



Business Package Insurance

Commercial / Retail / Industrial

POLICY WORDING

CI-BPKG-0624
1 June 2024

Coast Insurance Business Package Policy Wording

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ABOUT THIS DOCUMENT

This booklet contains two separate parts: Important Information and Policy Terms and Conditions.

Important Information

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

For the purposes of the Important Information section all references to:

- 'You', 'Your' or 'Yours' have the same meaning as You/Your/Yours as defined in the 'Definitions' section of the Policy;
- 'We', 'Us' or 'Our' have the same meaning as We/Our/Us/Insurer(s) as defined in the 'Definitions' section of the Policy.

Policy Terms and Conditions

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

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

The Policy Terms and Conditions and the Policy 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 insurance broker.

IMPORTANT INFORMATION

About The Insurer

This Policy is underwritten by certain underwriters at Lloyd's ('Underwriters'). The Underwriters are collectively referred to as 'We, Us, Our, the Insurer(s)' in this Policy.

Certain underwriters at Lloyd's are authorised and regulated by the Australian Prudential Regulation Authority ('APRA') under the provisions of the Insurance Act 1973 (Cth) to conduct insurance business in Australia.

Lloyd's is the world's specialist insurance and reinsurance market.

With expertise earned over centuries, Lloyd's is the foundation of the insurance industry and the future of it. Led by expert underwriters and brokers who cover more than 200 territories, the Lloyd's market develops the essential, complex and critical insurance needed to underwrite human progress.

Backed by diverse global capital and excellent financial ratings, Lloyd's works with a global network to grow the insured world - building resilience for businesses and local communities and strengthening economic growth around the world.

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

About Coast Insurance

Coast Insurance Pty Ltd (ABN 44 108 154 829, AFSL 268726) ('Coast') acts under a binding authority given to it by Us, to administer and issue policies, alterations and renewals. In all aspects of arranging the Policy, Coast acts as an agent for the Insurer(s) and not for You.

If You have any queries in relation to this Policy, contact Coast in any of the following ways:

Street Address: 1st Floor, 186 Scarborough Beach Road, Mt Hawthorn Western Australia 6016

Postal Address: PO Box 120, Mount Hawthorn WA 6915

Phone: +61 8 6374 7000

General Insurance Code of Practice

The Insurance Council of Australia Limited has developed the General Insurance Code of Practice ("the Code"), which is a voluntary self-regulatory code. The Code aims to raise the standards of practice and service in the insurance industry.

Lloyd's has adopted the Code on terms agreed with the Insurance Council of Australia. For further information on the Code please visit www.codeofpractice.com.au.

The Code Governance Committee (CGC) is an independent body that monitors and enforces insurers' compliance with the Code. For more information on the Code Governance Committee (CGC) go to www.insurancecode.org.au.

Complaints and Disputes

If you have any concerns or wish to make a complaint in relation to this policy, our services or your insurance claim, please let us know and we will attempt to resolve your concerns in accordance with our Internal Dispute Resolution procedure. Please contact Coast in the first instance:

Complaints Officer

Coast Insurance Pty Ltd

Email: info@coastins.com.au

Phone: +61 8 6374 7000

Address: PO Box 120, Mount Hawthorn WA 6915

We will acknowledge receipt of your complaint and do our utmost to resolve the complaint to your satisfaction within 10 business days.

If we cannot resolve your complaint to your satisfaction, we will escalate your matter to Lloyd's Australia who will determine whether it will be reviewed by their office or the Lloyd's UK Complaints team. Lloyd's contact details are:

Lloyd's Australia Limited

Email: idraustralia@lloyds.com

Phone: (02) 8298 0783

Address: Suite 1603 Level 16, 1 Macquarie Place, Sydney NSW 2000

A final decision will be provided to you within 30 calendar days of the date on which you first made the complaint unless certain exceptions apply.

You may refer your complaint to the Australian Financial Complaints Authority (AFCA), if your complaint is not resolved to your satisfaction within 30 calendar days of the date on which you first made the complaint or at any time. AFCA can be contacted as follows:

Phone: 1800 931 678

Email: info@afca.org.au

Address: GPO Box 3 Melbourne VIC 3001

Website: www.afca.org.au

Your complaint must be referred to AFCA within 2 years of the final decision, unless AFCA considers special circumstances apply. If your complaint is not eligible for consideration by AFCA, you may be referred to the Financial Ombudsman Service (UK) or you can seek independent legal advice. You can also access any other external dispute resolution or other options that may be available to you.

The Underwriters accepting this Insurance agree that:

- (i) if a dispute arises under this Insurance, this Insurance will be subject to Australian law and practice and the Underwriters will submit to the jurisdiction of any competent Court in the Commonwealth of Australia;
- (ii) any summons notice or process to be served upon the Underwriters may be served upon:
Lloyd's Underwriters' General Representative in Australia
Suite 1603
Level 16
1 Macquarie Place
Sydney NSW 2000

who has authority to accept service on the Underwriters' behalf;

- (iii) if a suit is instituted against any of the Underwriters, all Underwriters participating in this Insurance will abide by the final decision of such Court or any competent Appellate Court.

In the event of a claim arising under this Insurance immediate notice should be given to:

Coast Insurance Pty Ltd
Email: info@coastins.com.au
Phone: +61 8 6374 7000
Address: PO Box 120, Mount Hawthorn WA 6915

LMA5544
17 May 2021

Our Contract with You

This Policy is a contract of insurance between You and Us and contains all the details of the cover that We provide.

The Policy consists of:

- this Policy wording which tells You what is covered, sets out the claims procedure, exclusions and other terms and conditions of cover (this document);
- the Proposal, which is the information You provide to Us when applying for insurance cover;
- Your most current Policy Schedule issued by Us. The Schedule is a separate document unique to You, which shows the insurance details relevant to You. It includes any changes, exclusions, terms and conditions made to suit Your individual circumstances and may amend the Policy;
- any Endorsement;
- any other document We tell You forms part of the Policy which may vary or modify the above documents.

Please note, only those cover sections shown as covered in Your Schedule are insured. These documents should be read together as they jointly form the contract of insurance between You and Us.

Duty of Disclosure

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, 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.

The amount of your premium

The premium is the amount you pay us for this insurance and is specified in your Policy schedule. It includes stamp duty, Goods and Service Tax (GST), other government charges and any Fire Services Levy (FSL) that applies. The amount of these taxes and charges will be specified in your Policy schedule. The premium does not include any service or administration fee charged to you by your insurance intermediary.

In addition to the factors we use to calculate your premium, the discounts you qualify for also affect your premium. Your premium includes any discounts you qualify for and these are applied before adding applicable government charges. We can withdraw a discount at any time. If we withdraw a discount it will continue to apply to your policy but it may be removed when your policy is varied or renewed.

The premium does not include any service or administration fee charged to you by your insurance intermediary.

We might advertise special offers and benefits from time to time. If we have a special offer available that is not in this Policy Wording, we can give you a separate terms and conditions brochure about the offer if you ask us. These offers might be short-term and we can withdraw them at any time.

Paying your premiums

We will tell you how much premium you have to pay and how much time you have for payment of your premium.

You must pay your premium and other charges by the due date to obtain this insurance cover.

Any payment reminder we send you does not change the expiry or due date, unless we tell you otherwise. If you do not pay the premium and other charges in full, we may reduce the period of insurance so it is in line with the amount you paid.

Where you do not pay your premium by the due date for the first period of insurance with us, we can cancel your policy. Where you do not pay the premium for renewal by the due date, then the renewal policy will not commence and your cover will end at the expiry of the previous period of insurance.

If we accept your late payment, we may recommence your cover from the date we received your payment.

If so,

you will not have any cover from the expiry of the previous period of insurance until the date of payment.

If you change your Policy, you may be required to pay an additional premium. Where a change to your Policy results in a premium increase, you will have to pay the amount by which your premium has increased by the due date to obtain the varied insurance cover.

Cooling off period

You have the right to cancel and return the insurance Policy or a section of the Policy by notifying us in writing within 21 days of the date it was issued to you ("cooling off period"), unless you wish to make or have made a claim under the policy within the cooling off period.

If you cancel your policy during the cooling off period, we will return the amount you have paid and you will have no cover.

In addition, if you vary your Policy (for example by adding a Cover Section, endorsement or increasing an insured amount, you have the right to cancel that variation within 21 days of the date it was added by notifying us in writing ("additional cooling off period") unless you wish to make or have made a claim under that variation within the additional cooling off period. If it is cancelled within this time, we will return the amount you have paid for that variation.

To cancel at other times, (including when a claim has been made during the cooling off period) please see "Cancellations".

Cancellations

How you may cancel

You can cancel your policy at any time by telling us you want to cancel it. You can do this by giving notice to your broker. The cancellation takes effect on the date we receive your request. If you cancel your policy, we will refund the proportion of your premium for the unexpired period of insurance along with GST less any non-refundable government charges.

How we may cancel

We can cancel your policy at any time according to law. We will cancel your policy by telling you so in writing, either in person or by post to your last known address. If we cancel your Policy we will refund the proportion of your premium for the unexpired period of insurance along with GST less any non-refundable government charges if the refund is more than \$10. If we cancel your Policy due to fraud, we will not refund any money to you.

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

- a) the time when another policy of insurance between you and us or some other insurer, being a policy that is intended by you to replace this policy, is entered into; or
- b) at 4.00 pm on the thirtieth (30th) business day after the day on which notification was given by us
If we pay a claim for the full insured amount on your building, that cover ends. Any Cover Section, Extra cover, Additional benefit or Optional insurance for that cover also ends. When your Policy ends as a result of us paying out a claim for the full insured amount on your building we will not refund any premium for an unexpired period of insurance.

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, the return of premium calculated on the basis set out above will be made to the premium funding company.

How to make a Claim

If You need to make a claim against this Policy, please refer to the 'General Claims Conditions' section(s) in this Policy document.

If You have any queries, please contact Your broker or Us as soon as possible.

Privacy Statement

In this Privacy Statement the use of "We", "Us" and "Our" means the Insurer(s) and Coast unless specified otherwise.

We are committed to the safe and careful use of Your personal information in the manner required by the Privacy Act 1988 (Cth) and the Australian Privacy Principles and the terms of this Policy.

We collect Your personal information in order to assess Your application for insurance and, if Your application is accepted, to administer and manage Your insurance policy and respond to any claim that You make. To do this, Your personal information may need to be disclosed to reinsurers and service providers and related entities who carry out activities on Our behalf, such as assessors and facilitators, some of whom may be located in overseas countries such as the United Kingdom and Europe.

Our contractual arrangements generally include an obligation for these reinsurers, service providers and related entities to comply with Australian privacy laws.

By providing Us with Your personal information, You consent to the disclosure of Your personal information to reinsurers, service providers and related entities in overseas countries to enable Us to assess Your application, to administer and manage Your insurance Policy and to respond to any claim that You make. If You consent to the disclosure of Your personal information to overseas recipients, and the overseas recipient handles Your personal information in a way other than in accordance with the Australian privacy laws, We may not be responsible for the handling of Your personal information by the overseas recipient.

If You choose not to provide Your personal information and/or choose not to consent and/or withdraw Your consent to the disclosure of Your personal information to overseas entities at any stage, We may not be able to assess Your application or administer and manage Your insurance policy and respond to any claim that You make.

Our privacy policies contain information on how You may access personal information that each of us hold, or seek correction of Your personal information and information on how to make a complaint about the handling of Your personal information and how complaints are handled. If You require more information, You can access Coast's Privacy Policy at www.coastins.com.au.

Renewal Procedure

Before this Policy expires, We will advise You whether We intend to offer renewal and if so on what terms. It is important to check the terms of any renewal before renewing to ensure that the details are correct. This document will apply to any renewal unless We tell You otherwise.

Policy Interpretation

Throughout this Policy, words are sometimes capitalised wherever they appear in the Policy to show that those words have a particular defined meaning. These words are defined under 'Definitions' as applicable to each particular section of the Policy. Where any word is defined every derivative of that word has a corresponding meaning.

References to the masculine include the feminine, the singular also includes the plural and vice versa.

The headings are included for descriptive purposes only and do not form part of the Policy for the purpose of its construction or interpretation.

Preventing Our Right of Recovery

Where another person is liable to compensate You for any loss, damage or liability which is covered by this Policy but You have agreed not to seek recovery of any monies from that person, We will not cover You under this Policy for that loss, damage or liability.

Insurer's Liability Several Not Joint

The liability of an insurer under this contract is several and not joint with other insurers party to this contract. An insurer is liable only for the proportion of liability it has underwritten. An insurer is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is an insurer otherwise responsible for any liability of any other insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by an insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Proportion of Liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

How the Goods and Services Tax (GST) affects this insurance

The premium includes an amount on account of GST.

You must inform us of the extent to which you are entitled to an input tax credit (ITC) for your premium and claim each time that you make a claim. No payment will be made to you for any GST liability that you may incur on the settlement of a claim if you do not inform us of your entitlement or correct entitlement to an input tax credit.

GST has an impact on the way in which claim payments are calculated under your policy. We will calculate the amount of any payment we make to you having regard to your GST status. The amount we pay you for any claim will be calculated taking into account any input tax credit to which you are entitled for any acquisition which is relevant to your claim, or to which you would have been entitled were you to have made a relevant acquisition.

If you are not entitled to an input tax credit on your policy premium, all insured amounts and limits of liability stated in your policy are GST inclusive (unless your policy states otherwise).

If you are entitled to an input tax credit on any part of your policy premium, the insured amounts and limits of liability stated in your policy are exclusive of GST to the extent of your input tax credit entitlement.

In respect of your policy, where you are registered for GST purposes you should calculate the insured amounts having regard to your entitlement to input tax credits. You should, therefore, consider the net amount (after all input tax credits have been taken into account) which is to be insured and calculate and advise to us an insured amount on a GST exclusive basis.

This outline of the effect of the GST on your policy is for general information only. You should not rely on this information without first seeking expert advice on the application of the GST to your particular circumstances.

'GST', 'input tax credit', 'acquisition' and 'supply' have the meaning given in A New Tax System (Goods and Services Tax) Act 1999.

Fraudulent claims

If you, or anyone acting on your behalf, or with your knowledge, makes a claim that is false or causes loss or damage deliberately, we may do one or more of the following:

- refuse to pay a claim;
- cancel your policy; or
- take legal action against you.

Australia Terrorism and Cyclone Insurance Act 2003 Notice

The Underwriters have treated this Insurance (or part of it) as an Insurance to which the Australia Terrorism and Cyclone Insurance Act 2003 (ATACIA) applies.

ATACIA and the supporting regulations made under the Act deem cover into certain policies and provide that the Terrorism exclusion to which this Insurance is subject shall not apply to any "eligible terrorism loss" as defined in ATACIA.

Any coverage established by ATACIA is only in respect of any "eligible terrorism loss" resulting from a "terrorist act" which is a "declared terrorist incident" as defined in ATACIA. The Terrorism exclusion to which this Insurance is subject applies in full force and effect to any other loss and any act or event that is not a "declared terrorist incident".

All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged.

If any or all of the Underwriters have reinsured this Insurance with the Australian Reinsurance Pool Corporation, then any such Underwriters will not be liable for any amounts for which they are not responsible under the terms of ATACIA due to the application of a "reduction percentage" as defined in ATACIA which results in a cap on the Underwriter's liability for payment for "eligible terrorism losses".

22 September 2022
NMA2984A

Updating information

The information in this Policy Wording was current at the date of preparation. Coast Insurance may update some of the information in the Policy Wording that is not materially adverse from time to time without needing to notify you. You can obtain a copy of updated information by contacting us. We will give you a free paper copy of any updates if you request them. If it becomes necessary, we will issue a supplementary or replacement Policy Wording.

Excess

This is the amount you have to pay each time you make a claim under your Policy.

The amount and type of excess that applies to your Policy is shown either in Part 4 of this Policy Wording or on your policy schedule.

If you claim under more than one section of your Policy for one incident or event, then you only pay the highest excess that applies unless expressly stated otherwise in the Policy that another excess applies. You may be required to pay one or more excesses. For example, Additional benefits may have their own excess which may be in addition to any excess that may apply to a claim.

POLICY SUMMARY

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

If we issue you with an insurance policy, you will be given a policy schedule. The policy schedule sets out the specific terms applicable to your cover and should be read together with the Policy Terms and Conditions.

The Policy Terms and Conditions and the policy 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 insurance broker.

Below is a summary of the covers offered in this Policy. This Policy wording incorporates 11 different Cover Sections of business insurance. You are insured only in respect of those Cover Sections shown as insured in the Policy schedule. The Policy schedule should be checked to ensure that you have the Cover Sections and extent of cover you require. Together with your broker you can choose Cover Sections to meet your requirements.

Cover Section	Summary of covers (see relevant Section for details, relevant limits, and specific conditions and exclusions that apply)
Property damage	This Cover Section provides cover for accidental loss of or damage to your property insured at your premises and provides a number of automatic additional benefits.
Business interruption	This Cover Section provides cover for the loss of income and the additional increased costs of working which results from the interruption of your business caused by events covered under the 'Property damage Cover Section', the 'Theft Cover Section', the 'Money Cover Section', the 'Glass Cover Section', or the 'General property Cover Section' of your policy.
Theft	This Cover Section provides cover for loss of or damage to your property contents and stock caused by theft or attempted theft and provides a number of additional benefits.
Money	This Cover Section provides cover for your business's money whilst on your premises , in a safe or strong-room, in transit to or from your premises , or in your personal custody, or the custody of a trusted employee .
Glass	This Cover Section provides cover for breakage of glass at your premises (including internal glass such as glass partitions, or external windows) and provides a number of automatic additional benefits.
General property	This Cover Section provides cover for loss or damage to portable or valuable business property such as tools, laptop computers, a personal digital assistant that you carry around with you occurring anywhere in Australia or the rest of the world.

Cover Section	Summary of covers (see relevant Section for details, relevant limits, and specific conditions and exclusions that apply)
Machinery and electronic equipment breakdown	<p>This Cover Section provides cover for:</p> <p>the breakdown of your business's machinery and electronic equipment at the premises including air conditioning units, computers and electronic equipment such as photocopiers and faxes;</p> <p>the cost of restoring your business's computer records following a computer breakdown;</p> <p>the increased costs of working (such as the hiring of alternative computers, the hiring of additional staff) following the breakdown of your business's computers;</p> <p>the costs of replacing your business's stock which is kept in freezers or refrigerated units, if the fridge or freezer breaks down.</p>
Public and products liability	<p>This Cover Section provides cover for your legal liability for personal injury to another person (other than employees) or for damage to property owned or controlled by someone else or advertising liability in connection with your business and caused by or arising out of an occurrence, or arising in connection with your products.</p>
Tax audit	<p>This Cover Section covers the professional fees incurred in connection with an audit or investigation of your business's financial or tax affairs by any authority authorised to do so, e.g. the Australian Taxation Office, Workers Compensation authority.</p>

Information for some policyholders only

This part applies to you if you choose to cover a building which has residential use under the Property damage or Glass Cover Sections of your Policy:

and you are:

- an individual; or
- a small business having:
 - in the case of a non-manufacturing business, less than 20 employees; or
 - in the case of a manufacturing business, less than 100 employees.

You need to read this part if it applies to you.

An example of what is considered a building which has residential use is where the building is a commercial premise but you also live in the building, or you rent part of the building for residential use.

If the building is only used by you for residential purposes and there is no commercial use within such building

or on the premises where such building is located, it cannot be insured under this policy.

The amount of premium you pay if you have chosen to cover a building under the Property damage and/ or Glass Cover Sections of your policy

The premium is the amount you pay us for this insurance and is shown on the Policy schedule. The premium includes stamp duty, the Goods and Services Tax (GST), other government charges and any fire services levy (FSL) that applies. The amount of these taxes and charges will be shown on the Policy schedule.

When we calculate your premium there are a range of factors we take into account. The importance we place on the factors we use can change and how those factors combine to affect your premium will differ from business to business.

If you change your policy you may be entitled to a partial refund of premium or be required to pay an additional premium.

How various factors may affect your premium

Significant factors affecting your premium in relation to your Property damage Cover Section and Glass Cover Section (for a building) include a combination of some or all of the following:

- the Cover Sections and Optional insurance you have chosen;
- the insured amounts or limits of indemnity you have chosen;
- the location of your business;
- the type of business and your occupation;
- your claims experience;
- the number and location of premises;
- the building materials of the premises;
- any endorsements;
- the amount of any excesses applying to your policy.

Factor	Lowers premium	Increases premium
Insured amount	Lower insured amount	Higher insured amount
Postcode	Low risk postcode	High risk postcode
Optional insurance	None taken	One or more taken
Claims experience	Low claims experience	High claims experience
Voluntary excess	Higher excess	Lower excess
Our expenses of doing business including payments we make to intermediaries	Low expenses	High expenses
Endorsements	Reduces our risk or your cover	Increases our risk or your cover

Why the cost of your insurance premium can change

Your insurance premium can change during your period of insurance if the circumstances or risks covered by your Policy change. For example, your premium will change if you change the use of your premises or add new covers to your policy. Also, each time you renew your insurance your premium is likely to change, even if your circumstances or the risks covered by your Policy have not changed.

This is because the premium you pay is also affected by other things including:

- the total cost of claims we have paid to other customers;
- the cost of claims we expect to pay in the future;
- any changes in government taxes or charges;
- our expenses of doing business;
- other commercial factors; and
- whether indexation is shown on your policy schedule.

We may “cap” the amount of any increase on renewal, so that we pass only part of the increase on to you.

Premium discounts

At times, we may offer premium discounts to particular customers – for example, those who take out insurance within a specified period, or people who have multiple policies with us.

The amount and type of discounts can change over time. We can vary or withdraw a discount at any time. Changes will not affect the premium for an existing policy during its current period of insurance.

Excesses

When you choose to cover a home building under the Business property and Glass Cover Sections of your policy):

Excess

The amount of the excess applying to each of these sections is shown on your Policy schedule. We take into consideration a number of factors when setting the amount of your excess, such as:

- your Business occupation;
- any voluntary excess that we may allow you to choose;
- your claims history; and
- any additional risk factors that are unusual or unique to your business circumstances.

