glass fixed in external windows, doors, showcases, or skylights forming part of the **Premises**.

Glass means **Internal Glass**, **External Glass** and **Specified Glass**.

Internal Glass means:

- a. glass, or plastic material used as glass in internal partitions, windows and doors, glass in counters, glass forming shelves and/or stock restraints, interior showcases, fixed mirrors, and other fixed internal glass including ceramic vitreous china urinals, toilet pans and hand basins; and
- b. frames of showcases, display cabinets and counters containing the broken **Glass**.

Premises means the buildings at the **Situation**.

Sign means **Glass** or plastic that forms part of a **Sign**.

Specified Glass means **Glass** specified on **your Schedule** under 'Specified Glass'.

Section 6: Transit Cover

This Section of the **Policy** only applies if **you** have selected it during the application process and cover for Section 6: Transit Cover has been agreed by **us** as specified on **your Schedule**.

What you are covered for

We will cover **you** up to the **Sum Insured** specified on **your Schedule**, less the **Excess**, for loss of or damage to **Insured Goods** during the **Period of Insurance** whilst in the normal course of transit via a road **Vehicle** owned or operated by **you** anywhere in Australia, caused by:

- a. collision or overturning of the conveying **Vehicle**;
- b. fire, **Flood**, lightning or explosion; or
- c. theft resulting from forcible and violent entry evidenced by visible damage to the securely locked portion of the **Vehicle** containing the **Insured Goods**.

How we will pay your claim

In the event of a claim the value of **Insured Goods** lost or damaged shall be determined as follows:

- a. for **Insured Goods** sold - **your** invoice value;
- b. for **Insured Goods** purchased - the purchase price as shown on the invoice;
- c. all other **Insured Goods** including plant transfers - market value.

Additional exclusions for Section 7

In addition to the General Exclusions of the **Policy** we will not pay for:

1. loss of or damage to:
 - a) **Money**;
 - b) jewellery, watches, furs, antiques, paintings, works of art, precious metals or precious stones or articles composed of any of them;
 - c) explosives, petroleum products in bulk or gas in bulk;
 - d) livestock;
 - e) **Tabaco Products** unless specified on **your Schedule**;

Further, **we** will not pay for loss or damage as a result of:

- f) delay, loss of market, consequential loss of any kind, depreciation, or deterioration;

- g) collision or contact by the conveying **Vehicle** with the curb or uneven road surface;
 - h) theft by any of **your** employees whether acting alone or in collusion with others;
 - i) electrical or mechanical derangement unless damage is visible to the exterior of the **Vehicle**.
2. **We** will not pay for loss of or damage to **Insured Goods** under this Section which is covered under any other Section of this **Policy**.
 3. **We** will not cover any legal liability.

Additional definitions for Section 7

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

Insured Goods means goods which belong to **you** or for which **you** are legally responsible, and the items are specified as insured on **your Schedule** with specific **Sums Insured**.

Section 7: Electronic Cover

This Section of the **Policy** only applies if **you** have selected it during the application process and cover for Section 7: Electronic Cover has been agreed by **us** as specified on **your Schedule**.

What you are covered for

We will indemnify **you**, up to the **Sum Insured** specified on **your Schedule** for **Insured Damage** to your **Electronic Plant** during the **Period of Insurance**. Cover under this Section applies while the **Electronic Plant** is:

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

How we will pay your claim

- 1) In the event of **Insured Damage** to **your Electronic Plant** **we** will pay the cost of replacement or repairs necessary to return the **Electronic Plant** to its former state of operation including:
 - a) cost of dismantling, re-erection, cleaning up, and removal of debris;
 - b) charges for overtime and work on public holidays where necessarily and reasonably incurred;
 - c) freight within Australia by any recognised scheduled service;
 - d) overseas air freight by any recognised scheduled service or overseas labour;
 - e) the cost of temporary repairs and/or hire of a temporary replacement item during the time taken to repair damage to any **Electronic Plant**;

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

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

Damage, settlement will be the lesser of the **Sum Insured** for the **Electronic Plant** specified on **your Schedule** or the cost of replacement of the **Electronic Plant** by an item of similar function, type, capacity, and quality and in a condition equal to but not better than the condition of the **Electronic Plant** when new.