YOUR POLICY COVERAGE

Important information

Who is insured?

The policy provides insurance only for the parties shown on your Policy schedule unless otherwise stated in individual Cover Sections.

Policy limits

We will not pay any more than the insured amount or limit of liability or sub-limit for each Cover Section, part of a Cover Section or individual item or cover that is shown on the Policy schedule, unless we specifically state otherwise in your policy.

General policy conditions

The following general conditions apply to all sections of this Policy unless expressly stated otherwise. Reasonable extra premium shall be paid if required, from the date of such breach or error. In some cases it may mean we can no longer insure you.

Accountancy records

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

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 insured amount.

Change to risk

Our decision to insure you, and the premium that we charge you, is based on information provided by you about your business, and the risks to be insured under this policy. Your insurance, including the amount of premium, may be affected if any of the facts or circumstances that existed at the start of the policy change during the period of insurance, including, for example:

- a) the business is sold or otherwise permanently discontinued;
- b) if you are convicted of a criminal offence;
- c) the nature of or type of business carried on by you or your tenants;
- d) the occupation and activities carried on by the tenants of your buildings;
- e) other circumstances that affect the premises or the property insured in such a way as to increase the risk of
- f) damage or loss;
- g) the construction of or alteration to your business premises;
- h) your Products or services not previously disclosed to us;
- i) as property owner you intend to either redevelop or demolish your property insured, have lodged an application to do this, or a government authority has issued a demolition order;
- j) your interest in the policy ceases, including by operation of law;
- k) you or the business are insolvent, placed into bankruptcy, receivership, liquidation or wound up or becomes subject to external administration;

You must as soon as reasonably practicable notify us of any changes that may increase the risk insured under your policy.

If you are a property owner insuring buildings that you lease, our decision to insure you and the premium we charge you will take into account information about your tenants and how the building is used that you tell us when you apply for a policy with us, during the period of insurance and at each renewal. For this reason it is important that you tell us as soon as these things change.

For example:

If your building has three tenants (an accountant's office, a jeans retailer and a sandwich bar) we will calculate your property premium on the sandwich bar, as it is more hazardous than either of the other two occupations. If during the period of insurance the sandwich bar closes down and a menswear shop opens, then you must notify us of the change and we will calculate your property premium either using the jeans retailer or menswear occupation.

If we agree to continue to insure you after you have told us of the changes you tell us about we will confirm this in writing. In some cases, we may only agree to continue to insure you under this policy if you agree to pay us additional premium.

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.

Hazardous or dangerous goods

When hazardous or dangerous goods are used by the business or stored at any premises shown on the policy schedule, then you must use and store them in the manner and quantities permitted by law and strictly in accordance with all statutory obligations, by-laws, regulations, public authority requirements and safety requirements.

Inspections

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

Notification of other insurance

You must notify us of any other insurance that insures any risk insured by this policy and provide us with the details of the other insurance.

Other persons or organisations

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

Where the separate interests of more than one party in the property insured are insured under this policy, any act or neglect of one party will not prejudice the rights of the remaining party or parties provided that the remaining party/ies are entirely innocent of and have no prior knowledge of any such act or neglect and 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.

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 provide us with details of such policies and so that we may seek contribution from the other insurer or insurers.

Our maximum liability

Except as otherwise stated elsewhere in this Policy, the maximum amount we will pay will not exceed the amount stated in the Policy schedule as the insured amount, Limit of indemnity or the Limit of liability for those Cover Sections selected.

The insured amount, Limit of indemnity, limit of liability and sub-limits of liability shall apply in addition to, and shall not be reduced by, the amount of any applicable excess.

Non-imputation

Where this insurance is arranged in the joint names of more than one insured, as described in the definitions of

you, it is hereby declared and agreed that:

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

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 and reducing risk

You must take all reasonable steps to ensure that you and your tenants;

- maintain buildings, structures, fixtures, fittings, furnishings, appliances, machinery, implements and plant in sound condition to minimise or avoid theft, loss or damage;
- ensure that only competent employees are employed;
- avoid or minimise loss of, or damage to, property or injury to other people;
- comply with all statutory obligations, by-laws, regulations, public authority requirements and safety requirements;
- obtain certificates of inspection for all equipment required by any statute or regulations to be certified; and
- comply, at your expense, with all our recommendations to prevent or minimise theft, loss or damage.

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

1. if you discover your products may be defective and the defect may cause a claim under the Public and products liability Cover Section, you must, at your expense, take reasonable steps to restrict, trace, recall, modify, replace or repair the products;
2. maintain and look after other person's or organisation's property and buildings used or occupied by you, in accordance with your agreement with them;
3. if your occupation includes digging below ground at sites away from the premises the location of underground services must be obtained from the owners of the services by you or your principal before the work is commenced;
4. comply with all laws and safety requirements imposed by any authority or by State or national legislation. If you do not take reasonable precautions we may refuse to pay part or all of your claim depending upon the extent of any prejudice we may suffer.

Sale of salvage

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

Single occurrence

We will not pay for loss or damage to property covered by this Policy under more than one Cover Section of the Policy in respect of the same item and occurrence unless a relevant insured amount has been paid out in full and you have not been fully indemnified, less any applicable excess, for the loss or damage.

Subrogation and recoveries

Notwithstanding Section 67 of the Insurance Contracts Act (Cth), monies recovered in subrogation proceedings will be applied, net of the expense of such recovery:

first to you to the extent of your uninsured loss in respect of a claim paid under a section of this Policy (disregarding the amount of any excess applicable);

secondly to us in reimbursement of the amount paid to you in respect of that claim under that Cover Section; and

thirdly to you in satisfaction of any excess amount applicable.

Any other monies remaining after these allocations will be your property. Nothing in this Condition shall prevent you and us entering into a 'Subrogation Agreement' following a loss agreeing to a different basis of sharing costs and expenses and the allocation of monies recovered.

All recoveries will be applied as herein only after deduction of the reasonable cost of obtaining such recovery. All recoveries made prior to settlement of any claim under this Cover Section will be held for the

benefit of us and applied as stated herein after settlement if any is made.

Recoveries do not include any amount recovered from insurance, suretyship, reinsurance, security or indemnity taken for the benefit of us.

Transfer of interest

No interest in this policy can be transferred without our written consent

Un-occupancy

You must ensure that any building at the premises does not stay unoccupied or, if you are the building owner, untenanted, for a continuous period of 90 (ninety) days or more. You are not insured while the building is unoccupied for a period of 90 (ninety) days or more, unless we agree to insure you.

If any building will, or is likely to, be unoccupied or untenanted for such a period, you must notify us as soon as reasonably practicable. If you notify us that the premises will be unoccupied or untenanted for a continuous period of 90 (ninety) days or more and we agree to continue to insure you under this policy during the period where the building is unoccupied or untenanted, we will confirm this in writing. You may be required to pay an additional premium and we may apply different conditions and impose a higher excess if we agree to this.

Under-insurance

The Property Damage and Business Interruption Cover Sections of this Policy are subject to under-insurance conditions. The effect of these conditions is that if, at the time of loss the Insured amount 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.

Waiver of subrogation rights

We will 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 or any landlord or any other person or parties from any liability if required at law, including by contractual agreement, 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 claims conditions

To enable us to process a claim under any Cover Section of this Policy the following conditions apply. These conditions apply to the whole Policy.

You must comply with these conditions if an event occurs which may lead to or results in a claim.

If you do not comply with these conditions, we may refuse your claim or reduce the amount we pay you by the extent of any prejudice we suffer.

1. Making a claim

Promptly contact our office as soon as possible on (08) 6374 7000.

2. Claim notification

You must as soon as reasonably practicable:

- notify the police following a theft or attempted theft of any property insured or if any property insured is misappropriated, lost or maliciously damaged;
- notify us and give us all known details of the event including the police event number if available;
- provide us with any legal document or other communication you receive about the claim, including any legal proceedings brought against you; and
- provide us with all information and documentation that we request. If we ask you for a statutory declaration verifying the details of your claim and any other matters connected with the claim, you must provide it.

3. Cooperation

You must co-operate and provide us with all reasonable assistance in connection with any investigation, negotiation, recovery, defence, legal proceeding or settlement of any claim including doing all things necessary to allow us to take over legal proceedings you are a party to.

4. Minimise loss

You must:

- a) take all reasonable precautions to minimise or prevent further loss, damage, injury or illness; and
- b) take all reasonable steps to recover lost or stolen property.

5. Notify claim

You must as soon as reasonably practicable:

- a) notify the police following a theft, attempted theft or burglary or if any property is misappropriated, lost, stolen, vandalised or maliciously damaged;
- b) notify us and provide us with all the known details of the occurrence including the police event number and a copy of any written police report, if available;
- c) send us any legal document or other communication you receive about the event.

6. Retain all damaged property

You must take all reasonable actions necessary to:

- a) retain and preserve all damaged property for our inspection prior to authorisation of repairs unless alterations and repairs are immediately necessary for safety reasons or to minimise or prevent further loss, damage or injury. If repairs are necessarily carried out without our prior approval, you are still required where reasonably practical, to retain and preserve all damaged property for our inspection; and
- b) use your best endeavours to preserve all property, products, plant and all other things that may assist us in investigating or defending a claim against you, including assisting in determining if there are rights of recovery against another entity or person.

7. Our rights of possession

We, our employees or our agents have the right to enter any building or area where loss or damage has occurred and take possession of property insured or require the property insured to be delivered to us. We will deal with this property in a reasonable manner.

8. Provide proof of ownership

If you make a claim for property that is lost, stolen or damaged, you must supply us with all the information and documentation that we request to prove your ownership or legal responsibility for the property insured and its value.

Examples of the type of documentation that may be required include, but are not limited to:

- tax invoices and/or receipts for property insured;
- photographs of the property insured;
- copies of any relevant contracts or agreements;
- statutory declaration verifying the details of your claim and any other matters connected with it;
- quotes for replacement items.

We understand you may not keep such information for every business item you own, especially if items are recorded in your books of account. You or your accountant may have records for tax purposes and these may be sufficient to prove ownership and value of the property insured.

9. Proof of fraud or dishonesty

In the event of a claim, you must supply us with all records and documents that may assist us in substantiating and investigating any act of fraud or dishonesty and your rights of recovery. This includes but is not limited to all records (including computer, electronic and accounting records), video and audio recordings, working papers, internal memoranda, police reports, accounting records and audit documents.

10. Repair or replacement

You must not authorise the repair or replacement of any insured item without our agreement except in the case of an emergency where you are required to prevent further loss or damage to that item as a result of the emergency.

11. Admitting liability

You must not admit liability for any loss, damage or injury, or settle or attempt to settle or defend any claim without our written consent.

12. Not authorise repair or replacement

You must not authorise the repair or replacement of anything without our agreement.

In the case of an emergency where you are required to prevent further loss or damage to your property as a direct result of that emergency and the property is covered by your policy. We give you authority to arrange these emergency repairs on our behalf.

13. Conduct of claims

We are entitled to conduct claims and proceedings. This includes the right to takeover and conduct in your name the defence or settlement of any claim or proceeding. We will have regard to your interests and act reasonably. At all times we have the right to make admissions, negotiate and settle a claim or proceeding on terms we consider appropriate. You are not permitted to make any admissions of liability, offer, promise or payment without our written consent. We may engage legal or other representatives to assist in the conduct of a claim and proceedings.

14. Paying your excess

You must pay the excess that applies to claims under this policy. We may require you to pay your excess in full before we pay your claim or provide any benefits under your Policy. The fact we have asked for payment of your excess does not of itself mean that your claim has or will be accepted by us.

We have no liability to you under this Policy until you have paid the excess. If the excess has been requested but remains unpaid we may:

- decline to settle the claim pending full payment of the excess; or
- deduct the excess from the settlement.

The excess that applies will depend on the circumstances of the claim. If more than one excess can be applied to one occurrence then you will only need to pay the highest excess that applies unless expressly stated otherwise in the Policy.

For example: some Additional benefits and Optional insurances have their own excess which are in addition to any other excess that may apply to a claim. When multiple excesses apply, you might have to pay more than one type of excess when you make a claim.

The amount of the excesses and the circumstances that each excess applies to are shown on your Policy schedule or set out in the applicable Cover Section. We will tell you how to pay your excess and who to pay it to. In some cases, we will direct you to pay the excess directly to a supplier or repairer.

Insured amounts, limits of liability and sub-limits shall apply in addition to, and shall not be reduced by, the amount of any applicable excess.

Only one excess will apply to all damage resulting from earthquake, subterranean fire, volcanic eruption, bushfire, storm, hail or rainwater that is continuous, due to the same general conditions, and occurs within a 72-hour period from the first happening of damage.

15. Claims settlement

(a) ITC entitlement

If any event occurs which gives or may give rise to a claim you must tell us your entitlement to input tax credits (ITC) if you are registered, or are required to be registered for GST purposes. If you do not inform us of your entitlement, or the information you give us is incorrect, we will not cover you for any resulting fines, penalties or tax liability you incur. When we calculate a payment to you for your claim, we can reduce it by any input tax credit you are, or would be, entitled to receive.

(b) Cash payments

Any cash payments made to you under this policy will be based on costs including GST. However, if you are, or would be, entitled to claim any input tax credits for the repair or replacement of the property insured or for other things insured by the policy we will reduce our payment to you by the amount of your input tax credit entitlement.

(c) Discharge of our liabilities

If, at any time, we pay you the insured amount, Limit of indemnity or Limit of liability for any claim under this policy, the future conduct of the claim then becomes your responsibility. We may also pay any extra covers, additional benefits or optional insurance that is in addition to the insured amount.

(d) Claims preparation expenses

We will pay for accountant, claims consultants, surveyors, architects, engineers and other professional fees 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 any one claim, unless a higher amount is included in the particular Cover Section of the policy.

Provided that before you incur these claim preparation expenses you obtain our written approval to incur these costs to which we shall not unreasonably withhold consent. This benefit is in addition to the insured amount.

For the sake of clarity the Claims preparation expenses condition does not apply to the Tax Audit Cover Section.

16. Salvage

After settling a claim by replacing any damaged or lost property insured, if we so elect, that damaged or lost property insured (other than a building) becomes ours and we are entitled to receive the proceeds of any salvage.

17. Rewards

We will pay you up to \$5,000 or any higher amount shown in the Policy schedule for the reasonable cost of any reward paid by you to recover any property belonging to you or for which you are responsible that is lost, destroyed or damaged and which is insured under the Property Damage, Theft, Money or Glass Cover Sections of this Policy.

However:

- (a) the terms of the reward must be agreed by us before it is offered, and

- (b) no such payment shall be made by you unless the value of the property recovered exceeds the reward.

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

18. Rights of recovery

If you have suffered loss or damage (Your Loss) as a result of an event or occurrence which is covered, or partially covered by this policy, then we have the right and you permit us to take action or institute legal proceedings against any person, company or entity legally liable to you for the recovery of your insured, underinsured or uninsured losses, payments made and expenses in relation to 'Your Loss'. Any action or legal proceeding will be commenced in your name. We will have regard to your interests and act reasonably. You must provide us with all information and reasonable assistance in the recovery of 'Your Loss', including providing us with any documents that prove 'Your Loss'.

If you have commenced action or instituted legal proceedings against any person, company or entity legally liable to you for 'Your Loss', we have the right and you permit us to take over and continue that action or legal proceeding. You must provide us with all information, documents and reasonable assistance (including signing states, affidavits) in the recovery of 'Your Loss', including providing us with any documents that prove 'Your Loss'.

You will at all times and at your own cost use reasonable endeavours to do and concur in doing everything reasonably practicable to assist in the exercise of your rights of recovery.

Where recovery of 'Your Loss' forms part of any representative proceeding which has not been instituted under our instructions, we have the right and you permit us to exclude 'Your Loss' from that representative proceeding for the purpose of including 'Your Loss' in a separate representative proceeding which is or will be instituted under our instructions (Our Representative Proceeding). You must provide us with all information and reasonable assistance in the recovery of 'Your Loss' as part of our Representative Proceeding, including providing us with any documents that prove 'Your Loss'.

You must not enter into any agreement, make any admissions or take any action or step that has the effect of limiting or excluding your rights and our rights to recover 'Your Loss' without first obtaining our approval in writing to do so.

If you recover or find any lost or stolen property for which we have paid a claim under this Policy, you must:

- (a) inform us as soon as reasonably practicable; and
- (b) give us the recovered or found property if we request that you do so.

19. When we may refuse a claim

We may refuse to pay a claim, or we may reduce the amount we pay you by the extent of any prejudice we suffer if:

- (a) you have not complied with your duty of disclosure;
- (b) you:
 - are not truthful;
 - have not given us full and complete details; or
 - have not told us something when you should have, when applying for the insurance, or when making a claim.
- (c) you have not complied with any of the conditions of your policy;
- (d) you do any of the following without us agreeing to it first:
 - make or accept any offer or payment or in any other way admit you are liable for loss or damage;
 - settle or attempt to settle any claim; or
 - defend any claim; or
- (e) cover is excluded by the policy.

If you prevent our right to recover from another person, corporation or organisation, or if you have agreed not to seek compensation from another person, corporation or organisation who is liable to compensate you for any loss, damage or legal liability which is covered by this policy, we will not cover you under this policy for that loss, damage or legal liability.

General exclusions

These exclusions apply to all Cover Sections unless expressly stated otherwise.

1. Conflict

This Policy does not insure claims directly or indirectly caused by, or arising from, or in consequence of, or contributed to by:

- a) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power;
- b) expropriation including lawful seizure, resumption, confiscation, nationalisation, destruction or damage to property by or under the order of any government or public or local authority; or
- c) looting, sacking or pillaging following any of the events stated in (a) or (b) above.

2. Consequential loss

This Policy does not insure loss of use, loss of earning capacity and any other consequential loss.

This exclusion does not apply to the Business interruption Cover Section and the Public and products liability Cover Section.

3. Nuclear

This Policy does not insure claims directly or indirectly caused by, or arising from, or in consequence of, or contributed to by:

- a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exclusion only, combustion shall include any self-sustaining process of nuclear fission and/or fusion. This exclusion shall not apply to liability arising from radio-isotopes, radium or radium compounds when used away from the place where such are made or produced and when used exclusively incidental to ordinary industrial, educational, medical or research pursuits; or
- b) nuclear weapons material.

4. Non-compliance

This Policy does not insure loss or damage or liability caused by or as a result of your failure to take reasonable precautions to comply with any relevant statutory obligations, by-laws, regulations, public authority requirements or safety requirements.

5. GST, fines or penalties

This Policy does not insure any GST, fine, penalty or charge that you are liable for because you did not tell us your entitlement to input tax credits on the premium for this policy, or the entitlement you told us was incorrect.

6. Intentional acts

This Policy does not cover loss or damage intentionally caused by you or another party, committed with your knowledge and consent and which you were capable of preventing.

7. 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.

8. Terrorism

This Policy does not insure:

- a) personal injury, damage to property, legal liability, loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the personal injury, damage to property, legal liability, loss, damage, cost or expense; or
- b) personal injury, damage to property, legal liability, loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any

action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

However, this exclusion does not apply to Policy Cover Sections:

- 1.1. Theft;
- 1.2. Money;
- 1.3. Glass;
- 1.4. General property.

9. Geographical limitations

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

10. Un-occupancy

Unless we otherwise agree in writing, we will not pay for any loss or damage to your property insured if the loss or damage happens after your premises has been unoccupied for more than 90 (ninety) consecutive days. This exclusion does not apply to damage caused by:

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

This exclusion will not apply if the premises are partly occupied.

11. Acquisition of companies

The Policy does not cover loss, destruction, liability or damage caused by, contributed to by or arising from:

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

unless you notify us in writing within 30 (thirty) days of the acquisition and if the business is of a similar occupation to that stated in the Policy Schedule, we will provide cover subject to your acceptance of our terms and undertaking to pay the additional premium we may require.

Our liability shall not exceed the relevant Insured amount, Limit of Indemnity or any sub-limit of indemnity applicable under the relevant Cover Section(s) making up the Policy for each 'Designation of property' as noted in the General policy conditions above.

12. Sanctions Limitation Clause

No (re)insurer shall be deemed to provide cover and no (re)insurer shall 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 that (re)insurer to any sanction, prohibition or restriction under United Nations' resolutions or the trade or economic sanctions, laws or regulations of Australia, the European Union, United Kingdom or United States of America.

LMA3100A
5 October 2023

13. Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical And Electromagnetic Weapons Exclusion Clause - 10/11/03

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith

- 13.1 In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from
 - 13.1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

- 13.1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
- 13.1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- 13.1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.
- 13.1.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

CL 370 10th November 2003

14. Territorial Exclusion: Russia, Ukraine and Belarus

Notwithstanding anything to the contrary in this Policy, this Policy excludes any loss, damage, liability, cost or expense of whatsoever nature, directly or indirectly arising from or in respect of any:

- i. entity domiciled, resident, located, incorporated, registered or established in an **Excluded Territory**;
- ii. property or asset located in an **Excluded Territory**;
- iii. individual that is physically in an **Excluded Territory**;
- iv. claim, action, suit or enforcement proceeding brought or maintained in an **Excluded Territory**;
- v. payment in an **Excluded Territory**.

This exclusion will not apply to any coverage or benefit required to be provided by the insurer by law or regulation applicable to that insurer, however, the terms of any sanctions clause will prevail.

For purposes of this exclusion, "**Excluded Territory**" means:

- Belarus (Republic of Belarus); and
- Russian Federation; and
- Ukraine (including any disputed regions of Ukraine and including the Crimean Peninsula)

All other terms, conditions and exclusions remain unchanged.