- 4) The value of any salvage will be subtracted from the amount payable under this Section.
- 5) If more than one item of **Electronic Plant** is lost or damaged in one occurrence, **we** will apply only the highest **Excess** applicable to such **Electronic Plant**.
- 6) The amount of each claim payable shall be reduced by the amount of the **Excess** specified on **your Schedule**.

Automatic extensions for Section 7

1. Additional items

If **you** hire or purchase and commission at **your Business Premises** any items similar to **your Electronic Plant**, **we** will cover these items to the same level of cover already provided for similar **Electronic Plant**.

Provided that:

- a. cover for additional items shall not exceed the total **Sum Insured** for the items already insured under this Section;
- b. **you** give **us** written notice within 90 days of the hire or purchase and commissioning of the item(s) and pay the appropriate extra premium on a pro rata basis together with any applicable statutory charges;
- c. the items are as far as **you** are aware, suitable for service, free from material defect and in sound working condition;
- d. the items shall not be insured until successfully commissioned and all relevant statutory provisions for inspection and certification have been fulfilled;
- e. the limits and **Excess** as specified on **your Schedule** shall be the same as for similar **Electronic Plant**.

2. Repair costs

We will pay for the cost of consulting engineers' fees (excluding fees for preparing a claim) necessarily incurred with **our** written consent (which consent shall not be reasonably withheld), in the reinstatement of **Electronic Plant**.

Where the **Sum Insured** has been exhausted, **we** will pay up to an additional \$5,000 for this automatic extension.

3. Inflation protection

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

4. Laptop computer away from the Situation

We will cover **your** laptop computer (if specified as **Electronic Plant**) anywhere in the world if the laptop computer is also covered under Section 9: General Property Cover.

Optional extensions for Section 7

The following Optional extensions do not apply unless agreed by **us** as specified on **your Schedule**.

1. Electronic Data and Electronic Data Media

WHAT YOU ARE COVERED FOR

It is a condition precedent to indemnity under this Optional extension that **you** must have duplicate copies of updated file media stored off site at alternative premises.

We will indemnify **you** for **Insured Damage** to **your Electronic Data** and **Electronic Data Media** caused solely as a result of **Insured Damage** to **your Electronic Plant** whilst the **Electronic Data Media** is:

- a. at its usual place at the **Situation**; or
- b. at an alternative place at the **Situation** temporarily for processing purposes or in transit between these places at the **Situation**.

Further, **we** will extend cover under this Section to include restoration of lost information which results from loss or damage to an electronic data processing system which is not owned by **you** and which **you** are not responsible to insure but which is being used by **you** at the time the loss or damage to that system occurs in circumstances which would give rise to indemnity under this Section if it was insured under this Section.

BASIS OF SETTLEMENT

We will pay **you** for such **Insured Damage** up to the **Sum Insured** less the applicable **Excess** specified on **your Schedule** including:

- a. the actual cost of replacement of lost or damaged **Software** and **Electronic Data Media** by new unused materials;
- b. any expenses which can be proved to have been incurred by **you** specifically for the purpose of restoring the **Electronic Data** by reproduction of

data or information in a condition equivalent to that existing prior to **Insured Damage** and necessary to allow operation of the **Electronic Plant** to continue in the normal manner. Lost **Electronic Data** may be reproduced in an updated form if the cost of doing so is no greater than that of reinstatement in the original form;

and provided:

- c. **we** shall only be liable for costs and expenses incurred within a period of twelve (12) months following the **Insured Damage** within the **Period of Insurance**; and
- d. the amount payable for each claim payable shall be reduced by the amount of the **Excess** specified on **your Schedule**.