LMA5583B
8 March 2023

15. Biological or Chemical Materials Exclusion

It is agreed that this Insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

NMA2962
06/02/2003

16. War and Terrorism Exclusion Endorsement

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss; 1. war, invasion,

acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or 2. any act of terrorism. For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear. This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to 1 and/or 2 above. If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured. In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

08/10/01

NMA2918

Property Cyber and Data Endorsement

1. Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:
 - 1.1 Cyber Loss, unless subject to the provisions of paragraph 2;
 - 1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data;
2. Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, this Policy covers physical loss or physical damage to property insured under this Policy caused by any ensuing fire or explosion which directly results from a Cyber Incident, unless that Cyber Incident is caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act.
3. In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
4. This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss (as defined), replaces that wording.
5. **Theft Cover**

We will pay for any reasonable and necessary labour costs incurred in reproducing or making good your business records if they are lost, stolen or damaged, arising solely and directly out of physical theft, while located at your premises or offsite anywhere in the Commonwealth of Australia. We will not pay more than \$25,000 during any one period of insurance. This is in addition to the insured amount. This Theft Section will not pay any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident.
6. **Definitions** Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
7. Cyber Act means an unauthorised, malicious or criminal (non-physical) act or series of related unauthorised, malicious or criminal (non-physical) acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
8. Cyber Incident means:
 - 8.1.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
 - 8.1.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System not due to physical damage or electrical or electronic derangement.
9. Computer System means:

any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar

system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.

- 10 Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.
- 11 Data Processing Media means any property insured by this Policy on which Data can be stored but not the Data itself.

Communicable Disease Endorsement

1. Notwithstanding any other provision, clause or term of this Policy to the contrary, this Policy does not insure any loss, damage, liability, claim, cost, expense or other sum of any kind, whether directly or indirectly and/or in whole or in part, relating to or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this endorsement, loss, damage, liability, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
3. for a Communicable Disease, or
4. any property insured hereunder that is affected by a Communicable Disease.
5. As used herein:
 - 5.1 "Communicable Disease" means any infectious disease, contagious disease or communicable disease or any other disease which can be transmitted by means of any substance and/or agent from any organism to another organism where:
 - 5.1.1 the disease, substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation or mutation thereof, whether deemed living or not, and
 - 5.1.2 the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - 5.1.3 the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of tangible or intangible property insured hereunder.
 - 5.2 "relating to" means relating to, in connection with, arising under, arising out of, as a result of, as a consequence of, attributable to, and any other term commonly used and/or understood to reflect or describe a nexus and/or connection from one thing to another whether direct or indirect.
6. This endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

All other terms, conditions and exclusions of the policy remain the same.

LMA5393
15 April 2020

General definitions

Unless defined differently in individual Cover Sections, these definitions apply to all Cover Sections.

Aircraft

Anything made or intended to fly or move in or through the air or space other than model aircraft or unmanned inflatable balloons used for advertising or promotional purposes.

Animal(s)

Any living creature including, but not limited to, livestock, birds, fish, vermin or insects.

Automatic Teller Machine (ATM)

A computerized device that enables customers of a financial institution to perform financial transactions and may incorporate a range of antifraud and physical security solutions.

Business

The business(es) shown and described on the policy schedule.

Building(s)

A building is a permanent structure located on the premises, BUT such permanent structure must have a commercial use or the premises must be used for a commercial purpose, including the following:

- (a) sheds with a concrete floor and fixed to foundations at the premises;
- (b) customised and modified shipping containers or transportable buildings permanently located at the premises used as workshops, lunchrooms or storage and which are permanently fixed to the ground with electrical or plumbing services, as necessary;
- (c) Shipping containers used by you as outbuildings;
 - (i) at the premises and within the perimeter fencing which stock or contents of your business is stored long term provided the container doors are securely locked when unattended;
 - (ii) at the premises and within the perimeter fencing which stock of your business is
 - delivered to or from; or
 - loaded into or unloaded from; or
 - stored within;provided the container doors are secured and locked when unattended;
- (d) walls, foundations, storage tanks, awnings, exterior lights, masts, antennae and aerials, fixed external signs, gates, fencing, pavements, roads and other structural improvements on the land;
- (e) property owner's fixtures and fittings, floor coverings, plant, plumbing or wiring services that are within the building;
- (f) carports, pergolas and canopies;
- (g) barns and outbuildings;
- (h) external fixed items including swimming pools, saunas and spas, gangways between buildings, lights and signs and air conditioning units;
- (i) wharves, piers and jetties;
- (j) Underground and above ground services that are your property or you are responsible for and which extend from the buildings to the public main.

Building(s) does not include:

- (a) plant and machinery;
- (b) stock;
- (c) contents;
- (d) property undergoing erection, construction, alteration or addition (including partial dismantlement of existing structures), where the total contract value of all work to be carried out at any one premises exceeds \$500,000 or 20% of the total insured amount on buildings and contents, whichever is the lesser, provided that this limit shall only apply to the portion of the property insured which is the subject of any such work and not to any other portion of the property insured;
- (e) land, unsealed driveways, unsealed paths, topsoil and fill, dams, reservoirs, canals, tunnels and railway tracks (not at the premises).

Business hours

The normal working and office hours of the business (including overtime) during which you, your directors, officers, partners or employees are in the building for the purposes of the business.

Computer virus

A corrupting, harmful, or otherwise unauthorised piece of code that infiltrates your computer equipment, including a set of unauthorised instructions, programmatic or otherwise, that propagates itself through your computer equipment. Computer virus includes "trojan horses", "worms" and "time or logic bombs".

Consequential loss

Loss of use, loss of earning capacity and any other consequential loss of any kind, including loss, damage, cost or expense caused directly or indirectly by or resulting from:

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

Contents

All property belonging to you or which you are responsible for and used by you in the business.

Contents includes:

- (a) unused stationery and printed books;
- (b) where you are a tenant of a leased or rented premises:
 - (i) property owner's plant, fixtures and fittings, window blinds, floor coverings and glass for which you are liable under the terms of a lease or similar agreement;
 - (ii) plant, fixtures and fittings and fixed carpets and floor coverings installed by you for your use in the business;
- (c) money up to \$500;
- (d) plant and machinery, unregistered forklifts and hoists, communications systems, fixtures and fittings, signs and awnings (signs and awnings are included only if you are a tenant);
- (e) computers, word processors, printers, scanners and other peripheral equipment and other electronic equipment or electronic data processing systems;
- (f) digital or analogue telecommunication transmission and receiving equipment, lighting facilities, televisions, audio visual amplification or surveillance equipment and office machines;
- (g) data, media, records, documents, manuscripts, plans, drawings, designs, business books, but only for the value of these materials in their unused or uninstalled state or as blank stationery; or
- (h) current patterns, models, moulds, dies and casts used in the business but limited, unless repaired or replaced, to the value stated in your financial records at the time of damage;
- (i) paintings, works of art, antiques or curios;
- (j) documents of title and any other documents of aesthetic, historic, scientific or social value for past, present or future generations;
- (k) property of your welfare, sports and social clubs.
- (l) stock, but not if it is shown as a separate item on the policy schedule;
- (m) shipping containers not owned by you but temporarily in your possession for the delivery, unloading, loading and/or dispatch of goods and merchandise to or from the premises, but only to the extent that you are not indemnified against loss, destruction or damage under any other policy of insurance.

Contents does not include:

- (a) stock, if it is shown as a separate item on the policy schedule;
- (b) buildings;
- (c) specified items;
- (d) directors' and employees' tools of trade and personal effects;
- (e) jewellery, precious metals or stones, bullion or furs unless they are worth less than \$10,000 any one item unless such item is stock;
- (f) vehicles registered for road use and any other machinery whilst registered for road-related areas, caravans, trailers, watercraft, aircraft, hovercraft, rolling stock and locomotives or their accessories provided that this exclusion will not apply to:
 - mobile plant and equipment (excluding vehicles) not otherwise insured;
 - motor vehicles or trailers, caravans or motorcycles that are stock of your Business;
- (g) live animals unless insured as stock of a restaurant or pet shop;
- (h) plants, shrubs, lawns, growing crops, pastures and standing timber other than pot-plants; or
- (i) in the case where contents does not include stock, customers' goods, other than customer's records and documents held or created by you as part of your business.

This definition of contents is subject to the 'Designation of property' as noted in the General policy condition.

Customer's goods

- (a) goods that belong to your customer(s) that are in your physical or legal control because your business repairs, services, maintains those goods;
- (b) goods that have been purchased by your customer but remain at your premises awaiting collection or delivery;
- (c) items of property at your premises under a 'sales or return' consignment agreement

Data

Facts, concepts and information converted to a form usable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and include programmes, software and other coded instructions for such equipment.

Employee

Any person while employed by you in your business who you compensate by salary, wages, or commission and have the right at all times to govern, control and direct in the performance of their work.

Employee includes:

- (a) volunteers; and
- (b) students on work experience. Employee does not include:
- (c) any broker, factor, consignee or contractor;
- (d) any member of family unless that person is also your employee; or
- (e) any partner, director or trustee unless that person is also your employee.

Endorsement

Documentary evidence given to you by us that details an alteration to the Policy and which forms part of the Policy.

Event or events

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

Excess

The amount which is payable by you for each claim made under this policy.

Family

- your spouse, your partner or your de facto who live with you.
- your parents and parents-in-law who live with you.
- your children and children of your spouse, partner or de facto (not being your children) who live with you.
- your brothers and sisters who live with you.

Flood

The covering of normally dry land by water that has escaped or been released from the normal confines any of the following:

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

Fungus/Fungi

A group of simple plants that have no chlorophyll. They include but are not limited to mould, mildew, and yeast. Fungi also includes spores.

Glass

- (a) Fixed glass forming part of or fixed to the exterior of the building including glass in fixed signs; or
- (b) Fixed internal glass including fixed glass in furniture, counters, shelving and showcases, fixed and hanging mirrors, fixed washbasins, sinks, toilet pans and cisterns, contained within the building.

Glass includes external glass, internal glass and specified glass as defined in the Glass policy Cover Section, but does not include your business stock.

Hovercraft

Any vessel craft or thing made or intended to float on or in or travel on or through the atmosphere or water on a cushion of air provided by a downward blast.

Input tax credit

The amount you are entitled to claim as a credit against GST that you have paid.

Insured/you/your

For all Cover Sections other than the Public and products liability and Tax Audit Cover Sections, any person, company or legal entity shown on the Policy schedule as the insured.

Insured amount

The maximum amount that will be paid under each section of cover selected.

For Cover Sections other than Glass, Public and products liability and Tax Audit the Insured amount will vary depending upon your requirements in relation to each Policy section.

The Insured amount, means the amount specified as the insured amount in the Policy schedule for a Policy section, part of a Cover Section or individual item or cover.

Limit of Liability

The maximum amount we will pay under Cover Sections Public and products liability as shown in the Policy schedule inclusive of all amounts provided for in any relevant Additional benefit under that Cover Section.

Media

Material on which data is recorded or stored, such as magnetic tapes, hard drives, cartridges, dongles, CD's, DVD's, USB's, flash drives, memory cards or floppy disks.

Money

Cash, bank notes, currency notes, negotiable cheques, negotiable securities, travellers' cheques, debit and credit card vouchers, discount house vouchers, money orders, postal orders, unused postage stamps, revenue stamps, lottery tickets, stored value cards, public transport boarding tickets, authorised gift vouchers, valuable documents (but limited to certificates of stock, bonds, coupons and all other types of securities) and the contents of franking machines.

Money does not include collectable items (for example coin or stamp collections) or anticipated revenue.

Obsolete stock

Stock which can no longer be sold for its full value; for example: stock which is out-of-season fashion, superseded computers or perishable goods beyond their used by date.

Occurrence

An event, including continuous or repeated exposure to substantially the same general conditions.

Period of insurance

The period of time shown on the Policy schedule during which insurance is provided under this policy.

Personal effects

Clothing and personal belongings normally worn or carried.

Policy

Your insurance contract. It consists of this Policy Wording, any endorsements and the Policy schedule.

Cover Section

Any part of this Policy described as a Cover Section or a Cover Section.

Policy schedule

The record of the particulars of your insurance which forms part of this policy. The Policy schedule is issued when we have accepted and will confirm your insurance cover. At each renewal of your policy, the renewal schedule becomes your current Policy schedule.

Updated Policy schedules or endorsements may also be sent to you showing alterations to your policy.

Pollutants

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

Premises

The address listed in the Policy schedule at which and from which you operate your business. The premises includes buildings and land within the legal boundaries.

Policy Wording

Policy Wording is the name of this document and it contains the terms of your insurance cover. It tells you what cover we provide, details of costs and excesses and other important information. It should be read together with the Policy schedule, any endorsements and any Supplementary Policy Wording that we may give you.

Property insured

The property as described on the Policy schedule in respect of each Cover Section.

Safe or strongroom

A safe is a fire and burglary rated lockable container specifically designed for the safe storage of money, data, documents or valuables and is designed to resist unauthorised opening by hand-held or power operated tools. A strongroom is a room-sized vault structure and is an integral part of the building within which they are built.

A safe is not:

- (a) a petty cash box;
- (b) locked drawer in any type of filing cabinet or desk;
- (c) burglary resistant container weighing less than 20 kilograms that is not fixed to the wall or floor of the premises by anchoring it using mechanical bolting; e.g Dynabolts.
- (d) an ATM

Seasonal increase period/s

Any period of time during the period of insurance that has turnover, sales or level of stock at least 20% higher than the average turnover, sales or level of stock at other times during the period of insurance.

The total number of days we will allow as seasonal increase periods is 126 days in total during any one period of insurance. You do not have to tell us what the dates of the periods are, but if you claim under a Cover Section which has the seasonal increase cover, then your financial records over at least the previous 2 years must substantiate the period as a seasonal increase period. If the business is less than 2 years, we will use the financial records of your business from the date of commencement until the date of the loss or damage to substantiate your claim.

You can nominate different stock increase period(s) or higher percentage increases of stock. If you do they will be shown on your policy schedule and you must pay any additional premium that applies.

Stock

Products, merchandise and materials, you intend to sell, stock in trade, raw materials or work in progress or being repaired or altered and packing materials used by you in the business.

Stock includes:

- cigars, cigarettes and liquor;

- live animals, provided your business is a pet shop or a restaurant;
- customers goods.

Subsidiary company

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.

Supplementary Policy Wording

A document that updates or adds to the information in the Policy Wording.

Total Insured Amount

The total of all insured amounts for Buildings, Contents, Stock and Specified items for particular premises.

Terrorism

An act, including but not limited to the use of force or violence (or threat of force or violence) by any person or group of people acting alone, or on behalf of or in connection with any organisation or government, that from its nature or context are done for, or in connection with, political, religious, ideological ethnic or similar reasons with the intention to influence any government or put the public or any section of the public in fear.

The/this policy

Your insurance contract which consists of this Policy Wording, any Supplementary Policy Wording we may give you, any endorsements and your Policy schedule.

Vehicle

Any type of machine on wheels or on caterpillar tracks (including any trailer, caravan or other apparatus attached to the machine) made or intended to be propelled other than by manual or animal power.

Watercraft

Anything made or intended to float or travel on or through water other than model boats.

We/us/our

Coast Insurance Pty Ltd and / or the Insurer(s).

You or Your

For all Cover Sections other than Public and products liability Cover Section and the Tax Audit Cover Section this means the person(s), companies, legal entity or firms named on the current Policy schedule as the 'Insured'

PROPERTY DAMAGE COVER SECTION

About this section

This section of the policy covers physical loss of or damage to your property insured during the period of insurance. We do not cover the theft or breakdown of your property insured under this Cover Section.

Your insurance under this Cover Section

Provided 'Property damage' is shown under 'What's Covered' in the Policy schedule, and subject to the General exclusions on pages 19 to 22, and this Cover Section exclusions, we will cover you for accidental loss or damage to your property insured at the premises during the period of insurance.

What We pay

The maximum we will pay for any one claim, for accidental loss or damage to your property insured other than a claim for a specified item, or specified item or contents that are works of art antiques or curios, under this Cover Section is the Limit of Indemnity shown on the Policy schedule or adjusted in accordance with this Cover Section, whichever is the higher.

The maximum we will pay for each specified item, unless the item are works of art, antiques or curios, is the insured amount shown in the Policy schedule for that item. For specified items that are works of art, antiques or curios then the maximum we will pay for each item is the amount subject to a valuation by the Auctioneers and Valuers Association of Australia.

For contents that are works of art, antiques or curios we will only pay subject to such valuation of that item up to a maximum of \$10,000 for each item.

For any item of contents or for any specified item that is part of a pair or set, the limit applies to the pair or set.

There are two methods of paying your claims up to these maximum limits. They are 'reinstatement or replacement' basis and 'indemnity value'. The method you have chosen is shown on the Policy schedule.

1. Building(s), specified items, contents or stock

Reinstatement or replacement

Unless the Policy schedule shows that you are insured for 'Indemnity' then, when buildings, specified items, contents or stock are lost or damaged we will:

- a) pay the cost to rebuild the buildings at the premises shown on the Policy schedule or, at your option, at another site;
- b) replace, stock, contents or specified items which are not works of art, antiques or curios, to a condition equal to but not better than its condition when new.;
- c) pay you the cost of replacing the stock, contents or specified items which are not works of art, antiques or curios, to a condition equal to but not better than its condition when new;
- d) pay you the amount shown on the proof of purchase for specified items, unless the specified items are works of art, antiques and curios;
- e) if the specified items are works of art, antiques and curios, pay you the amount of a valuation by the Auctioneers and Valuers Association of Australia; or
- f) if the contents are works of art, antiques or curios pay you the amount of a valuation by the Auctioneers and Valuers Association of Australia up to a maximum of \$10,000 for each item.

Reinstatement or replacement is subject to the following conditions:

- a) the work of rebuilding, replacing or repairing must be commenced and completed by you within a reasonable time otherwise 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 within a reasonable period of time;
- b) when rebuilding at another site, we will not pay more than we would pay to rebuild at the premises;
- c) when any property insured is damaged, but not destroyed, we will not pay more than the amount that we could have been called upon to pay for if that property had been destroyed;

We will only pay to return the property insured to a condition substantially the same as, but not better or more extensive than, its condition when new, using building materials readily available and in common use in The Commonwealth of Australia.

2. Indemnity value

(Optional reduction in cover)

If the Policy schedule shows you are insured for 'Indemnity' then, for any loss or damage to building or contents, which are not works of art, antiques or curios, we will, at our option:

- a) repair, reinstate or replace the building or contents;
- b) pay you the market value of the building or contents immediately prior to the time of its loss or damage; or
- c) pay you the cost to repair or replace the building or contents.

In all cases, where appropriate, we will reduce the amount we pay you to take into account age, wear, tear depreciation and will make an adjustment for the general condition and remaining useful life of the building or contents that are damaged.

If the contents are works of art, antiques or curios we will pay you the amount of a valuation up to a maximum of \$10,000 for each item.

3. Branded stock

We will not sell branded stock as salvage without your consent.

If such salvage is not disposed of by sale, then the goods may be retained by you and disposed of as you see fit provided a reasonable salvage allowance is agreed with us for the value of the goods.

4. Extra costs of reinstatement

If you are insured under this Cover Section on a reinstatement or replacement basis, we will also pay the extra costs of reinstatement or replacement of property insured which are necessarily incurred to comply with the requirements of any Act of Parliament or regulations or any by-law or regulation of any Municipal or other statutory authority, other than those relating to the heritage status of a building.

5. Extra costs of reinstatement: Heritage building

If you are insured under this Cover Section on a reinstatement or replacement basis for loss or damage to any building that is subject to any heritage listing or protection and you choose to rebuild, replace or repair the building at the same location, we will pay the extra costs of repairing, replacing, or reinstating the building, that are related to obtaining special materials or employing specialised labour to match up or reproduce unique or distinctive ornamental or architectural features of the building to comply with standards imposed by any lawful heritage protection authority.

We will not pay more than the cost necessary to rebuild, replace or repair any such heritage listed building to a reasonably equivalent appearance and capacity using original design and suitable modern equivalent materials, if the original materials are not available.

6. Conditions which apply to Extra costs of reinstatement

The following conditions apply to clause 4 "extra costs of reinstatement"

- a) the work of reinstatement must be commenced and completed within a reasonable time 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; and
- b) the amount payable will not include any additional costs in complying with any requirement that you had been required to comply with before the loss or damage occurred; and
- c) 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.

Our total liability under this clause 4 'Extra cost of reinstatement' will be limited to the balance of the Limit of Indemnity.

The underinsurance condition of this Cover Section will not apply to the amount payable under this clause.

7. Loss of floor space

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

- a) an Act of Parliament or regulations; or
- b) a by-law or regulation of any Municipal or other statutory authority;

We will, in addition to the amount payable to reinstate such building on the basis set out in clauses 1 and 4 above, pay you the difference between:

- (a) the actual cost of rebuilding the building with the reduced floor space; and
- (b) the estimated cost of rebuilding the building with the floor space it had at the time it was damaged.

Provided that our total amount payable under this 'Loss of floor space' shall not exceed the Insured amount in respect of the building/s which are the subject of the claim.

8. Output replacement for equipment, machinery or plant

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

- (a) Where any property insured is to be replaced with any item or items which have the same or a lesser total function, capability or output, then the basis of settlement is the new installed cost of such replacement item or items as would give the same total function, capability or output as the property insured.
- (b) Where any property insured is to be replaced with an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is no greater than the replacement value of that property insured, then the basis of settlement is the new installed cost of the item or items so replaced.
- (c) Where any property insured is to be replaced by an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is greater than the replacement value of the property insured, then the basis of settlement is the lesser of the reinstatement value or that proportion of the new installed cost of the replacement item or items which the output of the damaged property insured bears to the output of the replacement item or items; provided always that the amount payable shall not be of lesser value than the estimated cost which would have been payable if such damaged property could have been replaced by an item or items that would have given the same total function, capability or output as the damaged property insured. If the reinstatement value of the damaged property insured is not ascertainable then the basis of settlement is the new installed cost of the replacement item or items.

9. Stock

If stock is lost or damaged, we will, at our option having regard to your interests and acting reasonably:

- a) pay the market value of the stock immediately prior to the time of the loss or damage;
- b) pay you the market value of obsolete stock or its purchase price (net of GST), whichever is the lesser, but no more than the original cost to you;
- c) replace or repair the stock with property or materials equal to or of a similar standard and specification as the stock at the time it was lost or damaged; or
- d) pay the cost of repair or replacement of the lost or damaged stock to a similar standard and specification as the stock at the time it was lost or damaged.

Extensions of cover

Following damage covered by this Cover Section to Buildings or Contents at your premises, we will increase the total insured amount by the amounts specified in the Extension of Cover below. For the sake of clarity, the Limit of Indemnity at the premises will be adjusted in accordance with any such increase to the total insured amount.

1. Capital additions

If buildings or contents, excluding stock, are insured we will extend cover to include any new alterations, additions and improvements, but not appreciation in value, in excess of the insured amounts to property

as shown on the Policy schedule.

We will pay no more than:

- (a) \$500,000; or
 - (b) 20% of the total insured amount on buildings and contents;
- whichever is the lesser amount.

For example:

If your business is retail, and the contents of your rented shop are insured for \$150,000 and you are refitting the shop shelving and service counters, we will not pay more than \$30,000 (20% of \$150,000), as this amount is less than \$500,000. Capital additions are not to be confused with repairs.

You should advise us when there is a change in the construction of or alteration to your premises.

2. Catastrophe inflation protection

If we agree to pay a claim for damage to your building that is a direct result of a catastrophe, we will:

- a) pay up to an additional 20% of the insured amount for buildings; and
- b) increase the amounts payable under the 'Capital additions' (relating to buildings only) Extensions of cover and 'Prevention of loss or damage' Additional benefit of this Cover Section by up to 20%;

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

For example, if your insured amount for buildings was \$1,000,000 we would pay up to an extra \$200,000 (20% of \$1,000,000). However, this Extension of cover does not operate to increase the total insured amount for the purposes of calculating the application of any Extra cover or Additional benefits or the underinsurance provision in this Cover Section.

We will not pay more than the increased building costs which are incurred by you as a direct result of the catastrophe.

We will not pay any claim under this Extension of cover if you choose not to rebuild the buildings (or any part of them) at the premises shown on the Policy schedule. We will not increase the insured amount to pay for damage to any property insured other than buildings.

We will not pay any claim under this Extension of cover if the Policy schedule shows the building as being insured for 'Indemnity'.

3. Seasonal increase in stock

We will automatically increase the insured amount in respect of stock by 50% during the seasonal increase period.

If however, the insured amount in respect of stock is included in your contents insured amount we will only apply the seasonal increase to that portion of your contents insured amount which relates to stock.

Extra covers

When damage to property insured is covered by this Cover Section, we will pay for the following costs that are incurred as a result of that damage.

Unless stated otherwise below, any amounts payable under these Extra covers apply in addition to the total insured amount but will not exceed the Limit of Indemnity.

1. Loss of perishable food stock without damage

We will, to an extent not exceeding the value of perishable food stock and/or merchandise following loss or damage to property insured covered by this Property Damage Cover Section, also agree to treat as damaged the loss sustained by you resulting from the deterioration of such undamaged food stock due to your inability to process it in the normal way and in a timely manner or through alternative outsourcing arrangements. We will pay up to \$10,000 any one event.

2. Discharge of mortgages

We will pay the reasonable legal costs of discharge of a mortgage or mortgages on buildings, contents or

stock following settlement of a claim under this policy on a total loss basis. We will pay up to \$50,000 any one event.

3. Environmental Upgrade

If you elect to repair or replace property that is lost, damaged or destroyed during the period of insurance using or with more environmentally friendly technology, products or materials that improve the energy or water efficiency of the property, we will pay up to 10% more than the amount we would otherwise have paid to repair or replace the item that is being upgraded subject to a maximum cost of \$10,000 for each claim.

4. Expediting Expenses

We will pay for reasonable costs and expenses incurred by you for express carriage rates and extra payments for overtime, night, Sunday or holiday working incurred in connection with the repair, replacement or reinstatement of the property insured that suffered loss or damage.

Provided that we will not pay more than:

- a) 50% of the cost of repairing, replacing or reinstating the property insured; or
- b) \$25,000

whichever is the lesser for each claim.

5. Floating stock

Where we pay a claim for loss of or damage to stock at the premises, we will pay more than the stock insured amount at that premises to account for the temporary transfer of stock between premises provided that:

- a) there are at least two premises specified on the policy schedule and an insured amount has been separately specified on the Policy schedule for stock at each premises insured under this Cover Section, including the affected premises; and
- b) you transfer the stock between premises as a usual business practice.

We will not pay a claim under this Extra cover where stock levels in excess of the insured amount at your premises have been temporarily located at that premises for a period exceeding 90 (ninety) days and where we have not agreed in writing to an extended period, during the period of insurance.

We will not pay more than the total of the stock insured amounts for all premises.

For the sake of clarity, the Limit of Indemnity at the premises subject to the temporary transfer of stock will be adjusted in accordance with this Cover Section.

'Floating stock' cover allows you to move any value of stock between your premises, for the purpose of sale, without notifying us of the change in each individual premises and as long as your individual stock levels, at each of your insured premises, does not exceed your total stock insured amount during any one period of insurance.

Worked Claims Example

'Floating stock' cover allows you to move any value of stock between your premises, for the purpose of sale, without notifying us of the change in each individual premises and as long as your individual stock levels, at each of your insured premises, does not exceed your total stock insured amount during any one period of insurance.

	Normal stock trading records	Stock values at the time of loss
Premises A	\$100,000	\$30,000
Premises B	\$100,000	\$50,000
Premises C	\$150,000	\$270,000 [Fire damage]
Total Stock amount insured	\$350,000	\$350,000

6. Government fees

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

The cost of government fees is included in the insured amount for buildings, contents or stock. If the insured amount is exhausted, the most we will pay under this Extra cover is \$10,000 any one event.

7. Landscaping

We will pay for loss of or damage to landscaping at the premises. We will also pay resultant expenses necessarily incurred in cleaning, clearing and/or repairing drains, gutters, sewers and the like all contained in or on or forming part of or implicitly pertaining to the buildings.

Landscaping includes trees, shrubs, plants, lawns, rock work, retaining walls, ornamentation and edging pertaining thereto.

We will not pay more than \$50,000 or 20% of the insured amount, whichever is the lesser, at the premises in respect of any one event, in restoring landscape grounds to their original appearance when first laid out and planted, but we will not pay for costs arising due to the failure of trees, shrubs, plants, turf and the like to germinate or become established.

This Extra cover is included in the insured amount for the buildings.

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

8. Loss of land value

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

We will not pay more than:

- (a) 20% of the building insured amount shown on the Policy schedule; or
- (b) \$100,000;

whichever is the lesser.

For example, if the insured amount for the building is \$400,000, We will not pay more than \$80,000 (20% of \$400,000), as this amount is less than \$100,000.

9. Playing surfaces

We will pay, up to \$50,000 plus any additional amount shown in the current Policy schedule for playing surfaces, for the cost of repairing damage to outdoor playing surfaces at the premises, caused by:

- (a) vandals or malicious persons, other than you or your guests, director's partners, officers, employees or members, or their guests;
- (b) fire occurring to property insured at the premises for which we have admitted liability under this Cover Section; or
- (c) the action of the fire fighting services, police or other emergency services in attending to their duties at the premises.

10. Professional fees

We will pay the reasonable cost of surveyors', architects' and other professional fees for estimates, plans, specifications, quantities, tenders and supervision, incurred in the repair or replacement of lost or damaged buildings. The cost of professional fees is included in the Insured amount of the lost or damaged buildings. If the Insured amount has been exhausted, we will pay up to \$10,000 any one event.

11. Removal and disposal of trees and branches

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

We will remove a standing tree or branch that formed part of a tree that caused the insured damage if:

- (a) we agree that the remaining tree or branch is unsafe;
- (b) the remaining tree or branch became unsafe as a direct result of the event covered under this Cover Section causing damage to the tree, and
- (c) all necessary approvals have been obtained and removal of the tree or branch would not result in a breach of any laws, by-laws, regulations or contractual obligations.

We will remove a stump that formed part of the tree that caused the insured damage only if:

- (a) all necessary approvals have been obtained and removal of the stump would not result in a breach of any laws, by-laws, regulations or contractual obligations, and
- (b) not removing the stump would interfere with repairing or replacing the damaged part of the premises is required to settle your claim.

12. Removal of debris including necessary temporary repairs

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

We will pay you up to the greater of:

- (a) \$100,000 or 20% of the Total Insured Amount on buildings, contents and stock, shown on the Policy schedule, whichever is the greater.
If (a) is insufficient to cover the reasonable costs detailed above, and you have not otherwise exhausted your Total Insured Amount, we will pay up to the remaining balance of the Total Insured amount. If the Limit of Indemnity is not otherwise exhausted, we will additionally pay up to 5% of the Limit of Indemnity in addition to the Limit of Indemnity; or
- (b) the amount shown on the Policy schedule for removal of debris.
If (b) is insufficient to cover the reasonable costs detailed above, and you have not otherwise exhausted your Total Insured Amount, we will pay up to the remaining balance of the Total Insured amount.
Any amount specified in (b) will be added to the Total Insured Amount. For the sake of clarity, the limit of indemnity will be adjusted in accordance with such an increased Total Insured Amount.

13. Rewriting of records

We will pay the reasonable costs of restoring the data stored on media or the cost of clerical labour actually, necessarily and reasonably incurred in rewriting, restoring or recreating the records for business books, plans, computer records, patterns and other business records that are damaged and your business records are stored at your premises.

We will not pay for any loss arising from such lost data or records or restored data or records.

14. Taking inventory

We will pay for the reasonable costs and expenses incurred by you in taking inventory (including unpacking, repacking and restacking) to identify, quantify and value any property insured damaged during the period of insurance including examination of property insured not belonging to you but in your care, custody or control.

This Extra Cover is included in the Insured amount for the contents and stock.

15. Undamaged portions of buildings

When a damaged building has to be rebuilt at a location other than the premises because the requirements of any lawful authority prevent the reinstatement of the building including the foundations and services, then the abandoned undamaged portion of the building shall be deemed to be destroyed.

Provided that, if the presence of such undamaged portion of the building increase the value of the original site, the increased sale value shall be regarded as salvage and the amount thereof shall be payable to us by you upon completion of the sale of the site or shall be deducted from the total amount otherwise payable by us under this Cover Section, whichever shall first occur.

Should the site not be sold, then the increased site value, when applicable shall be agreed between you and us, or in default, we and you shall submit to arbitration and be bound by the decision of the arbitrator.

16. Metered water charges

We will pay the additional costs levied on you by a Water Company or Authority for metered water usage arising from the escape and loss of water at the premises following a theft or attempted theft of parts of the building when buildings are insured.

Our payment for any one loss shall not exceed the lesser of seven (7) days or \$15,000. If you are also insured under the 'Theft Cover Section', the benefits payable under this Extra Cover 17. 'Metered Water Charges' shall not be cumulative. The Limit of Reinstatement for the building is not increased by this Extra Cover.

Our payment will be calculated on the amount of the suppliers charges for the period during which damage occurs, less the charge paid by you for the corresponding period in the preceding year, adjusted for charges and for variations affecting consumption by you during the intervening period.

We will not pay for such charges incurred in respect of any building which is unoccupied.

Additional benefits

We also provide the following Additional benefits, subject to the exclusions and conditions of this Cover Section and General policy exclusions, unless provided otherwise.

Unless stated otherwise below, any amounts payable under these Additional benefits apply in addition to the insured amount.

1. Costs related to damage to glass in vacant buildings

If you own but do not occupy any buildings at the premises shown as insured under this Cover Section in the Policy schedule, we will cover you for the following costs directly related to the breakage of glass in the period of insurance in a rentable area of the building that is vacant at the time of the breakage:

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

We will not pay more than \$5,000 during any one period of insurance for all claims under this Additional benefit.

We will not cover you under this Additional benefit for any breakage:

- (a) of glass caused by or arising out of fire or the application of heat;
- (b) of glass:
 - (i) when in transit or whilst being fitted into position or removed from its fitting;
 - (ii) in light fittings;
 - (iii) that is cracked or imperfect prior to breakage;
 - (iv) that is not fit for the purpose intended; or
 - (v) that is in a glasshouse.

We will not pay for the breakage of:

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

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

- (a) you have selected Glass Cover Section;
- (b) your insured building is leased to a tenant; or
- (c) the building has remained unoccupied or untenanted for a continuous period longer than 60 (sixty) days and we have not agreed to an extended period in writing.

The excess that applies to this Additional benefit is:

- (a) the excess shown on the Policy schedule; or
- (b) \$500

whichever is the higher.

2. Directors' and employees' tools of trade and personal effects

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

We will not pay more than \$6,000 for any one person for any one event. Any amount we pay for this

Additional benefit will be included in the contents insured amount.

3. Fire Brigade attendance fees

We will pay up to \$100,000 any one event for any statutory charges payable by you to a fire brigade or firefighting authority for attendance at a fire or chemical emergency involving property insured and for the cost of refilling your firefighting appliances used in putting out a fire at or adjoining the premises and threatening the property insured, during the period of insurance.

The excess that applies to this Additional benefit is \$500.

4. Limited transit cover

We will cover you for loss of or damage to stock or contents during the period of insurance which are in transit in any vehicle anywhere in The Commonwealth of Australia and away from the premises, caused by a collision or overturning of the conveying vehicle or any of the following events:

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

We will not cover you for more than:

- (a) \$50,000; or
- (b) 20% of the highest insured amount for contents or stock at any one premises; for each event

whichever is the lesser.

5. Prevention of imminent damage (in addition)

We will cover you for the necessary costs that you incur in the period of insurance:

- (a) to extinguish a fire on or in the vicinity of your premises which causes or threatens loss or damage to your property insured;
- (b) to prevent or diminish imminent damage to your property insured;
- (c) for the temporary protection and safety of your property insured at the premises, including the employment of security services; or
- (d) to remove property insured from the premises if the purpose of the removal was to prevent or minimise damage insured under this Cover Section. We will also cover any damage resulting from the removal.

We will not pay more than \$100,000 for all claims under this additional benefit during any one period of insurance. We will not pay for:

- (a) any fines, penalties or liability incurred by you; or
- (b) any loss or damage to your property insured.

6. Rewriting of records

We will pay the reasonable costs of restoring the data stored on media or the cost of clerical labour actually, necessarily and reasonably incurred in rewriting, restoring or recreating the records for business books, plans, computer records, patterns and other business records that are damaged and your business records are stored away from your premises anywhere in the Commonwealth of Australia.

We will pay up to \$25,000 or any higher amount for Rewriting of Records shown in the current Policy schedule.

7. Temporary cover for new premises

We will cover you for loss or damage occurring during the period of insurance to buildings, contents and stock

at any new premises, provided that:

- (a) you first occupy the new premises during the period of insurance;

- (b) the business carried on, at or from the new premises is the same as the business shown on the Policy schedule;
- (c) the property at the new premises is of the same nature as the buildings, contents and stock located at the premises and would have been covered if they were located at that premises; and
- (d) the buildings at the new premises are constructed of the same materials as the buildings at any premises, and have the same or superior protection systems as those at the premises.

We will not cover you for more than 50% of the highest total insured amount for any premises shown on the Policy schedule.

For example: if you insure two existing premises, one which has insured amounts for all property insured totalling \$1,000,000 and the other which has an insured amount for all property insured totalling \$2,000,000, then any new premises will be covered for up to \$1,000,000 (50% of \$2,000,000, the higher of the two insured amounts for all property insured at a premises).

We will not cover you under this Additional benefit for any loss or damage at the new premises that occurs more than 90 days after you first occupy the new premises.

8. Temporary removal of stock and contents

We will pay up to 20% of the insured amount for loss or damage to stock or contents, during the period of insurance, if the stock or contents has been temporarily removed from the premises or are in a temporary storage facility, self-storage unit or bulk storage facility as if it were at the premises but still within the Commonwealth of Australia.

For example: if the insured amount for stock is \$100,000 and there is loss or damage to stock that has been temporarily removed from the premises, we will pay up to \$20,000 (20% of \$100,000).

We will not pay for loss of or damage to:

- (a) motor vehicles, unless they are the stock of your business, or fork lift trucks and similar appliances that are used for hauling or conveying goods at the premises;
- (b) stock that you have consigned to another person for sale unless it is owned by you or is property for which you are responsible;
- (c) stock or contents that have been removed from the premises in excess of 90 (ninety) days at the time of the loss or damage.

9. Trace and access

We will pay the reasonable costs incurred to detect the point of bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks, fixed appliances, fixed pipes or other systems, during the period of insurance, at the premises used to hold or carry liquid or gas provided that the bursting, leaking, discharging or overflowing has caused or may reasonably be expected to cause damage to property insured.

We will cover the cost of reinstating parts of the property necessarily disturbed to locate the source of the problem but we will not cover the cost of repairing or reinstating any such apparatus, appliance, tanks, pipes or repair which has failed due to age, wear and tear, faults in material or faulty workmanship by the installer.

10. Theft of part of the building

If you own but do not occupy a building at the premises shown as insured under this Cover Section in the Policy schedule, we will cover you for the theft of parts of the building.

We will not pay for any loss or damage caused by your family or your tenants.

We will not pay any claims under this Additional benefit if you have selected the Theft Cover Section of the policy.

Optional extensions

1. Flood

When 'Flood' is shown in the Policy schedule, under this Cover Section, we will cover loss of or damage to property insured caused by Flood, subject to the limits, conditions and exclusions of this policy, except for the flood exclusion.

2. Strata title mortgagee(s) interest

This cover applies only if you have arranged this Policy to insure only the interest of a mortgagee in a strata title unit.

This cover only applies when you own part of a building that has been subdivided into strata, community or similar title units and you have a mortgage on that part of the building.

We will pay the mortgagee the lowest of:

- (a) the insured amount shown on the Policy schedule;
- (b) the amount to repair the damage to a condition similar to but no better than when new;
- (c) if the body corporate (or similar) partially covers the loss, then the difference between what the body corporate's insurance pays and the cost of the damage; or
- (d) the amount sufficient to discharge the mortgage held by you over the unit at the date of the damage.

We pay only that part of the claim that applies to the interest of the mortgagee.

We only pay a claim if:

- (a) a claim would be payable under this Cover Section (and not subject to any exclusions or other limitation in the policy);
- (b) the policy of the body corporate or similar does not apply or only partially covers the loss; and
- (c) the mortgagee requires you to discharge your mortgage.

If you have arranged this Policy to insure only the interest of a mortgagee in a strata title unit no additional benefits are payable under this Policy.

Exclusions

1. We will not cover you under this Cover Section for any loss or damage caused by or occasioned through mechanical, hydraulic, electrical or electronic breakdown (breakdown as defined in the Machinery breakdown and electronic equipment Cover Section), failure, malfunction or derangement of any machine or electrical or electronic device or temperature controlling equipment, including the deterioration of refrigerated stock, as otherwise insured or could be covered under the Machinery breakdown and electronic equipment Cover Section of this Policy.
2. We will not cover you under this Cover Section for money as defined and covered or which could be covered in the Money Cover Section, provided that this exclusion does not apply to that amount as defined as contents.
3. We will not cover you under this Cover Section for Glass or signs as defined and covered or which could be covered in the Glass Cover Section other than damage caused by:
 - (a) fire, storm, wind, rain, hail, lightning, explosion, implosion, earthquake, impact by vehicles or animals, aircraft and other aerial devices and/or articles dropped from them, riots or civil commotion, persons acting maliciously or earthquake; or
 - (b) except where you are a tenant of a building and you are required by the lease to insure glass;
4. We will not cover you under this Cover Section for theft as defined and covered or which could be covered in the Theft Cover Section except as provided for under Additional benefit 10 Theft of part of the building.

Provided that this exclusion does not apply to physical loss of or damage to property insured at the premises occurring during theft or any attempted theft.

5. We will not cover you under this Cover Section for loss or damage caused by:

- (a) wear and tear, gradual deterioration, scratching, denting, chipping, marring, developing flaws, normal upkeep or any gradual cause provided that this exclusion shall not apply to subsequent loss, destruction of or damage to the Property Insured occasioned by a peril (not otherwise excluded) resulting from any event or peril referred to in this exclusion;
- (b) corrosion, rust, oxidation, any form of fungus, wet or dry rot, dampness of atmosphere, variation in temperature, evaporation, disease, shrinkage;
- (c) change in colour, flavour, texture or finish;
- (d) inherent vice or latent defect;
- (e) loss of weight or exposure to light;
- (f) creeping, heaving, normal settling, shrinkage, seepage, vibration, expansion in buildings, pavements, roads, car parks and the like;
 - (i) error or omission in design, plan or specification or failure during testing;
 - (ii) faulty materials or workmanship;
- (g) Provided that this Exclusion 6(g) shall not apply to subsequent loss or damage to your property insured (not otherwise excluded) resulting from an event referred to in this exclusion 6(g);
- (h) infidelity, dishonesty, embezzlement, misappropriation, or fraud including forgery, erasure, counterfeiting by you or any employee;
- (i) erosion, subsidence, landslide or mudslide or any other type of earth movement but we will cover loss or damage caused by a landslide or subsidence that occurs within 72 hours of, and directly because of, a storm, earthquake, subterranean fire, volcanic eruption or water escaping from a water main owned by a water supply authority;
- (j) demolition ordered by any lawful authority as a result of failure by you to comply with any lawful requirement;
- (k) the action of the sea, storm surge or high water, unless caused by or arising from a direct consequence of an earthquake or seismological disturbance;
- (l) flood unless Flood is shown as covered on the Policy schedule.

6. We will not cover you under this Cover Section for loss or damage caused by:

- (a) faults or defects known to you or any employee whose knowledge in law would be deemed to be your knowledge and not disclosed to us at the time this insurance was arranged, extended, varied or renewed;
- (b) the cessation of work (whether total or partial), interruption or retarding of any process or operation as a result of any industrial dispute;
- (c) data processing or media failure or breakdown or malfunction of a processing system including operator entry or omission;
- (d) deliberate and unauthorised corruption, amendment or erasure of data by you or your directors, partners, employees, officers or any other person who has an interest in the property insured whether acting alone or in collusion with any other person;
- (e) computer virus;
- (f) the gaining of unauthorised access to your computer via any communication system by any person other than you or your directors, partners, employees, officers or any other person who has an interest in the property;
- (g) an electrical device (including wiring) caused by a surge in electrical current;
- (h) the operation or presence of any computer program that alters or erases data or programs in a manner that is undesired by you;
- (i) the actual breaking, seizing, deformation or melting of any part of the property insured while it is in use that is caused by mechanical, electrical or electronic defect that results in sudden and total loss of operation that requires repair or replacement before the property insured can resume normal operation;
- (j) explosion or implosion of any pressure vessels (including any boilers) (other than a pressure vessel used solely for domestic purposes) and that have a value of more than \$250,000:
 - (i) where the load on the safety valve upon the particular pressure equipment was in excess of the manufacturer's specification at the time of any damage;
 - (ii) where any safety valve limiting pressure was removed or rendered inoperative;
 - (iii) due to the failure of the supply of water, gas, electricity or fuel.