WHAT YOU ARE NOT COVERED FOR UNDER THIS EXTENSION

In addition to the exclusions contained in this Section and the General Exclusions of the **Policy**, **we** shall not be liable under this Optional extension for:

- a. loss or distortion of **Electronic Data** contained on the **Electronic Data Media** while mounted in or on any machine for use or processing unless such loss or distortion occurs:
 - i. at its usual place at the **Situation** due to **Insured Damage** to **Electronic Plant**; or
 - ii. at an alternative place at the **Situation** temporarily for processing purposes due to **Insured Damage** to the **Electronic Plant**;
- b. wasting or wearing away or wearing out caused by or naturally resulting from ordinary use or working or gradual deterioration;
- c. loss or damage caused by atmospheric conditions, moisture or changes in temperature unless directly resulting from damage to air-conditioning equipment which would be indemnifiable if the equipment were insured under this Section;
- d. consequential loss of any kind or description whatsoever;
- e. work undertaken without **our** approval other than for minor temporary or provisional repairs. There is no cover under this extension with respect to any **Insured Item** which has been operated without being satisfactorily repaired following **Insured Damage**.

2. Additional increase in cost of working

WHAT YOU ARE COVERED FOR

We will indemnify **you** as set out in 'Basis of Settlement' below up to the **Sum Insured** for any additional costs of operating **Your Business** directly resulting from interruption or interference to **Your Business** as specified on **your Schedule** but only if:

- a. the interruption or interference is as a result of **Insured Damage** to an insured computer or word processor covered under this Section; and
- b. the interruption or interference is caused solely as a result of **Insured Damage**.

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

To the extent that the **Sum Insured** by this extension is not otherwise exhausted, **we** will also pay for reasonable professional fees of accountants or auditors and any necessary and reasonable expenses payable by **you** for preparation and proving of valid claims under this Section.

BASIS OF SETTLEMENT

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

WHAT YOU ARE NOT COVERED FOR UNDER THIS EXTENSION

In addition to the exclusions contained in this Section and the General Exclusions of the **Policy**, **we** shall not be liable under this Optional extension for:

- a. the costs incurred during:
 - i. interruption due to the carrying out of alterations, additions or improvements to the insured computer or word processor;
 - ii. interruption due to the carrying out of cleaning, adjustment, inspection or maintenance of the insured computer or word processor; or
 - iii. the extension of any interruption due to any measure, restriction or regulation imposed by any government, public or local authority;
- b. additional costs incurred where the period of interruption otherwise applicable is increased beyond four (4) weeks due to delay in the repair or replacement of items manufactured outside Australia where such delay results from:
 - i. measures, restrictions, or regulations imposed by any government, public or local authority;
 - ii. the time required to procure replacement parts or complete items in overseas markets;
 - iii. the time required to transport or ship component parts or complete items between the **Situation** and any overseas place of repair or replacement;
 - iv. the time required to engage and transport overseas specialists or consultants to assist in or supervise local repairs.

SPECIAL CONDITION

For the purpose of this extension only, Exclusion 5) of this Section does not apply.

Additional exclusions for Section 7

In addition to the General Exclusions of the **Policy**, **we** shall not be liable under this Section for:

1. **Insured Damage** to **Electronic Data** and **Electronic Data Media**, unless **you** have cover under Optional extension 1. Electronic Data and Electronic Data Media;
2. **Insured Damage** caused by atmospheric conditions, moisture or change in temperature unless directly resulting from damage to or malfunction of air conditioning equipment;