Provided that we will pay for any damage to property insured that is not otherwise excluded that results from damage caused directly by or arising directly from any of these causes described in (i), (ii) and (iii) above.

Provided further that this exclusion does not apply to pressure Vessels used solely for domestic purposes.

7. We will not cover you under this Cover Section for loss or damage caused:

- (a) to property insured where the loss or damage results from processing or manufacture of the insured property;
- (b) to any building, contents and stock if the building is vacant awaiting or undergoing demolition, unless we have agreed otherwise;
- (c) to plants, or growing crops;
- (d) by the actions of birds, moths, termites or other insects, vermin or rodents or damage caused by their urine or excrement;
- (e) by animals pecking, biting, clawing, scratching, tearing or chewing your property insured at the premises, provided that this exclusion shall not apply in respect to damage by an animal that gives rise to subsequent loss or damage to your property insured occasioned by a fire, explosion or water damage only.

8. We will not cover you under this Cover Section for loss or damage caused by or arising from:

- (a) any legal liability you have other than the legal liability that is covered by the Extra cover 12 'Removal of debris';
- (b) the incorrect layout or placement of buildings as a result of error in design or specification, faulty workmanship or non compliance with the requirements of any lawful authority;
- (c) any unexplained inventory shortage or disappearance resulting from clerical or accounting errors, or shortage in the supply or delivery of materials or goods;
- (d) contamination, pollution, smoke or smut except where caused directly by fire, lightning, explosion, impact by any road vehicle or animal, aircraft or other aerial devices or articles dropped by them, falling communication masts, towers, antennae or dishes, falling buildings or structures or parts thereof, meteorite, riot, civil commotion, persons taking part in an industrial dispute, persons acting maliciously, earthquake, storm, the bursting, overflowing or discharge of tanks, apparatus or pipes containing in water or liquid of any kind, or sprinkler leakage;

9. We will not cover you under this Cover Section for loss or damage caused by:

- (a) a named cyclone named by the Bureau of Meteorology where the damage occurs within 72 hours from the commencement of this policy; or
- (b) a bushfire occurring within 72 hours from the commencement of this policy, unless this policy commenced:
 - (i) immediately after another insurance policy, covering the same risk expired (the policy did not expire if it was cancelled) without a break in cover; or
 - (ii) the day you entered into a contract of sale to purchase the property; or
 - (iii) the day you entered into a contract to lease the property.

Limitations on cover which apply if you have cover under this Cover Section

Earthquake

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

Storm, rainwater, wind, hail or snow

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

Cover Section conditions

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

1. Leased building clause

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

2. Reinstatement

If we pay an amount for a claim for loss during the period of insurance under this Cover Section we will automatically reinstate the insured amount to the amount shown on the Policy schedule. You will not be required to pay any additional premium.

3. Inflation protection

To protect you from the effects of inflation, if you have cover under this Property damage Cover Section, we may automatically change the insured amount at renewal in line with movements in the Consumer Price Index or another similar index.

If the insured amount increases because of index linking, the new premium and relevant government charges will be based on the new insured amount shown in the Policy schedule.

The insured amounts you nominate under the Property Damage Cover Section must accurately reflect the full Replacement Cost of your Business property.

4. Release

Without prejudicing your position under this Cover 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.

5. Storage premises

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

6. Tenant's 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 Cover Section which is in breach of any terms or conditions, we will cover you for your loss or damage as per this Cover Section, provided:

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

7. Under-insurance

In the event of loss or damage covered under this Cover Section:

For each claim settled on a reinstatement or replacement basis, we will not be liable for more than that proportion of damage which the Limit of Indemnity bears to eighty per cent (80%) of the full insurable value of the Buildings, Contents, Stock and Specified Items at the time of commencement of the Period of Insurance.

This is subject to the following:

- (a) this condition does not apply if the amount of any loss or damage (net of any input tax credit that you could claim) is less than 10% of the total Limit of Indemnity shown on the Policy schedule at the premises.
- (b) 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.
- (c) our liability is limited to the Limit of Indemnity at the premises as shown in the Policy Schedule.

See the worked dollar example below for an example of how underinsurance will apply to reduce the amount we will pay for claims under this Cover Section.

Worked dollar examples

The following worked dollar examples are designed to assist you in understanding some of the important benefits in this Cover Section and how claims are calculated. The examples do not cover all scenarios or all benefits and do not form part of your policy terms and conditions. The following examples should be used for general guidance only.

Note that the following examples do not take into account your Input Tax Credit Entitlement.

You have cover for a building that is used as both a hairdressing salon and Your residence. For this reason it is a home building. Indemnity is not shown on Your policy schedule, so you have cover on a replacement value basis. The total insured amount on the policy schedule is shown as \$400,000 (the total of the insured amount shown on Your policy schedule for the building of \$380,000, contents of \$10,000 and stock of \$10,000 and there are no specified items) and the excess shown on the policy schedule is \$250.

When setting the building insured amount, You must consider the costs to remove debris and payment of any architect fees. The building is damaged in a storm and We assess the cost of repairs to be \$50,000.

How much we pay		Further information
Cost of repairs	\$50,000	We normally decide the building is repairable if the cost of repairing the building is less than the insured amount (in this example the insured amount for buildings is \$380,000).
Cost of removal of debris	+\$30,000	In addition to the damage to the building, the storm has created building debris that requires cleaning up and removal. Unless you have nominated a greater amount, the most We will pay under the removal of debris benefit \$100,000 or 20% of the Total Insured Amounts for Building, Stock and Contents in addition to any total insured amount. However, as the total insured amount has not been exhausted, We will pay up to any unexhausted amount remaining from the total insured amount of the debris cost, which in this case is \$30,000.
Less excess	-\$250	We deduct this from the amount we pay. We may require you to pay this amount directly to the repairer.
Total claim	\$79,750	We normally pay this amount directly to the repairer.

Underinsurance

In the above example, if the actual replacement value of the building at the time the policy was entered into was \$580,000 but you had only insured the building, contents and stock for \$400,000 the amount We pay will be reduced in accordance with the underinsurance condition in this Cover Section.

The amount We would pay will be calculated as follows:

\$400,000 (insured amount)		= \$68,750
Total claim of \$79,750 x	80% x \$580,000 (building replacement value at time of loss)	

You have cover for a building that is used as both a cafe and Your residence. For this reason it is a home building. Indemnity is not shown on Your policy schedule so you have cover on a replacement value basis. The insured amount on the policy schedule for buildings is shown as \$2,500,000 and the excess shown on your policy schedule is \$250. The building is damaged in an earthquake and We assess the cost of repairs to be \$1,000,000.

How much we pay		Further information
Cost of repairs	\$1,000,000	We normally decide the building is repairable if the cost of repairing the building is less than the insured amount (in this example the insured amount is \$2,500,000).
Cost of removal of debris	+\$40,000	In addition to the physical building damage there is also building debris that requires cleaning up and removal. Unless you have nominated a greater amount, the most we will pay under the removal of debris benefit is \$100,000 or 20% of the Total Insured Amounts for Building, Stock and Contents in addition to any total insured amount in addition to any unexhausted amount of the total insured amount. However, as the total insured amount has not been exhausted, we will pay up to any unexhausted amount remaining from the total insured amount.
Less excess	-\$10,000	Since the damage is caused by an earthquake, an excess of 1% of the insured amount of the loss or damage (up to a maximum of \$20,000) applies. In this example 1% of the insured amount of the loss to the buildings is \$10,000. We may ask You to pay this amount directly to the repairers.
Total claim	\$1,030,000	We normally pay this amount directly to the repairers.

Definitions

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

Catastrophe

A large scale destructive event, in the area in which the premises is located, which either:

- (a) the Insurance Council of Australia has declared to be an 'insurance catastrophe event'; or
- (b) as a consequence of the event, the relevant government authority has declared a state of emergency.

Limit of Indemnity

120% of the total insured amount for a particular premises the amount of which is also subject to any increase as specifically provided under the 'Catastrophe inflation protection' extra cover or any other amount for 'Limit of Liability' agreed by us and specified in the Policy Schedule for the particular premises.

Specified items

Each item of property that is specifically described on the Policy schedule for this Cover Section.

Total Insured Amount

The total of all insured amounts for buildings, contents, stock and specified items for particular premises as shown on the Policy schedule.

BUSINESS INTERRUPTION COVER SECTION

About this section

This Cover Section only forms part of your Policy when Business interruption is shown under 'What's Covered' in the Policy schedule.

There are three covers available in this Cover Section:

- Insurable Gross Profit basis;
- Annual Revenue basis;
- Weekly Revenue basis.

Your Policy schedule indicates which of the above Cover Section has been selected by you and is subject to the General exclusions on pages 19 to 22, and this Cover Section exclusions.

If you do not insure for your actual Gross Profit or Revenue values in this Cover Section you may not receive full compensation in the event of a claim under this Cover Section.

Insurable gross profit basis

What You are covered for

In the event of interruption of or interference with your business in consequence of damage to any property insured or any part thereof used by you at the premises for the purpose of your business, we will pay you the amount of the loss resulting from such interruption or interference which comes under any of the items 1.-5. shown below and which are selected by you and shown in the current policy schedule.

Provided that:

- (a) the payment is in accordance with the 'What we pay' provision for each item;
- (b) we have paid for or admitted liability in respect of such damage to your property insured under the relevant Cover Section, or another insurer has paid for or admitted liability in respect of such damage;
- (c) we would have paid for or admitted liability in respect of such damage under the relevant section of this policy, or another insurer would have paid for or admitted liability in respect of such damage and it would otherwise be covered under the relevant Cover Section but for the application of an Excess; and
- (d) our liability for payment of such loss under each item will in no case exceed the insured amount shown in the current Policy schedule for that item.

Insurance on an insurable gross profit basis provides protection with regard to loss under:

Item 1. Gross profit (if selected).

Item 2. Additional increase in cost of working (if selected).

Item 3. Accounts receivable (if selected).

Item 4. Claim preparation and proving expenses (if selected).

Item 5. Rent receivable (if selected).

What we pay

Item 1. Gross profit

This item is limited to the loss of gross profit due to a reduction in turnover and the increase in your cost of working. The amount payable as indemnity under this item will be:

- (a) in respect of reduction in turnover:
the sum produced by applying the rate of gross profit to the shortage in turnover during the indemnity period; and
- (b) in respect of the increase in cost of working:
the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which, but for the additional expenditure, would have taken place during the indemnity period in consequence of the damage, but not exceeding the sum produced by applying the rate of gross profit to the amount of reduction thereby avoided;

less any sum saved during the indemnity period in respect of such charges and expenses of your business payable out of gross profit as may cease or be reduced in consequence of the damage.

Under-Insurance

Provided that if the insured amount for loss of gross profit at the commencement of each period of insurance is less than the sum produced by applying the rate of gross profit to eighty percent (80%) of the annual turnover (or its proportionately increased multiple where the indemnity period exceeds twelve months), the amount payable for loss of gross profit only will be reduced so that we will be liable for no greater proportion of the loss under this item than that which the insured amount bears to eighty percent (80%) of the annual turnover (or its proportionately increased multiple, if appropriate).

This provision will not apply if your claim is for less than 10% of the insured amount for the item.

Item 2. Additional increase in cost of working

See common clauses.

Item 3. Accounts receivable

See common clauses.

Item 4. Claim preparation and proving expenses

See common clauses.

Item 5. Loss of rent receivable

The amount payable under this item 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.

Under-insurance

Provided that if the insured amount for this item 5, at the commencement of each period of insurance, is less than eighty percent (80%) of the annual rent receivable (or its proportionately increased multiple where the indemnity period exceeds twelve months), the amount payable will be reduced so that we will be liable for no greater proportion of the loss under this item than that which the insured amount bears to eighty percent (80%) 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 insured amount for this item.

Annual revenue basis

What You are covered for

In the event of interruption of or interference with your business in consequence of damage to any property insured or any part thereof used by you at the premises for the purpose of your business, we will pay you the amount of the loss resulting from such interruption or interference which comes under any of the items 1.-4. shown below and which are elected by you and shown in the current Policy schedule.

Provided that:

- (a) the payment is in accordance with the 'What we pay' provision for each item;

- (b) we have paid for or admitted liability in respect of such damage under the relevant section of this policy, or another insurer has paid for or admitted liability in respect of such damage;
- (c) we would have paid for or admitted liability in respect of such damage under the relevant section of this policy, or another insurer would have paid for or admitted liability in respect of such damage but for the application of an excess; and
- (d) our liability for payment of such loss under each item will in no case exceed the insured amount shown in the current policy schedule for that item.

Insurance on an annual revenue basis provides protection with regard to loss under:

Item 1. Revenue (if selected).

Item 2. Additional increase in cost of working (if selected).

Item 3. Accounts receivable (if selected).

Item 4. Claim preparation and proving expenses (if selected).

What we pay

Item 1. Revenue

This item is limited to the loss of revenue and increase in the cost of working. The amount payable as indemnity under Item 1 will be:

- (a) in respect of the loss of revenue:
the amount by which the revenue earned during the indemnity period falls short of the standard revenue, in consequence of the damage; and
- (b) in respect of the increase in cost of working:
the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of revenue which, but for the additional expenditure, would have taken place during the indemnity period in consequence of the damage, but not exceeding the amount of reduction in revenue thereby avoided.

We will reduce the amount we will pay by the amount saved during the indemnity period for charges and expenses of your business which cease or are reduced as a consequence of the loss or damage covered by this Cover Section.

Under-Insurance

Provided that if the insured amount for loss of revenue is less than eighty percent (80%) of the annual revenue, the amount payable will be reduced so that we will be liable for no greater proportion of the loss under this item than that which the insured amount bears to eighty percent (80%) of the annual revenue.

This provision will not apply if your claim is for less than 10% of the insured amount for this item.

Item 2. Additional increase in cost of working

See common clauses.

Item 3. Accounts receivable

See common clauses.

Item 4. Claim preparation and proving expenses

See common clauses.

Weekly revenue basis

What You are covered for

In the event of interruption of or interference with your business in consequence of damage to any property insured or any part thereof used by you at the premises for the purpose of your business, we will pay you the amount of the loss resulting from such interruption or interference which comes under any of the items 1.-4. shown below and which are selected by you and shown in the current policy schedule.

Provided that:

- (a) the payment is in accordance with the 'What we pay' provision for each item;

- (b) we have paid for or admitted liability in respect of such damage under the relevant section of this policy, or another insurer has paid for or admitted liability in respect of such damage,
- (c) we would have paid for or admitted liability in respect of such damage under the relevant section of this policy, or another insurer would have paid for or admitted liability in respect of such damage but for the application of an excess; and
- (d) Our liability for payment of such loss under each item will in no case exceed the insured amount shown in the current policy schedule for that item.

Insurance on a weekly revenue basis provides protection with regard to loss under:

- Item 1.** Weekly Revenue (if selected).
- Item 2.** Additional increase in cost of working (if selected).
- Item 3.** Accounts receivable (if selected).
- Item 4.** Claim preparation and proving expenses (if selected).

What we pay

Item 1. Weekly revenue

This item is limited to the loss of weekly revenue and the amount payable as compensation under this item will be the amount by which the weekly revenue during the indemnity period falls short of the standard weekly revenue in consequence of the damage.

Item 2. Additional increase in cost of working

See common clauses.

Item 3. Accounts receivable

See common clauses.

Item 4. Claim preparation expenses

See common clauses.

We will not pay any claim under this Cover Section where the interference or interruption to your business is for a period of less than three (3) full continuous days.

Common clauses to insurable gross profit basis, annual revenue basis and weekly revenue basis

The following clauses are applicable:

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 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 turnover, revenue or weekly revenue (as the case may be) during the indemnity period.

Departmental

We will apply the cover provided by this Cover Section to each department of your business separately, if your business is conducted in departments, and each department has independent trading results which are ascertainable. For the purposes of this clause, the rent receivable from letting of property at the premises will be regarded as the proceeds of one such department.

Insured amount

Our liability for payment of loss resulting from interruption or interference with your business covered under this Cover Section will in no case exceed the insured amount shown in the current Policy schedule for that item. 'Extra covers' and 'Additional benefits' are within the total insured amount of this Cover Section and

not additional to the total insured amount.

If you have chosen weekly revenue, we will not pay more each week for loss of weekly revenue than the weekly benefit.

Item 2. Additional increase in cost of working

The insurance under this Item is limited to increase in cost of working (not otherwise recoverable hereunder) necessarily and reasonably incurred during the indemnity period in consequence of the damage for the purpose of avoiding or diminishing reduction in turnover, revenue or weekly revenue and/or resuming and/or maintaining normal business operations and/or services.

We will not pay more than:

- (a) \$25,000; or
- (b) the insured amount for 'Additional increase in cost of working' shown in the Policy schedule whichever is the greater, for any one claim which comes under Item 2. Additional increase in cost of working and is covered under this Cover Section.

Item 3. Accounts receivable

Under this item we will pay you up to the amount shown in the Policy 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 year immediately preceding the year in which the damage occurs;
- (c) the amount determined under (a), increased or decreased by the percentage calculated under (b) above, will be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said damage occurs;
- (d) the amount determined under (c) above will be increased or decreased in conformity with the normal fluctuation in the amount of accounts receivable during the fiscal month involved, consideration being given to the experience of your business since the last day of the last fiscal month for which statements have been rendered less:
 - (i) the amounts of such accounts evidenced by records not suffering damage or otherwise established or collected by you;
 - (ii) an amount to allow for probable bad debts that would normally have been uncollectible by you;
 - (iii) all unearned interest and service charges; and
 - (iv) settlement or term discounts normally allowed.

We will not pay more than:

- (a) \$7,500; or
- (b) the insured amount for 'Outstanding Accounts Receivable' shown in the Policy schedule whichever is the greater, for any one claim under this Item 3. Accounts receivable.

Item 4. Claim preparation and proving expenses

In addition to the amount payable under General Claims Condition 14(d) 'Claim preparation expenses' of this Policy, we will pay you up to \$10,000 or the amount shown in the Policy 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 Cover Section.

Government incentives

The words gross profit, revenue and weekly revenue include the loss of any Government approved incentives, subsidies or market development allowances you are or would have been entitled to in relation to your business. We will pay for the reduction in your gross profits, revenue or weekly revenue in relation to your business where such interruption results from the loss of Government approved incentives, subsidies or market development allowances to which you would have been entitled.

New business

In the event of damage occurring at the premises before the completion of the first year's trading of your Business, the defined terms 'Annual Turnover', 'Rate of Gross Profit', 'Standard Turnover', 'Annual Revenue'

'Standard Revenue', and 'Standard Weekly Revenue' shall instead have the following meanings wherever they appear in this Cover Section:

'Annual Turnover' means the actual turnover achieved during your first year of operations, from the commencement of your business to the date of the damage, converted to a 12-month equivalent figure. 'Rate of Gross Profit' means the proportion that the gross profit bears to the turnover during the period between the date of commencement of your business and the date of the damage.

'Standard Turnover' means the turnover achieved between the date of commencement of your business and the date of the damage, converted to the selected indemnity period.

'Annual Revenue' means the actual revenue achieved during your first year of operations, from the commencement of your business to the date of the damage, converted to a 12-month equivalent figure.

'Standard Revenue' means the revenue achieved between the date of commencement of your business and the date of the damage, converted to the selected indemnity period.

'Standard Weekly Revenue' means the amount calculated by averaging the weekly revenues obtained during the period from the date of the commencement of your business to the date of the damage.

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

Salvage sale

If, following damage giving rise to a claim under this Cover Section, you hold a salvage sale during the indemnity period:

(a) Clause (a) of Item 1 'Gross Profit' of this Cover Section shall, for the purpose of such claim, read as follows:

In respect of reduction in turnover: the sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period (less the turnover for the period of the salvage sale) shall, in consequence of the damage, fall short of the standard turnover, from which shall be deducted the gross profit actually earned during the period of the salvage sale.

(b) The definition of shortage in turnover shall, for the purpose of such claim, mean: the amount by which the turnover during a period (less the turnover for the period of the salvage sale) shall, in consequence of the damage, fall short of the part of the standard turnover which relates to that period, from which shall be deducted the pay-roll paid out of the proceeds of the salvage sale.

Turnover output

Where 'Business Interruption' has been selected and in the event of damage giving rise to a claim under this Cover Section, at your option, the term 'output' may be substituted for the term 'turnover'.

Provided that only one such term ('turnover' or 'output') shall be operative in connection with any one event involving damage.

For the purpose of this Cover Section, 'Output' shall mean the sale and/or invoice value of goods manufactured and/or processed by you in the course of your business at the premises.

If you select the cover available under this clause and substitute the term 'output' for the term 'turnover', the clause headed 'Alternative Trading' shall be altered to read as follows:

If during the indemnity period, goods are sold, work is performed or services are rendered elsewhere than at the premises for the benefit of your business either by you or by others acting on your behalf, the money paid or payable in respect of such sales, work or services will be brought into account in arriving at the output during the indemnity period.

Under-Insurance Not Applying

If the insured amount shown in the Policy schedule for:

- (a) Insurable Gross Profit basis; or
- (b) Annual Revenue basis

has been calculated using a Business Interruption Calculator approved by us and your GST exclusive sales income figures from your Business Activity Statement are as stated in the calculation from the approved calculator, then the under-insurance within 'What we will pay' will not apply.

Coast Insurance cannot and does not guarantee the accuracy of the Business Interruption calculators in regards to your business' circumstances.