3. The cost of:
 - a) replacement of expendable items such as batteries, valves, x-ray and picture tubes, belts, chains, tapes, cards, ribbons, filters, tubes, electric heating elements or electrical contacts; or
 - b) replacement of component parts worn through normal use or operation, unless necessary as part of the rectification of **Insured Damage** not otherwise excluded under this Section.
4. The cost of:
 - a) maintenance work;
 - b) alterations, additions, improvements, or overhauls whether carried out in the course of indemnifiable repairs or as a separate operation;
 - c) replacement or repair following gradual deterioration (including rust, corrosion, erosion, oxidation, or scale formation);
 - d) repairs of scratches to painted or polished surfaces unless resulting from **Insured Damage**.
5. Anything to the extent **you** are entitled to recover the costs of labour or parts under a maintenance agreement or warranty, guarantee or indemnity in **your** favour by the manufacturer of the relevant **Insured Item** or any other person;
6. Loss, damage or distortion caused by **Computer Viruses**, malware or other malicious software or programming techniques.
7. Consequential loss of any kind or description whatsoever.
8. Any loss or damage caused by or arising from:
 - a) fire, smoke, or soot;
 - b) extinguishing a fire including subsequent demolition or repair work;
 - c) lightning;
 - d) chemical explosion;
 - e) impact of land-borne **Vehicle, Aircraft, or Watercraft**;
 - f) earthquake, subterranean fire, or volcanic eruption;
 - g) landslide or subsidence;
 - h) storm, tempest, **Flood**, windstorm, or cyclone;
 - i) water escaping, discharged, or leaking from any source which is external to the **Electronic Plant**;
 - j) theft or burglary;
 - k) intentional or malicious damage; or
 - l) the carrying out of tests involving abnormal stresses, including the intentional overloading of any **Electronic Plant**.

Additional conditions for Section 7

In addition to the General Conditions of the **Policy**, the following conditions apply to this Section:

1. Cover only applies after completion of successful initial commissioning of **Electronic Plant**.

2. Newly installed items: At the end of each **Period of Insurance you** shall provide **us** with details of any items newly installed or which have been deleted during the **Period of Insurance**.

Additional or return premiums shall be calculated corresponding to the type and value of the items and the **Period of Insurance** from the time of completion of the successful commissioning of the items.

Provided that **our** liability for all additional items will not exceed fifty percent of the total **Sum Insured** as specified on **your Schedule**.

3. Inspection: **You** shall permit **us** or **our** representative at all reasonable times the right to inspect and examine any **Electronic Plant, Electronic Data Media, or Electronic Data** as applicable.
4. Claims and repair procedure (See also the General Condition headed 'Claims procedures'): In the event of any **Insured Damage** which might give rise to a claim under this Section **you** must preserve the parts affected and make them available for inspection by **us** or **our** representative.
5. Upon notification of any loss or damage being given to **us, you** may carry out repairs or make good any minor damage, but in all other cases **you** must give **us** or **our** representative an opportunity to inspect the loss or damage before any repairs or alterations are effected. If no inspection is carried out by **us** or on **our** behalf within a period of time which is reasonable having regard to the location of the risk, weather conditions and/or other relevant factors, **you** may proceed with such repairs or replacement.
6. Nothing contained in this Section or in any other condition of this **Policy** will relieve **you** of any obligation to take such steps as are necessary to ensure that the operation of the **Electronic Plant** is at all times carried out so as to minimise the risk of any claim being made under this Section.
7. Cover will cease for any **Electronic Plant** which has sustained damage and is operated unless it has been repaired properly and without delay.
8. **You** shall notify **us** in writing of any intended alterations to or departure from normal working conditions which **you** know (or a reasonable person in the circumstances could be expected to know) would materially increase the risk of a claim being made under this Section.

Additional definitions for Section 7

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

Dollar Excess means the amount specified on **your Schedule** that **you** shall first contribute towards each claim, arising out of the one occurrence.

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

Electronic Data Media means the discs, tapes or similar used in the computer to store the information as specified on **your Schedule**.

Electronic Plant means all computers, word processors including all ancillary equipment attached thereto, **Software**, other electronic equipment and associated air-conditioning equipment as specified on **your Schedule**.

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

Indemnity Period means the period beginning with the occurrence of the **Insured Damage** and ending no later than the number of days specified on **your Schedule** during which the results of **your** business shall be affected in consequence of the **Insured Damage**.

Insured Damage means sudden and unforeseen physical loss or destruction of or damage to **Electronic Plant** due to any cause not excluded under the **Policy**, this Section (including such extensions to this Section which **you** have selected to be insured), which occurs at the **Situation** during the **Period of Insurance**, and requires immediate repair or replacement to allow continuation of use.

Software means the instructions, data or programs which cause a computer to perform a desired operation or series of operations.

Sum Insured means the relevant sum stated opposite each item of **Electronic Plant** as specified on **your Schedule**.

Time Excess means the number of operating hours specified on **your Schedule** during which **you** must bear the loss.

Section 8: Machinery Cover

This Section of the **Policy** only applies if **you** have selected it during the application process and cover for Section 8: Machinery Cover has been agreed by **us** as specified on **your Schedule**.

What you are covered for

If any **Insured Item** or any part of an **Insured Item** suffers **Insured Damage** during the **Period of Insurance** **we** will indemnify **you** in respect of such loss or damage as provided in 'How we will pay your claim'.

Cover under this Section applies whilst the **Insured Item** is within the **Situation** and working or at rest or being dismantled, moved, reassembled, or reinstalled for the purpose of cleaning, adjustment, inspection, repair, overhaul, or relocation but only after completion of successful initial commissioning at the **Situation**.

How we will pay your claim

1. In the event of **Insured Damage** **we** will pay **you**, up to the **Sum Insured** for **Specified Plant and Machinery** or the **Limit Any One Event** for **Unspecified Plant and Machinery** (as applicable) less the applicable **Excess**, for the reasonable cost of repair or replacement necessary to return the **Insured Item** to its former state of operation including:

- a) cost of dismantling, re-erection, cleaning up and removal of debris;
- b) replacement of refrigerant, lubricating or insulating oil lost from an **Insured Item** as a direct result of **Insured Damage**;
- c) charges for overtime and work on public holidays where necessarily and reasonably incurred;
- d) freight within Australia by any recognised scheduled service;
- e) overseas air freight by any recognised scheduled service and/or overseas labour; and
- f) the cost of temporary repairs and/or hire of a temporary replacement item during the time taken to repair damage to any **Insured Item**.

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

2. All **Insured Damage** which can be repaired must be repaired, however should the **Insured Item** be uneconomical to repair due solely to the nature of the **Insured Damage**, settlement will be as follows:

- a) the cost of replacement of the **Insured Item** by an item of similar function, type, capacity, and quality in a condition equal to, but not better than, the condition of the **Insured Item** when new;

- b) the **Sum Insured** for the **Insured Item** or the **Limit Any One Event** for the **Insured Item(s)** (as applicable).

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

3. **We** shall not be required to replace the **Insured Item** exactly, but only as circumstances permit.

4. The value of any salvage will be deducted from any amount payable under this Section.

5. The amount of each claim otherwise payable shall be reduced by the amount of the **Excess** specified on **your Schedule**.

6. Where components or manufacturer's specifications are no longer available due to obsolescence, the basis of settlement will be the cost which would have been incurred if the components or specifications had still been available.

7. Notwithstanding any other clause in this Section **our** liability shall not exceed the **Sum Insured** for the **Insured Item** or the **Limit Any One Event** for the **Insured Item(s)** (as applicable) in respect of the **Insured Item(s)** which has suffered **Insured Damage**.

Automatic extensions for Section 8

1. Additional items

If **you** hire or purchase and commission at **your Business Premises** any items similar to **Insured Items** already insured under this Section, **we** will consider these items to be covered by this Section, giving the same level of cover as for similar items already insured.

Provided that:

- a. cover for additional items shall not exceed the total **Sum Insured** for the items already insured under this Section;
- b. **you** give **us** written notice within 90 days of the hire or purchase and commissioning of the item(s) and pay the appropriate extra premium on a pro rata basis together with any applicable statutory charges;
- c. the items are as far as **you** are aware, suitable for service, free from material defect, and in sound working condition;
- d. the items shall not be insured until successfully commissioned and all relevant statutory provisions for inspection and certification have been fulfilled;
- e. the limits and **Excess** as specified on **your Schedule** shall be the same as for similar items already insured.