Extra covers

This Cover Section is extended to include the following Extra covers. The Extra covers 1 to 5 inclusive are payable provided that the insured amount expressed against the relevant item(s) in the Policy schedule is not otherwise exhausted.

1. Contractual damages

Following a claim under Insurable Gross Profit, Item 1 Gross Profit, we will also pay:

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

The amount payable shall not exceed 20% of the total insured amount for gross profit.

2. Explosion of pressure vessels

We will treat the self-explosion or collapse of pressure vessels, including boilers, compressors or economisers at the premises as damage for the purposes of this Cover Section.

3. Extension of the indemnity period

When Extra Cover 2 'Catastrophe inflation protection' in the Business Property Cover Section applies and the indemnity period stated in the policy schedule is 12 months or more, we will increase the indemnity period by a further 3 months providing that you undertake the reinstatement of your business at the existing or alternative premises.

This increase in your indemnity period is in recognition of the delays and difficulties experienced in the aftermath of such events and which extend the period in which the results of any business are affected in consequence of the damage. This Extra cover does not increase the insured amount applicable to the cover selected by you and shown in the Policy schedule.

4. Vermin, Pests or Defective Sanitary Arrangements; Food or Drink Poisoning; Murder, Suicide

We will cover you for interruption to or interference with your business due to closure or evacuation of the whole or part of the premises by order of a statutory authority during the period of insurance:

- (a) as a result of bomb threat, vermin or pests or defects in the drains or other sanitary arrangements, occurring at the Insured Premises;
- (b) as a result of poisoning directly caused by the consumption of food or drink supplied at or from the Insured Premises during the period of insurance;
- (c) as a result of murder or suicide occurring at the Insured Premises

We will not pay any claim that is directly or indirectly caused by or arises from, or is in consequence of or contributed to the cleaning, repairing or checking of your premises.

The Indemnity Period under this Extension shall not exceed three (3) months.

5. Motor vehicles owned or operated by You

We will cover you for interruption to your business that is caused by or results from damage during the period of insurance to any business registered vehicles or trailers owned or operated by you, while such vehicles are at your premises or at other premises in Australia but not on a public thoroughfare.

6. Prevention of access

We will cover you for interruption to your business that is caused by or results from damage to property within a 10 (ten) kilometre radius of the Insured premises which shall prevent the use of or access to the premises provided that:

- (a) such damage to property would have been covered under the Property damage Cover Section if the property had been insured under that Cover Section;
- (b) the damage prevents the use of or access to the Insured Premises; and,
- (c) the damage results in interruption of or interference with your business.

The Indemnity Period under this Extension shall not exceed three (3) months.

7. Prevention of access by a Legal Authority

We will cover you for interruption to your business that is caused by an order of any statutory authority which prevents access to the premises provided that the order results from the threat of damage covered by this Policy to property within a 10 (ten) kilometre radius of the insured premises.

We will not cover any loss related to any Communicable Disease including but not limited to the highly pathogenic Avian Influenza or any biosecurity emergency or human biosecurity emergency declared under the Biosecurity Act 2015 (Cth), its subsequent amendments or successors.

The Indemnity Period under this Extension shall not exceed three (3) months

8. Deferral of Indemnity Period

Provided damage during the period of insurance gives rise to coverage under this Cover Section, commencement of the indemnity period may be deferred ("the Deferred Indemnity Period") to a later date at your option and with our consent (which shall not be unreasonably withheld).

However, the Deferred Indemnity Period must commence within:

- (a) the number of months as specified in the Policy Schedule as the "Indemnity Period" and which period commences from the date the damage occurred; or
- (b) 12 months after the date the damage occurred, whichever is the earlier.

Notwithstanding the foregoing:

- (i) the request for the deferred indemnity period must be made within the period referenced in sub-clause or b) above whichever is the shorter;
- (ii) the deferred indemnity period shall not extend the length of the indemnity period shown in the Policy schedule or as varied by any additional benefit in this Cover Section; and
- (iii) the deferred indemnity period shall in no way alter, derogate from or amend the coverage under this Cover Section

Additional benefits

This Cover Section is extended to include the following Additional benefits. Additional benefits 1 to 8 inclusive are payable provided that the insured amount expressed against the relevant item(s) in the Policy schedule is not otherwise exhausted.

1. Computer installation

We will treat damage to computer installations, including any ancillary equipment and data processing media, utilised by you in your business in the Commonwealth of Australia other than at the premises as damage for the purpose of this Cover Section provided that:

- (a) the damage would have been covered under the Property damage Cover Section if the computer facilities had been insured under that Cover Section;
- (b) the damage results in you being unable to utilise a computer installation or any ancillary equipment in your business; and
- (c) the damage results in interruption of or interference with your business.

2. Customers and suppliers

We will treat damage to unspecified property at the premises:

- (a) of your suppliers, manufacturers or processors of component goods, materials or services which supply the business directly including their direct suppliers; or
 - (b) of customers of goods or materials or services provided by you (and other than those services provided by any utilities) including their direct suppliers and customers;
- all within the Commonwealth of Australia as damage for the purpose of this Cover Section, provided that our liability in total under this Additional Benefit will not exceed 20% or the percentage of the insured amount shown in the Policy schedule applicable to this Cover Section.

3. Documents temporarily removed

We will treat damage to your documents or documents held in trust by you and electronic data files belonging to or held in trust by you as part of your business that are:

- (a) temporarily removed to other premises anywhere in Australia; or
- (b) while in transit to any place in Australia; if the following apply:
 - (i) the damage would have been covered under the Property damage Cover Section if the documents and electronic data files had been insured under that section;
 - (ii) the damage results in interruption of or interference with your business; as damage for the purpose of this Cover Section.

We will not cover you for more than 20% of the insured amount applicable to this Cover Section.

4. Extension of the indemnity period

When the additional benefit "Catastrophe Escalation Cost" in the Property Damage Cover Section applies and the indemnity period stated in the policy schedule is 12 months or more, we will increase the indemnity period by a further 3 months providing that you undertake the reinstatement of your business at the existing premises.

This increase in your indemnity period will only extend the period provided that the interference or interruption of business is in consequence of damage. This additional benefit does not increase the insured amount applicable to the cover shown in the Policy schedule.

5. Loss of attraction

If your business is located within a multi-tenanted commercial complex, we will treat damage to property of a major tenant as being damage for the purposes of this Cover Section provided that:

- (a) the damage to the property of the major tenant would have been covered under the Property damage Cover Section if such damage had been to property insured under that Cover Section;
- (b) the damage results in a reduced pedestrian count in the shopping complex; and
- (c) the damage results in interruption of or interference with your business.

6. Roads, bridges and railway lines

We will treat damage to roads, bridges and/or railway lines within 10 (ten) kilometres from the Premises over which raw materials, components and stock are conveyed to or from the Premises as being damage for the purposes of this Cover Section if the following apply:

- (a) the damage would have been covered under the Property damage Cover Section if such damage had been to property insured under that Cover Section;
- (b) the damage results in not being able to convey stock, components or materials used in your business to and from your premises; and
- (c) the damage results in interruption of or interference with your business.

The Indemnity Period under this Extension shall not exceed three (3) months.

7. Storage sites/temporary removal

We will cover you for interruption to your business that is caused by or results from damage to your property stored or being processed at any premises in the Commonwealth of Australia not occupied by you.

Our total liability under this additional benefit will not exceed 20% of the insured amount.

8. Transit

We will cover you for interruption to your business that is caused by or results from damage to your property insured while in transit by road, rail, sea or air within the Commonwealth of Australia and outside of the premises occupied by you.

Our total liability under this additional benefit will not exceed 20% of the insured amount in respect of any one occurrence.

9. Utilities

We will treat damage to the following utilities:

- (a) any electrical supply system; or
- (b) any gas supply system; or
- (c) water supply or sewerage works; or

- (d) any telecommunications system that is land-based within Australia and supplies your business; as damage for the purposes of this Cover Section, if the following apply:
 - (i) the damage would have been covered under the Property damage Cover Section if such damage had been to property insured under that Cover Section;
 - (ii) the damage results in hindering or stopping the supply of electricity, gas, water or telecommunications to the premises or sewage from the premises;
 - (iii) the damage results in interruption of or interference with your business;or
 - (iv) the interruption of the supply extends for greater than 48 hours if the utility which was damaged was at or immediately adjacent to your premises

Optional benefits

The following benefit will apply when you have requested its inclusion in this Cover Section, and the Policy schedule has been endorsed by us noting the inclusion.

1. Goodwill

Following damage to any building at the premises we will pay, up to the sub-limit of liability shown in the Policy schedule for 'Goodwill', for the actual cost of goodwill incurred by you when purchasing a business in order to maintain your business activities.

Provided that:

- (a) We will only pay these goodwill costs when the building that is damaged cannot or will not be repaired or rebuilt due to any refusal by any owner or lessor other than you to repair or rebuild and any restrictions imposed by any legal authority; and
- (b) the purchase of the business is incurred because you were unable to continue your business at the premises as a result of the damage to the buildings not being repaired; and
- (c) the cause of the damage to the buildings would have been covered by the Property damage Cover Section had that building been insured under that Cover Section; and
- (d) the business that is purchased is similar to your business.

2. Specified customers and suppliers

We will pay for loss of gross profit, annual revenue or weekly revenue that results from an interruption to your business that is caused by damage that occurs in Australia to:

- (a) Specified suppliers
property at the premises of your suppliers shown in the policy schedule up to an amount calculated by applying the percentage shown in the policy schedule to the insured amount for gross profit, annual revenue or weekly revenue;
- (b) Specified customers
property at the premises of your customers shown in the policy schedule up to an amount calculated by applying the percentage shown in the policy schedule to the insured amount for gross profit, annual revenue or weekly revenue.

Special conditions applicable to this Cover Section

Adjustment of premium

We will reduce your premium for Insurable Gross Profit or Annual Revenue at the end of each period of insurance if the gross profit or annual revenue (as the case may be) earned during the previous 12 months accounting period is less than the insured amount.

The adjustment rate is 50% of the difference between the premium payable for the gross profit or annual revenue insured amount and for the gross profit or annual revenue earned. Any payment made by us for a claim under Insurable Gross Profit or Annual Revenue is to be included in the gross profit or annual revenue earned for the purpose of this adjustment.

Books of account

Any particulars or details contained in your books of account or other business books or documents that

may be required by us for investigating or verifying any claim made under this Cover 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.

Reinstatement of insured amount

If we pay an amount for a claim under this Cover Section we will automatically reinstate the insured amount to the amount shown on the Policy schedule. You will not be required to pay any additional premium.

This Extra cover does not apply if we pay the full insured amount for property insured in respect of a single claim under this Cover Section.

Definitions

The following words have the following definitions in this Cover Section only. You should also refer to the General definitions section.

Annual rent receivable

The rent receivable during the twelve months immediately before the date of the damage to which such adjustments will be made as may be necessary to provide for the trend of your business and for variations in or other circumstances affecting your business either before or after the damage or which would have affected your business had the damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the damage, would have been obtained during the relevant period after the damage.

Annual revenue

The revenue earned during the twelve months immediately before the date of the damage to which such adjustments will be made as may be necessary to provide for the trend of your business and for variations in or other circumstances affecting your business either before or after the damage or which would have affected your business had the damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the damage, would have been obtained during the relevant period after the damage.

Annual turnover

The turnover during the twelve months immediately before the date of the damage to which such adjustments will be made as may be necessary to provide for the trend of your business and for variations in or other circumstances affecting your business either before or after the damage or which would have affected your business had the damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the damage, would have been obtained during the relative period after the damage.

Damage

Physical loss, destruction or damage, occurring during the period of insurance, caused by an occurrence insured under:

- (a) your Policy under one or more of the following Cover Sections:
 - (i) Property damage Cover Section;
 - (ii) Theft Cover Section;
 - (iii) Glass Cover Section;
 - (iv) Money Cover Section;
 - (v) General property Cover Section; or

- (b) another insurance policy that insures your property insured and names you as the Insured. Provided that:
 - (i) we receive written confirmation of the extent of cover from the insurer who issued this other policy; and
 - (ii) cover for both the property that is damaged and the cause of the damage would have been covered under one of the Cover Sections shown in (a) above had that Cover Section formed part of your Policy.

Where the damage is below the excess applicable under any insurance mentioned in (a) and (b) above, such damage shall be deemed to be insured damage and covered for the purposes of this definition.

Gross income

The money paid or payable to you in the course of your business for goods sold, services rendered or rental received less the purchase price of stock.

Increased cost of working

The additional expenditure necessarily and reasonably incurred by you for the sole purpose of avoiding or diminishing the reduction in turnover 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 thereby avoided.

Insurable Gross profit

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, that are specified on the Policy schedule.

For the purposes of this definition the terms 'opening stock' and 'closing stock' have the meaning you usually give them in your books and accounts and 'opening stock' and 'closing stock' is to be calculated in accordance with your normal accounting methods, due provision being made for depreciation.

Indemnity period

The period beginning with the occurrence of the damage during which the results of your business are affected by the damage and ending at the expiration of the maximum period specified in the Policy schedule or, in the case of weekly revenue, ending at the earliest of either the expiration of the maximum period specified in the Policy schedule or when weekly revenue during that period equals or exceeds 95% of standard weekly revenue.

Rate of gross profit

The rate of gross profit, expressed as a percentage, earned on the turnover during:

- (a) the financial year immediately before the date of the damage; or
- (b) if the business has been operating for less than one year at the date of the damage, the period between the date of commencement of the business and the date of the damage.

Rent receivable

The amount of the rent received or receivable (including base rental, Turnover rental and contributions to outgoings) from the letting of property at the premises.

Revenue

The money paid or payable to you as by way of example a:

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

Shortage in turnover

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

The rent receivable during that period in the twelve (12) months immediately before the date of the damage which corresponds with the indemnity period.

Standard revenue

The revenue earned within that period during the twelve (12) months immediately before the date of the damage which corresponds with the indemnity period.

Standard turnover

The turnover during that period in the twelve (12) months immediately before the date of the damage which corresponds with the indemnity period.

Standard weekly revenue

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 relevant period after the damage.

Turnover

The amount (less discounts allowed) paid or payable to you in the course of your business for goods sold and delivered for services rendered and for rent receivable in the course of your business at the premises.

Uninsured working expenses

The working expenses (for example; purchases, discounts allowed, bad debt, packing and freight) of your business which you have elected not to insure under this Cover Section, and which are not included in the insured amount for cover on an Insurable Gross Profit basis and are specified on the Policy schedule.

Weekly benefit

The amount shown in the Policy schedule.

Weekly revenue

The gross income received by you each week in the course of your business for goods sold, services rendered or rental received less the purchase price of stock.

THEFT COVER SECTION

About this section

This section covers the loss of your contents and stock from theft, attempted theft including armed hold up or an actual or threatened assault.

Your insurance under this Cover Section

Provided 'Theft' is shown under 'What's Covered' in the policy schedule and subject to the General exclusions on page 19 to 22, and this Cover Section exclusions, we will cover you for loss of or damage to your contents and stock occurring during the period of insurance at your premises caused by one or more of the following:

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

What we pay

At our option, we will:

- (a) with respect to stock:
 - (i) pay you the market value of the stock at the time of the loss or damage;
 - (ii) pay you the value of obsolete stock or its purchase price, whichever is the lesser, but no more than the original cost to you;
 - (iii) replace or repair the stock with property or materials equal to or of a similar standard and specification as the stock before it was damaged; or
 - (iv) pay the cost of repair or replacement of the stock.
- (b) with respect to electronic equipment or contents:
 - (i) repair or replace the electronic equipment or contents; or
 - (ii) pay you the cost of repair or replacement of the electronic equipment or contents.
- (c) pay the insured amount for a specified item.

We will not pay more than the insured amount shown on the current Policy schedule for this Cover Section, except to the extent stated under the headings 'Extra covers' and 'Additional benefits'.

Excess

The excess that applies is shown on the Policy schedule.

Extra covers

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

Unless stated to the contrary, any amounts payable under these Extra covers are included in the insured amount specified in the Policy schedule.

1. Damage to business premises

If you are the property owner we will cover you for the cost to repair, removal of debris and of cleaning up of any damage to your property insured caused by theft or attempted theft occurring during the period of insurance. The maximum amount we will pay for this Extra cover is \$20,000. This limit is in addition to the insured amount.

2. Damage to rented premises

If you are the tenant we will cover you for damage to the rented premises that you occupy as a tenant if you are legally liable for that damage under your tenancy agreement, provided that the damage is due to theft occurring during the period of insurance.

The maximum we will pay for any one claim under this Extra cover is \$20,000 or the amount shown in the Policy schedule.

This limit is in addition to the insured amount.

3. Seasonal increase period/s

We will automatically increase the insured amount in respect of stock by 50% during the seasonal increase period.

4. Forensic investigation

We will pay the cost of removal of debris and of cleaning up any damage resulting from forensic investigation by police following theft or attempted theft of property insured.

Provided that we will not pay more than \$2,000 for any one claim under this Extra cover.

Provided that any cover given under this Extra cover shall not accumulate with any similar cover that may be given under the Money Cover Section.

This Extra cover operates in addition to the Insured amount

5. Temporary protection and security guards

We will pay the reasonable and necessary costs of temporary protection and repairs and the employment of guards or watchman by you, for the safety and protection of the building pending repair of damage to the building caused by a theft or attempted theft. We will not pay more than \$10,000 for any one claim under this extra cover. If an occurrence results in a claim being paid under this Cover Section and another Cover Section, the highest single limit under the relevant Cover Section applies.

Provided that any cover given under this Extra cover 'Temporary protection and security guards' shall not accumulate with any similar cover that may be given under Extra cover 3 in the Money Cover Section.

This Extra cover operates in addition to the insured amount.

6. Metered Water Charges

We will pay the additional costs levied on you by a Water Company or Authority for metered water usage arising from the theft of property or water at the premises.

Our payment is limited to \$10,000 in total any one event and if you are also insured under the 'Property damage Cover Section', the amount payable under this Additional Benefit 8 'Metered Water Charges' shall not be cumulative.

Provided that repairs are completed immediately after the damage being discovered.

The amount we pay will be based on the amount of water charges for the period of the occurrence less the charge paid by you for the corresponding period in the preceding year.

Additional benefits

We will also provide the following Additional benefits in this Cover Section, subject to the conditions, exclusions of this policy, unless provided otherwise.

Unless stated to the contrary, any amounts payable under these Additional benefits are included in the insured amount specified in the Policy schedule.

1. Directors and employees tools of trade and personal effects

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

We will not pay more than \$10,000 overall in respect of any one claim under this Additional benefit. This applies in addition to the insured amount.

2. Employee dishonesty

We will cover you for loss to stock, contents including electronic equipment as a direct result of

employee dishonesty during the period of insurance which is discovered within 45 (forty-five) days of the employee dishonesty occurring.

This Additional benefit does not cover:

- (a) any loss arising from the conduct of an employee after you have knowledge of or information about any prior act of fraud or dishonesty by the employee;
- (b) any loss arising from the conduct of an employee outside the Commonwealth of Australia;
- (c) any loss where you are unable to identify which employee is responsible;
- (d) any loss or part of a loss arising from the conduct of an employee, where the proof of the loss, either as to its occurrence or as to its amount, is dependent upon an inventory stock take or a profit and loss calculation;
- (e) fraud or dishonesty committed by any member of your family who is not your employee; or
- (f) fraud or dishonesty committed by any of your employees with your connivance.

We will not cover you for more than \$5,000 any one occurrence under this Additional benefit. This is in addition to the insured amount. For the sake of clarity exclusion 1(a) above, does not apply to this Additional benefit.

3. Death following assault

If a person is injured while protecting or attempting to protect the property insured from theft and death results from that injury within 12 months, we will pay \$10,000 to the estate of that person. This benefit is payable in addition to the insured amount.

Provided that any cover given under this Additional benefit shall not accumulate with any similar cover that may be given under the Money Cover Section.

4. Illegal use of corporate financial transaction card

Subject to a limit of \$5,000 in total any one loss or event, cover is included for financial loss arising from the illegal use of financial transaction or credit cards by any unauthorised person if such loss is not covered by the issuer of the card.

We do not cover any financial loss arising from the misuse or illegal use of financial transaction or credit cards by employees of the insured or any other person acting in collusion with an employee of the insured.

This is in addition to the insured amount.

It is a Condition Precedent to Liability that:

- (a) any loss of Credit Cards has been reported to the Police within 24 hours of discovering the loss
- (b) any loss of Credit Cards has been reported to the issuing company immediately
- (c) the Conditions of Issue of the Credit Card have been complied with

5. Illegal electronic funds transfer

If this Cover Section covers contents, and following entry into your premises arising from one of the events listed under the heading 'Your insurance under this Cover Section', we will pay any financial loss sustained by you during the period of insurance arising from the illegal electronic transfer of funds from your bank account to a bank account not controlled by you.

We will not pay for:

- (a) any financial loss arising from the misuse or illegal use of corporate credit cards or financial transaction cards by any of your employees or any other person acting in collusion with any of your employee or by any member of your family;
- (b) transfer of money via electronic funds transfer which was enabled by:
 - (i) a key; or
 - (ii) use of details of a combination, code or password; that are left in the building outside business hours;
- (c) more than \$5,000 in total for any one event.

6. Replacement of locks and keys

We will pay the reasonable cost of replacing locks, keys, magnetic keys or cards or similar devices or to change the sequence of numbers or letters used for a safe or strongroom if:

- (a) as a result of theft which causes loss or damage covered under this Cover Section, keys or combinations are stolen, or if there are reasonable grounds to believe that keys have been duplicated;
- (b) keys, magnetic keys or cards or similar devices are accidentally lost;
- (c) the sequence of numbers or letters become known by any unauthorised person or are accidentally lost;
- (d) circumstances have allowed the unauthorised duplication of keys, magnetic keys or cards or similar devices.

We will also pay the reasonable cost of:

- (a) opening safes and strongrooms because of the theft of keys or combinations during a theft which causes loss or damage covered under this Cover Section;
- (b) developing images stored on media from security camera following a theft or attempted theft which causes loss or damage covered under this section.