2. Repair costs

We will indemnify **you** for the cost of consulting engineers' fees (excluding fees for preparing a claim) necessarily incurred with **our** written consent (which consent shall not be unreasonably withheld), in the reinstatement of **Insured Items**.

Where the **Sum Insured** or **Limit Any One Event** (as applicable) is exhausted we will pay up to an additional amount of \$5,000 in respect of this automatic extension.

3. Inflation Protection

The **Sum Insured** on items of **Specified Plant and Machinery** shall at the time of loss be increased according to the consumer price index at the proportion of the number of days since the commencement of the **Period of Insurance**.

Optional extensions for Section 8

The following Optional extensions do not apply unless agreed by **us** as specified on **your Schedule**.

1. Deterioration of Stock in cold storage

WHAT YOU ARE COVERED FOR

We will indemnify **you** up to the **Sum Insured** for loss of or damage to **Stock** whilst contained in the cold storage spaces cooled by the **Insured Items** under this Section and caused by deterioration or putrefaction as a result of:

- a. **Insured Damage** to the refrigeration machinery;
- b. operation of or failure to operate controls or protective devices within the refrigeration machinery, but this does not include loss caused by the manual operation or manual setting of controls or protective devices;
- c. contamination of the stored **Stock** by the accidental escape of refrigerant into the cold chamber;
- d. sudden leakage of refrigerant from the refrigeration machinery or pipe systems forming part of the refrigeration machinery occurring during the **Period of Insurance** at the **Situation**; or
- e. sudden and unforeseen failure of the public power supply.

LOSS MINIMISATION

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

BASIS OF SETTLEMENT

- a. **We** will pay the cost of replacement of the lost or damaged **Stock** calculated immediately prior to the loss or damage occurring or the contracted price from **your** usual customer, whichever is the higher. **We** will not pay more than the **Sum Insured** specified on **your Schedule** for the **Stock**.
- b. The amount of each claim otherwise payable shall be reduced by the amount of the **Excess** specified on **your Schedule**.

WHAT YOU ARE NOT COVERED FOR UNDER THIS EXTENSION

In addition to the exclusions contained in this Section and the General Exclusions of the **Policy**, **we** shall not be liable under this Optional extension for:

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

SEASONAL INCREASE OF COVER

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

- a. eight weeks prior to and including Christmas Day;
- b. three weeks after and including 26 December;
- c. six weeks prior to and including Easter Tuesday;
- d. one week after but not including Easter Tuesday;
- e. six weeks prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter);
- f. one week after the same festive, religious, or ethnic event or celebration; and
- g. any other period specified on **your Schedule**, in lieu of the covers in a) to f) above.

Additional exclusions for Section 8

In addition to the General Exclusions of the **Policy**, we shall not be liable under this Section for:

1. The cost of:
 - a) replacement of expendable items such as belts, filters, fuses, electric heating elements, electrical contacts, thermostats, TX valves, cutting blades, crushing surfaces, parts made of glass, porcelain or ceramics, chains, seals, links, dies and moulds, conveyor belting, lubricants, fuel, and any transfer media;
 - b) replacement of unserviceable component parts worn through normal machine operation,
 - c) adjustment, cleaning, purging or recharging of refrigeration or air conditioning equipment; or
 - d) replacement of refractory or brickwork forming part of an **Insured Item**;

unless necessary as part of the rectification of **Insured Damage** not otherwise excluded under this Section.