We will not pay more than \$10,000 for any one even under this Additional benefit. This Additional benefit is payable in addition to the insured amount.

Provided that any cover given under this Additional benefit 6 'Replacement of locks and keys', shall not accumulate with any similar cover that may be given under Additional benefit 7 in the Money Cover Section.

7. Rewriting of documents

We will pay for any reasonable labour costs incurred in reproducing or making good your business records if they are lost, stolen or damaged while located at your premises or offsite anywhere in the Commonwealth of Australia. We will not pay more than \$25,000 during any one period of insurance. This is in addition to the insured amount.

8. Temporary cover for new premises

We will cover you for loss of stock or contents at any new premises which you first occupy during the period of insurance provided that:

- (a) cover is limited to a period of 90 (ninety) consecutive days from the day that you first use the new premises and during the period of insurance;
- (b) cover is not available to property that cannot be correctly designated to one of the categories that are shown as insured in the Policy schedule;
- (c) cover is only available to contents or stock that is of a similar type to that insured by this Cover Section;
- (d) for each specific category of property shown in the Policy schedule cover is limited to 50% of the insured amount for that category; or
- (e) if more than one premises is shown in the Policy schedule then this 50% limitation will apply to the lowest insured amount that applies to the specific category of property;
- (f) the new premises have building and security features that are similar to those at one of the premises shown in the Policy schedule having the same occupation.

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

If we agree to cover stock or contents at the new premises beyond the 60 (sixty) consecutive day period, you must pay any additional premium we ask for.

9. Temporary removal

We will cover your contents and stock while temporarily removed to any other premises within the Commonwealth of Australia.

Provided that:

- (a) we will not cover tobacco, tobacco products, cigars, cigarettes or alcoholic beverages;
- (b) we will not cover stock that is on consignment to other parties unless it is owned by you or is property for which you are responsible;

- (c) the maximum amount we will pay for this additional benefit will be 20% of the insured amount;
- (d) this additional benefit will not apply to any contents or stock which has been removed for a period greater than 90 (ninety) days without our prior written consent.

10. Theft of fixed external property

We will cover you for loss or damage as a result of theft or any attempt at theft, occurring during the period of insurance, to contents that are securely and permanently affixed (by means other than the connection to a power point) to the outside of the building at the premises.

We will not cover you under this Additional benefit for more than:

- (a) \$25,000; or
- (b) the contents insured amount;

whichever is the lesser during the period of insurance.

Any cover given under this Additional Benefit 10 shall not accumulate with the cover given under Additional Benefit 11 Included Theft of Property Insured in the open air.

11. Theft of Property Insured in the open air

We will cover you for theft of property insured in the open air but within the legal boundaries or dividing fences of the premises up to \$5,000 or any higher amount by endorsement and shown in the Policy schedule.

Provided that we will not cover you:

- (a) For Theft involving shoplifting;
- (b) For Theft by you or any of your employees;
- (c) For any disappearance, unexplained or inventory shortage;
- (d) For consequential loss of any kind;
- (e) Theft of property insured in the open air unless the premises after business hours is fully enclosed by a locked fence or wall with padlocks with a security rating under AS4145.4 (or any subsequent amendment) or a keyed electronic entry.

Any cover given under this Additional Benefit 11. shall not accumulate with the cover given under Additional Benefit 10 Theft of fixed external property.

12. Theft without forcible and violent entry (not property in the open air)

We will cover you for loss or damage occurring during the period of insurance to contents within the building as a result of a theft or attempted theft of contents where there are no signs of forcible and violent entry to or exit from the building.

The amount we will pay is limited to \$20,000 (or the amount shown on the current Policy schedule whichever is the higher) for any one occurrence for theft or attempted theft of contents provided that we will not cover:

- (a) theft or attempted theft from any open fronted or open-sided structure such as, but not limited to, verandas or yards or other open spaces even if they are partially or fully enclosed; or,
- (b) theft of stock

Exclusions

We will not pay for:

1. Theft by persons

Loss of, or damage to, property committed by:

- (a) you, your directors, partners, employees or any member of your family other than following forcible and violent entry by your employees or a member of your family;
- (b) any person or persons while lawfully on the premises, excluding tradesmen, and the like, that are on the premises for the purposes of making minor alterations or servicing equipment; or
- (c) any act of fraud, trickery or deception.

2. Property

Loss or damage to:

- (a) money in excess of \$500;
- (b) jewellery, precious metals or stones, property made of gold or silver, bullion or furs exceeding \$10,000 any one loss and \$2,000 any one item unless these items form part of your stock;
- (c) motor vehicles, unless they are:
 - (i) stock; or
 - (ii) forklift trucks and similar appliances that are used for hauling or conveying goods at your premises;
- (d) live animals unless they are insured as stock of a restaurant or pet shop; or
- (e) plants, shrubs, landscaping materials or growing crops, pastures or standing timber.

3. Glass

The breakage of glass (including washbasins, sinks, toilet pans or cisterns, or the cost of replacing sign writing, ornamentation, reflective materials and burglar alarm tapes attached to broken glass) unless it is stock.

4. Open air

Loss or damage of property insured from any open space, whether fenced or unfenced, outside the walls of the building, except as expressly provided in the Additional cover 'Theft of external property'.

5. Access

Loss or damage to property insured if entry is gained to the building:

- (a) by use of a key or security code; or
- (b) through an unlocked door or window; Except as provided for under:
 - (a) Additional benefit 11, Theft without forcible and violent entry; and
 - (b) Additional benefit 2, Employee dishonesty.

Cover Section conditions

These conditions apply to this Cover Section.

1. **Valuables**

You must ensure that all stock that is precious stones, gold and silver articles, jewellery, watches trinkets, stamps, coins and personal ornaments, which are individually of the value of \$500 or more are contained in a securely locked safe or strongroom outside business hours.

2. **Reinstatement**

If we pay an amount for a claim under this Cover Section we will automatically reinstate the insured amount to the amount shown on the policy schedule. You will not have to pay any additional premium.

Definitions

The following words have the following meanings for this Cover Section only. You should also refer to the General definitions section.

Specified item (s)

Each item of property that is specifically described as 'Other' in the Policy schedule.

MONEY COVER SECTION

About this section

This Cover Section covers the loss of or damage to your business's money from a wide variety of causes such as theft, armed hold up, or fire. The money may be in transit or at your premises.

Your insurance under this Cover Section

When 'Money' is shown under 'What's Covered' in the Policy schedule, and subject to the General exclusions on page 19 to 22, and this Cover Section exclusions, we will cover you for loss of or damage occurring during the period of insurance to the following categories of your business's money described below and when shown on the Policy schedule:

- (a) in transit;
- (b) in the building during business hours;
- (c) in the building outside of business hours;
- (d) in the building in a securely locked safe, strongroom or ATM; or
- (e) in custody.

What we pay

If you have selected one insured amount for money, the maximum amount we will pay is the insured amount shown on the Policy schedule.

If you have selected a different insured amount for each of the categories of money listed above (a) to (e), the maximum amount we will pay, in respect of:

- (a) money in transit at the time of the loss or damage is the money in transit insured amount;
- (b) money in the building during business hours at the time of the loss or damage is the money in the building during business hours insured amount;
- (c) money in the building outside business hours at the time of the loss or damage is the money in the building outside business hours insured amount;
- (d) money in the building in securely locked safe, strongroom or ATM at the time of the loss or damage is the money in the building in securely locked safe, strongroom or ATM insured amount; or
- (e) money in custody at the time of the loss or damage is the money in custody insured amount.

If you select an insured amount for (a), we will automatically cover you up to \$2,000 for locations (b), (d), and (e). If you select an insured amount for category of money (a), (b), (c) or (d) we will automatically cover you up to \$2,000 for category of money(e).

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

In the case of any certificates of stock, bonds, coupons and all other types of securities the amount of the securities will be calculated as follows:

- (a) if the securities can with our approval be replaced, the cost of replacement paid or payable by you; or
- (b) otherwise, 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
 - (iii) 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.

In the case of a loss of subscription, conversion or redemption privileges through the loss of any security, the value of such privileges will be the value immediately preceding the expiration of the subscription, conversion or redemption, in the currency in which the loss was sustained.

Losses sustained in currencies other than Australian dollars will be calculated 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, then the value shall be agreed between you and us, or in default, we and you shall submit to mediation and be bound by the decision of the mediator.

In the case of travellers' cheques, discount house vouchers or lottery tickets, the amount will be calculated at the original purchase price of such cheque, vouchers or tickets incurred by you.

If the safe, strongroom or ATM is lost or damaged, we will, at our option:

- (a) repair the safe, strongroom or ATM;
 - (b) replace the safe, strongroom or ATM with an item of a specification equal to but not better or more extensive than it was when new;
 - (c) if the loss or damage is confined to part of the safe, strongroom or ATM, repair or pay you the cost of repair of that part plus the cost of any necessary dismantling and reassembling; or
 - (d) pay you the cost of repairing or replacing the safe, strongroom or ATM.
- We will not pay costs of alterations, improvements or overhauls carried out when the lost or damaged safe, strongroom or ATM is repaired or replaced.

Excess

The excess that applies for each event is shown on the Policy schedule.

Extra covers

If we agree to pay a claim under this Cover Section for loss or damage to money, we will also pay or provide the Extra covers set out below.

Unless stated otherwise below, any amounts payable under these Extra covers apply in addition to the insured amount.

1. Seasonal increase of cover

We will automatically increase the insured amount in respect of money by 50% during the seasonal increase period.

2. Removal of Debris

We will pay the cost of removal of debris and of cleaning up any damage resulting from theft or attempted theft of property insured.

Provided that we will not pay more than \$2,000 for any one claim covered under this Extra Cover.

Provided that any cover given under this extra cover shall not accumulate with any similar cover that may be given under the Theft Cover Section.

This Extra cover operates in addition to the insured amount.

3. Removal of debris following forensic investigation

We will pay the cost of removal of debris and of cleaning up any damage resulting from forensic investigation by police following theft or attempted theft of property insured.

Provided that we will not pay more than \$2,000 for any one claim covered under this Extra cover.

Provided that any cover given under this extra cover shall not accumulate with any similar cover that may be given under the Money Cover Section.

This Extra cover operates in addition to the insured amount.

4. Temporary protection and security guards

We will pay the reasonable and necessary costs incurred by you in effecting temporary protection, or the employment of guards or watchman, by you, to safeguard the money at the premises as a result of theft or attempted theft of money occurring during the period of insurance and that is covered under this Cover Section.

We will not pay more than \$10,000 as a result of any one event.

Provided that any cover given under this Extra cover 'Temporary protection and security guards' shall not accumulate with any similar cover that may be given under Extra cover 5 in the Theft Cover Section.

Additional benefits

We will also provide the following Additional benefits in this Cover Section, subject to the policy conditions,

limits, general exclusions and Cover Section exclusions except as provided otherwise.
Unless stated otherwise below, any amounts payable under these Additional benefits apply in addition to the Insured amount.

1. Bank and public holidays extension

The insured amounts for money are automatically increased by 100% or \$75,000 whichever is the lesser on days that are gazetted bank or public holidays. This increase shall apply up until bank closing time on the next business day after such holiday. This Additional benefit does not apply to damage to safes strongrooms or an ATM and to seasonal increase.

2. Directors' and employees' tools of trade and personal effects

We will cover you for loss of or damage to the personal effects of your directors, officers and employees occurring during a theft or attempted theft of money covered under this Cover Section.

We will not cover you for more than \$5,000 for any one person's personal effects, and \$10,000 for any one occurrence.

If you are insured under the Theft Cover Section the benefits payable under this Additional benefit shall not be cumulative.

3. Counterfeit currency

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

4. Employee dishonesty

We will cover you for loss of money as a direct result of employee dishonesty during the period of insurance if discovered within 45 (forty-five) days of the employee dishonesty first occurring.

This additional benefit does not cover:

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

We will not pay more than \$5,000 for any one occurrence under this Additional benefit.

5. Death following assault

If any director, employee, officer or business partner sustains a fatal injury provided:

- (a) their death directly results from an assault that occurs during a theft or attempted theft of money owned by you or for which you are legally responsible in the period of insurance; and
- (b) the death occurs within 12 months of the assault;

We will pay \$10,000 to the estate of the deceased person

Provided that any cover given under this Additional benefit shall not accumulate with any similar cover that may be given under the Theft Cover Section.

6. Loss of or damage to safes, strongrooms and cash carrying bags

If money is stolen or there is an attempt at stealing your money from your safe, strongroom or ATM or cash carrying bag,

We will pay you:

- (a) the cost of opening the safe, strongroom or ATM and of repairing or replacing any loss or damage to the safe, strongroom or ATM that was caused by the theft or attempted theft;

- (b) for loss of or damage to your cash carrying bag that was caused by the theft or attempted theft. A limit of \$10,000 any one occurrence applies to this Additional benefit.

7. Replacement of locks and keys

We will pay the reasonable cost of replacing locks, keys, magnetic keys or cards or similar devices or to change the sequence of numbers or letters used in a safe, strongroom or ATM if during the period of insurance:

- as a result of theft of money covered under this Cover Section, keys or combinations are stolen, or if there are reasonable grounds to believe that keys have been duplicated;
- keys, magnetic keys or cards or similar devices are accidentally lost;
- the sequence of numbers or letters become known by any unauthorised person or are accidentally lost;
- circumstances have allowed the unauthorised duplication of keys, magnetic keys or cards or similar devices.

We will also pay the reasonable cost of:

- opening safes, strongrooms or ATM because of the theft of keys or combinations during a theft of money covered under this Cover Section;
- developing images stored on media from security camera following a theft or attempted theft of money covered under this Cover Section.

We will not pay more than \$10,000 for any one event under this Additional benefit.

Provided that any cover given under this Additional benefit 'Replacement of locks and keys', shall not accumulate with any similar cover that may be given under Additional benefit 6 in the Theft Cover Section.

8. Temporary cover for new premises

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 the Commonwealth of Australia, for 30 days from first being used by you (unless the period of insurance or your occupancy of such premises ends sooner, whichever shall first occur), but the cover is limited to:

- (a) the business described in the policy schedule; and
- (b) the money insured described in the policy schedule.

Our maximum liability under this Additional benefit is limited to 20% of the insured amount shown in the policy schedule in relation to each category of money covered under this Cover Section.

Full details of such additional premises are to be supplied to us within sixty (60) days of your commencement to use the premises. If we agree to cover money at the additional premises beyond this 60-day period, we may require payment of an additional premium.

9. Traveller's money

We will pay you for loss of money in your custody, or in the custody of your employee, occurring during the period of insurance, while you or your employee are travelling for or on behalf of your business anywhere in the world provided that the total amount payable under this extension is limited to \$10,000 in total any one event.

Cover Section conditions

Reinstatement

If We pay an amount in respect of a claim for loss or damage to money covered under this Cover Section we will automatically reinstate the insured amount to the amount shown on the Policy schedule. You will not have to pay any additional premium.

Cover Section exclusions

This Cover Section does not cover:

1. Missing money

Loss or damage of money:

- (a) due to shortages resulting from clerical or accounting errors, or loss due to errors in receiving or paying out;
- (b) by any intentional or wilful act or omission by you or your employees with your connivance other than as covered by Additional benefit 4 Employee dishonesty; or
- (c) by any fraudulent or dishonest acts committed by you, your family members or any of your employees acting alone or in collusion with others other than as covered by the Additional benefit 4 Employee dishonesty.

2. Key or combination in building

Loss or damage of money from any safe, strongroom or ATM opened by a key or by use of details of a combination that are left in the building outside business hours.

3. Unattended

Loss or damage to money in or from an unattended vehicle that is not locked.

4. Professional carrier

Loss or damage to money while professional money carriers, professional carriers or common carriers are carrying it.

5. Loss outside The Commonwealth of Australia

Loss or damage to money occurring outside The Commonwealth of Australia except as provided under Additional benefit 9 's Traveller's Money'.

6. Consequential loss

Loss of use, loss of earning capacity and any other consequential loss.

7. ATMs

Loss or damage to money that does not belong to you in or from an ATM.

Definitions

The following words have the following meanings for this Cover Section only. You should also refer to the General definitions section.

Automatic Teller Machine (ATM)

A computerized device that enables customers of a financial institution to perform financial transactions and may incorporate a range of antifraud and physical security solutions.

Business hours

The normal working and office hours of the business (including overtime) during which you, your directors, officers, partners or employees are in the building for the purposes of the business

Financial service provider

A financial organization such as a bank, building society or credit union or an agency for any of these, that is in the business of providing banking services to the public.

In custody

- (a) in your custody and control at your private residence; or
- (b) in the custody and control of persons authorised by you at their private residence, until the next business day when the money can be deposited with a financial services provider

In transit

- (a) money in your personal custody or in the custody of persons authorised by you during a journey to or from the premises to or from anywhere within Australia until the next business day when the money can be deposited with a financial services provider.
- (b) money while deposited in the night safe, night depository chute or ATM of any financial services provider where you normally transact business.
- (c) wages and salaries collected from a financial services provider but not paid to employees until it is physically in the control of your employees

Money

Cash, bank notes, currency notes, negotiable cheques, negotiable securities, travellers' cheques, debit and credit card vouchers, discount house vouchers, money orders, postal orders, unused postage stamps, revenue stamps, lottery tickets, stored value cards, public transport boarding tickets, authorised gift vouchers, valuable documents (but limited to certificates of stock, bonds, coupons and all other types of securities) and the contents of franking machines.

Seasonal increase period

Any period of time during the period of insurance that has at least 35% increased amount of money compared to other times during the period of insurance. The total number of days we will allow for a seasonal increase period is 120 days during any one period of insurance unless a different period is specified in your Policy schedule.

GLASS COVER SECTION

About this section

This Cover Section covers breakage of glass at the premises.

Your insurance under this Cover Section

Provided "Glass" is shown under "What's Covered" in the Policy schedule, and subject to the General exclusions on page 19 to 22, and this Cover Section exclusions, we will insure you for breakage of glass which you own or for which you are legally responsible, occurring during the period of insurance at the premises.

What we pay

We will pay for the cost of replacement of broken glass with glass of similar manufacture and quality including the reasonable costs for after-hours service by repairers, express delivery and overtime charges to repair or replace broken glass. We will also pay the extra cost necessarily incurred to comply with the minimum requirements of any statutory authority when replacing the glass.

Excess

The excess that applies is shown on the Policy schedule.

Extra covers

When we agree to pay a claim under this Cover Section for loss or damage to glass, we will also pay or provide the Extra covers set out below.

1. Costs

We will pay for the following costs provided they are reasonably incurred by you and are directly related to breakage of the glass covered under this Cover Section:

- (a) the cost of temporary shuttering necessary to secure otherwise exposed stock or contents pending replacement of the broken glass;
- (b) the costs incurred in replacing sign-writing, ornamentation, reflective materials and burglar alarm tapes and connections attached to the broken glass;
- (c) the cost incurred in repairing or replacing damage to window, door or showcase frames and their fittings;
- (d) the cost incurred in repairing or replacing tiles on shop and office fronts and around the broken glass. We will not cover you for the cost of repairing or replacing bars, grilles or shutters.

Our liability under this Extra cover during any one period of insurance is limited to the sum of \$10,000.

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 Cover Section.

Our liability under this Extra cover during any one period of insurance is limited to:

- (a) the cost value (excluding profit of any kind) of your stock or contents destroyed or damaged, less any amount realised from the sale or salvage; or
- (b) the sum of \$10,000, whichever is the lesser.

Additional benefits

We will also provide the following Additional benefits in this Cover Section, subject to the policy conditions, limits and exclusions, except as provided otherwise.

1. Malicious damage

If you are a tenant and responsible under the terms of a rental agreement for insuring glass at the premises, we will pay for the cost of replacement of external glass which has suffered malicious damage at such premises, during the period of insurance. This Additional benefit is payable even where there is no breakage of external glass.

2. Signs

We will cover you for loss or damage to signs at the premises if they break during the period of insurance.

We will not pay more than \$10,000 for one claim under this Additional benefit or any higher amount shown in the policy schedule for signs. The admissibility of claims for damage to signs shall not be contingent upon other damage to glass.

Cover Section exclusions

This Cover Section does not cover:

1. Damage covered under the Property Damage section

Any breakage of glass caused by an event insurable under the Property Damage section whether cover under that Section if arranged or not.

2. Some types of glass

Damage to glass:

- (a) when in transit or whilst being fitted into position or removed from its fitting;
- (b) forming part of stock;
- (c) in light fittings;
- (d) that is cracked or imperfect prior to breakage;
- (e) that is not fit for the purpose intended; or
- (f) that is in a glasshouse, conservatory or the like, television, computer screen or any domestic item such as a vase, china ware or glass in a photo frame.

3. Tiles

The cost of repairing or replacing tiles on shop fronts and office fronts other than immediately around the broken glass.

Definitions

The following words have the following meanings for this Cover Section only. You should also refer to the General definitions section.

Breakage

- (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

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

Glass

Glass which you own or are legally responsible for which is external glass, internal glass, sanitary fittings and specified glass.

Internal glass

Glass, or plastic material used as glass in internal partitions, windows and doors, glass in counters, glass shelves and/or stock restraints, and interior display cabinets or showcases, fixed mirrors and other fixed internal glass contained in the building.

Sanitary fittings

Baths, sinks, lavatory bowls and vitreous china cisterns, washbasins and pedestals forming permanent fixtures.

Sign

glass or plastic that forms part of a sign.

Specified glass

glass specifically designated in the Policy schedule under specified glass.

GENERAL PROPERTY COVER SECTION

About this section

This Cover Section covers portable or valuable items that you usually carry around with you in the course of your business anywhere in the world.

Your insurance under this Cover Section

Provided 'General Property' is shown under 'What's Covered' in the Policy schedule, and subject to the General exclusions, and this Cover Section exclusions, we will insure you for accidental loss or damage to your property insured occurring anywhere in the world during the period of insurance.