2. The cost of:
 - a) maintenance work including but not limited to the tightening of loose parts, recalibration or adjustments;
 - b) alteration, additions, improvements, or overhauls whether carried out in the course of indemnifiable repairs or as a separate operation;
 - c) modification or alteration of insured plant to enable it to operate with a more ozone-friendly refrigerant gas as required by the UNEP (United Nations Environmental Protection) Montreal Protocol with respect to substances which deplete the ozone layer, unless conversion is necessitated by **Insured Damage**;
 - d) replacement or repair, caused by gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);
 - e) replacement of lighting equipment, reticulated electrical wiring, reticulated liquid and gas piping and ducting;
 - f) repair of scratches chipping or discolouration to painted or polished surfaces, unless resulting from **Insured Damage**;
 - g) repair of slowly developing deformation, distortion or fatigue of any part;
 - h) repair of blisters, laminations, flaws or grooving even when accompanied by leakage;
 - i) repairs to valves, fittings, glands, joints, gaskets, pipes, lines, and connections which are defective or leaking;
 - j) repairs to shaft keys requiring tightening, fitting, or renewal;
 - k) damage caused by the movement of foundations, masonry or brick work; or
 - l) removal or installation of underground pumps and well casings unless specifically noted **your Schedule** that this exclusion does not apply.

3. Consequential loss of any kind or description whatsoever.
4. **Insured Damage** to any item being moved, if caused by dual lifting.
5. Anything to the extent **you** are entitled to recover the costs of labour or parts under a maintenance agreement, warranty, guarantee or indemnity in **your** favour by the manufacturer of the relevant item or any other person.
6. Loss or damage caused by or arising from:
 - a) fire, smoke or soot;
 - b) extinguishing a fire including subsequent demolition or repair work;
 - c) lightning;
 - d) chemical explosion (other than explosion of flue gas in **Boilers, Pressure Vessels and Pressure Pipe Systems**);
 - e) impact of land-borne **Vehicle, Aircraft** or **Watercraft**;
 - f) earthquake, subterranean fire or volcanic eruption;
 - g) landslip or subsidence;
 - h) storm, tempest, **Flood**, windstorm, or cyclone;
 - i) water escaping, discharged or leaking from any source which is external to the **Insured Item**;
 - j) theft or burglary;
 - k) intentional or malicious damage; or
 - l) the carrying out of tests involving abnormal stresses, including the intentional overloading of any **Insured Item**.

Additional conditions for Section 8

In addition to the General Conditions of the **Policy**, the following conditions apply to this Section:

1. Newly installed items: At the end of each **Period of Insurance** you shall furnish us with details of any items newly installed or which have been deleted during the **Period of Insurance**.

Additional or return premiums shall be calculated corresponding to the type and value of the items and the **Period of Insurance** from the time of completion of the successful commissioning of the items.

Provided that **our** liability for all additional items will not exceed 50% of the total **Sum Insured** or 50% of the **Limit Any One Event** (as applicable) as specified on **your Schedule**.

2. Inspection: **You** shall permit **us** or **our** representative at all reasonable times the right to inspect and examine any **Insured Item** covered by this Section.

3. Claims and repair procedure (See also the General Condition headed 'Claims procedures'): In the event of any **Insured Damage** which might give rise to a claim under this insurance **you** must preserve the parts affected and make them available for inspection by **us** or **our** representative.

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

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

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

7. **You** shall notify **us** in writing of any intended alterations of or departure from normal working conditions which **you** know (or a reasonable person in the circumstances could be expected to know) would materially increase the risk of a claim being made under this Section.

Limit Any One Event means the maximum amount **we** will pay in respect of **Unspecified Plant and Machinery** for any one **Event** as specified on **your Schedule**.

Specified Plant and Machinery means electrical and mechanical items including electronic and other integral parts of the items including **Boilers, Pressure Vessels and Pressure Pipe Systems**, which are separately specified on **your Schedule** with specific **Sums Insured**.

Sum Insured means the relevant sum stated opposite each item of **Specified Plant and Machinery** as specified on **your Schedule**.

Unspecified Plant and Machinery means electrical and mechanical items including electronic and other integral parts of the items (excluding **Boilers, Pressure Vessels and Pressure Pipe Systems**), which are driven by motors not exceeding 5hp or 4kw, specified as insured on **your Schedule**.

Additional definitions for Section 8

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

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

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

Excess means the amount specified on **your Schedule** that **you** shall first contribute towards each claim, arising out of any one occurrence. **We** will deduct the applicable **Excess** from the claim otherwise payable and **we** will then pay to **you** the amount of loss or damage up to the applicable **Sum Insured** or **Limit Any One Event**.

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

Insured Item means **Specified Plant and Machinery** or **Unspecified plant and Machinery** (as applicable).

Section 9: General Property Cover

This Section of the **Policy** only applies if **you** have selected it during the application process and cover for Section 9: General Property Cover has been agreed by **us** as specified on **your Schedule**.

What you are covered for

We cover **you** for physical loss of or damage to **Property Insured** which occurs during the **Period of Insurance** subject to terms and conditions, limits, and exclusions of the **Policy**.

In the event of a claim, the most **we** will pay for physical loss of or damage to:

- a. any one **Unspecified Item** is \$1,000;
- b. any one **Specified Item** is the **Sum Insured** for that **Specified 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**.

How we will pay your claim

We will at **our** option (acting reasonably) either:

- a. pay **you** the replacement cost of the **Property Insured** at the time of loss or damage;
- b. repair the **Property Insured** to a condition equal to but not better or more extensive than its condition when new; or
- c. replace the **Property Insured** with a new item that has the same or close to the same features (but not less than) as the item being replaced.

Optional extensions for Section 9

The following Optional extensions do not apply unless agreed by **us** as specified on **your Schedule**.

1. Fire, theft, collision, and other expressed perils

We will insure the **Property Insured** specified on **your Schedule** under this Section for loss or damage caused by:

- a. fire, lightning, explosion, storm, water, earthquake, impact by **Vehicle** or **Aircraft**, malicious damage, or vandalism;
- b. theft from a locked **Vehicle** or building, following forcible and violent entry which causes visible damage to the **Vehicle** or building;

- c. theft of equipment securely attached to a **Vehicle** through use of locks or padlocks, which results in visible damage to the securing devices;
- d. collision or overturning of a conveying **Vehicle**.

Additional exclusions for Section 9

In addition to the General Exclusions of the **Policy**, **we** shall not be liable under this Section for:

1. loss of or damage to **Property Insured** which is:
 - a) covered under any other Section of this **Policy**;
 - b) being constructed, erected, altered, manufactured, cleaned, or repaired;
2. loss or damage caused by:
 - a) wear and tear, fading, scratching or marring, rust, corrosion, mildew, mould, contamination or pollution, wet or dry rot, change of colour, flavour, texture or finish, dampness of atmosphere, variations in temperature, evaporation, disease, inherent vice, latent defect, loss of weight, depreciation, gradual deterioration or developing flaws, normal upkeep or making good, smut or smoke from industrial operations (other than sudden or unforeseen damage resulting therefrom);
 - b) insects or vermin such as rats, mice, rabbits, possums and birds;
 - c) faulty materials;
 - d) faulty workmanship;
 - e) mechanical, electrical or electronic breakdown.

Exclusion 2 applies to the part first and immediately affected and does not extend to subsequent damage to other parts of the property occasioned by a peril which is not otherwise excluded.

3. **Property Insured** not being used by **you** in accordance with the manufacturer's instructions.
4. Any legal liability of whatsoever nature.
5. Consequential loss of any kind.

Additional definitions for Section 9

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

Property Insured means **Specified Items** and **Unspecified Items**.

Specified Item(s) means those items which are specified on **your Schedule** and are owned by **you** or for which **you** are legally responsible, and which are used for the purpose of **Your Business**.

Unspecified Item(s) means items other than:

- a. laptop computers, personal digital assistants (PDAs), video cameras, digital cameras or mobile phones; or
- b. any item worth more than \$1,000 specified on **your Schedule** which are owned by **you** or for which **you** are legally responsible, and which are used for the purpose of **Your Business**.

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