What we pay

At our option, we will:

- (a) repair the item of property insured (including carry case and usual accessories) to a condition equal to but not better or more extensive than its condition when new;
- (b) pay you the cost to repair or replace the property insured; or
- (c) replace the property insured with a new item that has the same features or features that are nearly the same as (but not less than) the item being replaced.
When the loss or damage is confined to a part or component of the property insured, we will only pay for, or replace or repair that part or component plus the cost of any necessary dismantling and reassembling up to the insured amount for a specified item shown on the Policy schedule or up to a value of \$2,500 per item for an unspecified item.

The maximum amount we will pay under paragraphs (a), (b) or (c) above in respect of each specified item is the insured amount for that item.

The maximum amount we will pay under paragraphs (a), (b) or (c) above in respect of any one unspecified item is \$2,500. For specified item that is part of a pair or set, the limit applies to the pair or set.

If we replace or pay the cost of replacing any item of property you no longer have any cover for that item or the replacement item.

Excess

The excess that applies is shown on the Policy schedule. The excess applies to each event which causes the loss or damage to your Property Insured, unless otherwise noted on the Policy schedule.

Additional benefits

We will also provide the following Additional benefit in this Cover Section, subject to the conditions, limits, general exclusions and Cover Section exclusions except as otherwise provided.
Any amounts payable under these Additional benefits apply in addition to the Insured amount.

Theft of other equipment

We will cover you for theft of any property insured not belonging to you but in your physical or legal control for the purposes of your business occurring during the period of insurance anywhere in the world.
We will not cover you for more than \$2,000 in any one period of insurance under this Additional benefit.

Cover Section exclusions

This Cover Section does not cover:

- (a) loss or damage to any unspecified item of property unless the Policy schedule shows that you have cover for unspecified property;
- (b) loss or damage caused by or arising out of:
 - (i) wear and tear, fading, gradual deterioration or developing flaws, normal upkeep or making good, or any gradual cause;
 - (ii) moths, termites or other insects or vermin;
 - (iii) scratching, biting or chewing by any animal;

- (iv) chipping, scratching, denting or marring that does not materially affect the use or operation of the property insured;
 - (v) change in colour, loss of weight, change in flavour, texture or finish;
 - (vi) the action of light, atmospheric conditions, any form of fungus or variations or extremes of temperature, rust or oxidation, wet or dry rot, corrosion, inherent vice or latent defect;
 - (vii) mechanical, hydraulic, electrical or electronic breakdown, burn-out, failure, malfunction or derangement of any equipment or device;
 - (viii) smut or smoke from industrial operations (other than sudden and unforeseen resultant damage);
 - (ix) any faults or defects in any item of insured property that you or any of your employees knew about before taking out this Cover Section; or
 - (x) faulty materials or faulty workmanship;
- (c) loss or damage to money or documents of any kind;
 - (d) loss of use, loss of earning capacity and any other consequential loss;
 - (e) loss or damage as a result of:
 - (i) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of data;
 - (ii) breakdown or malfunction of the processing system including operator error or omission in creating, amending, loading, deleting or using data; or
 - (iii) total or partial inability or failure to receive, send, access or use data for any time or at all;
 - (f) loss or damage committed by any member of your family or by any employee of yours or committed by any person whilst lawfully at your premises; or
 - (g) theft of any vehicles registered for road use, caravans, trailers, watercraft, aircraft, hovercraft, rolling stock and locomotives or their accessories.

Cover Section conditions

Reinstatement

If we pay an amount for a claim for loss or damage to your Property Insured covered under this Cover Section we will automatically reinstate the insured amount to the amount shown on the Policy schedule. You will not have to pay any additional premium.

However this does not apply if we replace or pay to replace any specified item or unspecified item.

Definitions

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

These defined terms prevail over any other meaning given to them in other parts of the Policy Wording. You should also refer to the General Definitions on pages 23 to 28.

Accidental

Unexpected and unintended from your standpoint.

Specified items

Each item of property that is specifically described on the Policy schedule.

Unspecified items

Each item of property which is not a specified item but which is part of a group or class of property described generally on the Policy schedule. The group or class described may include hand tools and handheld power tools.

MACHINERY BREAKDOWN AND ELECTRONIC EQUIPMENT COVER SECTION

About this section

This section covers the breakdown of machinery or electronic equipment at your premises.

Your insurance under this Cover Section

There are two covers available in this Cover Section.

- Machinery Breakdown.
- Electronic Equipment Breakdown.

Your Policy schedule indicates which cover has been selected by you.

Machinery breakdown basis

If Machinery is shown under "What's Covered" in the Policy schedule and subject to the General exclusions on page 19 to 22, and this Cover Section exclusions, we will cover you for:

- (a) breakdown of machinery which occurs at the premises; and
- (b) direct loss or damage to other property insured as a result of that breakdown, provided that the breakdown of machinery occurs during the period of insurance.

We do not cover loss or damage to air conditioners unless your Policy schedule shows that you are covered for air conditioners under this Cover Section.

Electronic equipment basis

If Electronic Equipment is shown under "What's Covered" in the Policy schedule and subject to the General exclusions and this Cover Section exclusions, we will cover you for:

- (a) breakdown of electronic equipment which occurs at the premises; and
- (b) direct loss or damage to other property insured as a result of that breakdown, provided that the breakdown of electronic equipment occurs during the period of insurance.

What we pay

Machinery breakdown basis

If we agree to pay a claim for breakdown of machinery, we will at our option repair, rebuild or replace any damaged item or pay for the cost of repairing, rebuilding or replacing. If we decide to replace the damaged item, we will replace the damaged property with similar property of a like kind, capacity, size, quality and function.

If we agree that you can carry out the repairs at the premises or at a workshop owned by you, we will pay the actual costs of materials and wages incurred plus a reasonable overhead mark-up, provided that a qualified person carries out the repairs.

If it is necessary to replace parts that are unavailable, we will not pay more than the estimated cost of similar parts currently available. If similar parts are unavailable, we will not pay more than the manufacturers, or suppliers, latest list price. We will not pay any cost of repairing or replacing any part or parts of a piece of machinery, which is greater than the cost of repairing or replacing the entire piece of such machinery,

If the work of repairing, rebuilding or replacing the item is not commenced and carried out within a reasonable time period after the breakdown, we will not be liable to pay more than the cost necessary to repair, rebuild or replace the item at the time the breakdown occurred.

Where the breakdown is confined to a part of a machine or structure, we will not pay more than the cost of repairing or replacing that part plus the cost of dismantling and erecting the structure.

The maximum we will pay for breakdown of machinery is the insured amount as shown in the Policy schedule.

1. In the event of breakdown, we will at our option pay to you, up to the insured amount less the applicable excess, the;
 - (a) reasonable cost of repair or replacement necessary to return the machinery to their former state of operation including:

- (b) cost of dismantling, re-erection, cleaning up and removal of debris;
- (c) replacement of refrigerant or lubricating or insulating oil lost from machinery as a direct result of breakdown;
- (d) charges for overtime work on public holidays where necessarily and reasonably incurred;
- (e) freight within the Commonwealth of Australia by any recognised scheduled service;
- (f) overseas air freight by any recognised scheduled service and/or overseas labour;
- (g) the cost of temporary repairs and/or hire of a temporary replacement item during the time taken to
- (h) repair damage to any property insured;
- (i) any customs duties and dues.

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

2. Where you incur extra expense, in complying with the requirements of any Act of Parliament or Regulation made thereunder or any By-Law or Regulation of any Municipal or other Statutory Authority, in the course of effecting repair or replacement of the machinery, we will indemnify you for such extra expense.

Provided that the amount so recoverable hereunder shall not include the additional cost in complying with any such Act, Regulation, By-law or requirement with which you had been required to comply with prior to the breakdown.

3. All machinery which can be repaired must be repaired. However, should the item be uneconomical to repair due solely to the nature of the breakdown, we will at our option pay you:
 - (a) the cost of replacement of the machinery by an item of similar function, type, capacity and quality in a condition equal to, but not better than, the condition of the machinery when new; or
 - (b) the insured amount for the machinery.
4. We shall not be required to replace the machinery exactly, but only as circumstances permit.

Where component's 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.

Electronic equipment breakdown basis

If We agree to pay a claim for breakdown of electronic equipment we will at our option repair, rebuild or replace any damaged item or pay for the cost of repairing, rebuilding or replacing. If we decide to replace the damaged item, we will replace the damaged property with similar property of a like kind, capacity, size, quality and function.

If we agree that you can carry out the repairs at the premises or at a workshop owned by you, we will pay the actual costs of materials and wages incurred plus a reasonable overhead mark-up, provided that a qualified person carries out the repairs.

If it is necessary to replace parts that are unavailable, we will not pay more than the estimated cost of similar parts currently available. If similar parts are unavailable, we will not pay more than the manufacturers, or suppliers, latest list price. We will not pay any cost of repairing or replacing any part or parts of a piece of computer equipment or electronic equipment which is greater than the cost of repairing or replacing the entire piece of such computer equipment or electronic equipment.

If the work of repairing, rebuilding or replacing the item is not commenced and carried out within a reasonable time period after the breakdown, we will not be liable to pay more than the cost necessary to repair, rebuild or replace the item at the time the breakdown occurred.

Where the breakdown is confined to a component or part of electronic equipment, we will not pay more than the cost of repairing or replacing that component or part plus the cost of dismantling and erecting the electronic equipment.

The maximum we will pay is the insured amount as shown in the policy schedule.

1. In the event of breakdown, we will at our option pay to you, up to the insured amount less the applicable excess, the reasonable cost of repair or replacement necessary to return the electronic equipment to their former state of operation including:

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

Provided that the total of all of these extra costs in clauses 1(c), 1(d), 1(e) and 1(f) are limited to 50% of the normal cost of repair payable under this part and shall be payable in addition to the insured amount.

2. Where you incur extra expense, in complying with the requirements of any Act of Parliament or Regulation made thereunder or any By-Law or Regulation of any Municipal or other Statutory Authority, in the course of effecting repair or replacement of the electronic equipment, we will indemnify you for such extra expense.
Provided that the amount so recoverable hereunder shall not include the additional cost in complying with any such Act, Regulation, By-law or requirement with which you had been required to comply with prior to the breakdown.
3. All electronic equipment which can be repaired must be repaired. However, should the item be uneconomical to repair due solely to the nature of the breakdown, we will at our option pay you:
 - (a) the cost of replacement of the electronic equipment by an item of similar function, type, capacity and quality in a condition equal to, but not better than, the condition of the electronic equipment when new; or
 - (b) the insured amount for the electronic equipment.
4. We shall not be required to replace the electronic equipment exactly, but only as circumstances permit.
5. Where component's 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.

Depreciation applied for replacement of computers

If we decide to pay you the cost to replace a laptop computer, notebook or desktop computer rather than repair it, we will apply depreciation based on the age of the computer, but not as a result of improvements in technology or functionality.

We will apply depreciation at the rate of 10% per annum for each year from the date of manufacture, subject to a maximum reduction of 80% of the installed current replacement cost.

Excess

You must pay the amount of any excess shown in the Policy schedule for each claim you make.

Extra covers

If we agree to pay a claim under this Cover Section for breakdown of machinery or electronic equipment, we will also pay or provide the Extra covers set out below.

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

1. Hazardous substances

If a hazardous substance is involved in or released by a breakdown of the machinery or electronic equipment we cover you for the increase in cost to repair, replace, clean up or dispose of, property insured damaged by the hazardous substance.

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

2. Inflation protection

The insured amount on items of machinery or electronic equipment shall at the time of loss be

increased according to the consumer price index by the proportion which the number of days since the commencement of the period of insurance shall bear to the whole of such period.

3. Repair costs

The cost of consulting engineers' fees (excluding fees for preparing a claim) necessarily incurred with our written consent, in the reinstatement of the machinery or electronic equipment.

Additional benefits

We will also provide the following Additional benefits in this Cover Section, subject to the policy limits, conditions and exclusions except as provided otherwise.

Any amount payable under the following Additional benefits applies in addition to the insured amount.

1. Additional Items

If you hire or purchase and commission at your premises any items similar to items already insured under this Cover Section, we will consider these items to be added to the insurance by this Cover Section, giving the same cover as for similar items already insured.

Provided that:

- (a) cover for additional items shall not exceed the total insured amount for the items already insured under this Cover Section;
- (b) you give us written notice within 90 (ninety) 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 inspections and certification have been fulfilled;
- (e) the limits and excess as shown on the Policy schedule shall be the same as for similar items already insured.

2. Electronic equipment away from the premises

If you have cover on the Electronic Equipment basis, that cover is extended to:

- a) include breakdown occurring during the period of insurance to laptop computers, notebooks, or mobile electronic equipment that are away from the premises;
- b) breakdown of your laptop computer equipment or mobile electronic equipment that is away from your premises anywhere in Australia and the laptop computer equipment or mobile electronic equipment are also specified in the Policy schedule under General property Cover Section.

3. Property Damage

We will indemnify you for breakdown of property not insured under this Cover Section which is owned by

you or if you are responsible for breakdown to it provided:

- a) that the loss or damage occurred at your premises during the period of insurance as a direct result of impact from any part of an insured item of machinery; and
- b) the loss or damage is directly caused by breakdown and occurs in circumstances where cover under this Cover Section is provided and not excluded under this Cover Section.
- c) We will not pay more than the insured amount specified on your Policy schedule for that insured item of machinery for breakdown of the uninsured item.

4. Restoration of computer data

We will insure you for the costs of restoring electronic data stored on media if:

- (a) We have agreed to pay a claim under the Electronic Cover Section for repair or replacement of the computer equipment;
- (b) the electronic data is lost or distorted during the period of insurance as a direct result of the breakdown covered under this Cover Section; and

- (c) the media which contains the electronic data is at the premises, is at a location away from the premises where copies of media are stored, is temporarily at an alternative location for processing purposes or is in transit between any of these locations.

We will not cover you for:

- (a) loss or distortion of electronic data due to defects in the media;
- (b) any consequential loss;
- (c) restoration of electronic data other than that which is lost or distorted after the most recent functional back-up;
- (d) expenses or costs incurred in connection with the loss or distortion of electronic data if they are not incurred within 12 months of the breakdown;
- (e) loss or damage of, or distortion to, electronic data caused by a computer virus;
- (f) loss or damage of, or distortion to, electronic data caused by or resulting from the partial or total failure, malfunction or loss of use of any electronic equipment, computer system, information repository, microchip, integrated circuit or other similar device due to:
 - (i) the erasure, destruction, corruption, misappropriation or misinterpretation of electronic data;
 - (ii) any error in creating, amending, entering, deleting or using electronic data;
 - (iii) the inability to receive, transmit or use electronic data; or
 - (iv) the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks or similar facility, or of any internet address, website or similar facility.

Except to the extent that such loss, damage or distortion results solely from the breakdown of computer equipment covered under Electronic equipment Cover Section.

If we agree to pay a claim, we will pay the costs incurred in restoring the lost or distorted electronic data in a condition equivalent to that existing prior to the breakdown. Electronic data may be reproduced in an updated form if the cost of doing so is no greater than that of reinstatement in its original form.

We will pay up to the greater of \$15,000 or the amount shown in the current Policy schedule, for each claim under this Additional benefit.

5. Computers – increased costs

We will insure you for the increased costs which you incur, such as the hiring of alternative computers, following the breakdown of computers which we have agreed to pay a claim for under Electronic equipment Cover Section.

We will insure you for the increased costs of operating your business, including hiring computers, transport costs, additional personnel and working at an off-site back up facility if:

- (a) we have agreed to pay a claim under Electronic equipment Cover Section for repair or replacement of computer equipment;
- (b) the increased costs of working occur during the period of insurance and are a direct result of the breakdown covered under Electronic equipment Cover Section; and
- (c) we agree in advance to pay the increased costs of working;

We will not cover you for:

- (a) costs incurred in respect of the first 2 working days following the breakdown of your computer equipment;
- (b) fines or liability incurred for breach of contract or for late or incomplete orders or for any loss of bonus or any kind of penalties.
- (c) any increased costs that are not necessary and reasonable to minimise any interruption to the business;
- (d) any consequential loss;
- (e) costs incurred after 90 days from the date of breakdown;
- (f) expenses that are incurred in the replacement of the media;
- (g) the cost of reinstating the electronic data contained on the media.

If we agree to pay a claim under this Additional benefit, we will pay the actual amount of the increased costs of working, less the charges and expenses of the business that cease or are reduced as a consequence of the loss or damage.

We will pay up to the greater of \$15,000 or the amount shown in the current Policy schedule for each claim under this Additional benefit.

Exclusions – applicable to machinery breakdown and electronic equipment breakdown

We will not cover you for:

1. The cost of repair or replacement of expendable items other than expendable items which are necessary for the repair.
2. The costs incurred in repairing wear and tear or gradual deterioration including:
 - wear and tear due to normal operation;
 - wearing or wasting away of material caused by normal operation or resulting from atmospheric conditions, rust, erosion, or oxidation;
 - damage to a safety or protective device caused by its own operation;
 - the chipping or scratching of painted or polished surfaces; or
 - slowly developing deformation or distortion.
3. The cost of:
 - carrying out of normal maintenance, such as the tightening of loose parts, recalibration or adjustments;
 - alteration, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or at a separate operation;
 - modification or alteration of insured plant to enable replacement or repair, caused by gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);
 - replacement of lighting equipment, reticulated electrical wiring, reticulated liquid and gas piping and ducting;
 - repair of scratches chipping or discolouration to painted or polished surfaces, unless resulting from Insured damage;
 - repair of a slowly developing deformation, distortion or fatigue of any part;
 - repair of blisters, laminations, flaws or grooving even when accompanied by leakage;
 - repairs to valves, fittings, glands, joints, gaskets, pipes, lines and connections which are defective or leaking;
 - repairs to shaft keys requiring tightening, fitting or renewal;
 - damage caused by the movement of foundations, masonry or brick work unless this results from breakdown of any machinery or electronic equipment or any part of machinery or electronic equipment; or
 - removal or installation of underground pumps and well casings. Unless specifically noted on the policy schedule, this exclusion does not apply to submersible pumps.
4. Breakdown of machinery or electronic equipment which you knew or reasonably should have known to be defective before the breakdown occurred.
5. Loss of use or consequential loss of any kind.
6. We will not cover loss or damage caused by or arising out of:
 - earthquake, landslide, mud flow, subsidence, subterranean fire, or volcanic eruption;
 - cyclone, storm, hail, lightning, thunder, wind, rainwater;
 - flood;
 - the sea, including tidal wave, tsunami, storm surge or high-water;
 - fire, smoke or soot;
 - water seeping or percolating the building from outside;
 - water, liquids or substances discharged or other means used to extinguish a fire; or
 - vandalism or malicious damage.
7. Breakdown, loss or damage caused by explosion, other than:
 - (a) the sudden and violent rending of any boilers and pressure plant or pressure pipe systems by force of internal fluid pressure of ignited flue gases, but excluding other chemical action; or
 - (b) the bursting or disruption of turbines, compressors, engine cylinders, hydraulic cylinders, flywheels or other parts subject to centrifugal force, transformers, switches or oil immersed switch gear.
8. Breakdown, loss or damage caused during the course of maintenance, inspection, repair, alteration, modification or overhaul.
9. Breakdown, loss or damage caused during installation, erection or relocation.
10. Damage to foundations, brickwork, and refractory materials other than as a result of breakdown.

11. Breakdown, loss or damage arising out of plant being subjected to tests involving abnormal stresses or arising out of plant being deliberately overloaded. The checking of the correct working of any insured item or of its safety installations is not considered to be testing or overloading within the context of this exclusion.
12. Breakdown, loss or damage caused by a deliberate act, neglect or omission on your part.
13. Breakdown, loss or damage for which the manufacturer or supplier or other parties are responsible under a maintenance or warranty agreement provided that we shall be liable for breakdown insured by this section and not recoverable under such maintenance agreement or warranty by reason of a specific exclusion contained therein or by reason of any dispute concerning the interpretation of that agreement or warranty (as the case may be).
14. The cost of alterations, improvements or overhauls unless it is required for the repair or replacement.
15. The costs associated with modifying the machinery so that it operates with a more ozone friendly refrigerant gas as required by the United Nations Environment Programme ("UNEP").
16. Breakdown, loss or damage as a result of dual lifting.
17. Air conditioners unless your Policy schedule shows they are covered.
18. Breakdown, of machinery, computer equipment or electronic equipment which is useless or obsolete to your business.
19. Loss or damage caused by or arising out of pollution, contamination or a hazardous substance, however caused, except as provided for in Extra cover 1.

Cover Section conditions

1. Adherence to statutory requirements

If any machinery or electronic equipment must be licensed under statutory obligations, by-laws, regulations, public authority requirements or safety requirements, you must obtain any licenses as required and use the machinery or electronic equipment as specified in the license.

2. Inspection

We or our authorised representatives have the right to make inspections of machinery or electronic equipment at any reasonable time. Neither this right to make inspections nor making them is an undertaking to you or others that the insured equipment is safe and not hazardous or injurious to health.

3. Obligation to prevent loss

If we or our authorised representative discover machinery or electronic equipment in or exposed to a dangerous condition, you must comply with any direction provided by us or our representatives to prevent loss. If you do not comply within 30 (thirty) days of receiving the direction, we may refuse to pay a claim and cancel your policy.

4. One breakdown

If either:

- (a) a breakdown of machinery or electronic equipment causes the breakdown of other insured property; or
- (b) a series of breakdowns occur at the same time as a result of the same cause;

they will all be considered as one breakdown for the purpose of applying the excess, the relevant insured amount and any other limit or sub-limit in this Cover Section.

5. Due care

Nothing contained in this Cover Section or in any other provision of this Policy Wording 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 minimize the risk of any claim being made under this Cover Section.

Optional cover

We will provide the following optional cover when requested by you, when you pay any additional premium required and when shown on the policy schedule as applying. This Optional cover is subject to the policy limits, conditions, general exclusions and exclusions, except as otherwise provided.

Deterioration of stock

Provided "Deterioration of stock" is shown in the Policy schedule, we will cover you for loss of perishable stock that spoils during the period of insurance due to a change in temperature of the refrigeration or freezer unit as a result of:

- (a) breakdown of the refrigeration or freezer unit in which the refrigerated stock is kept;
- (b) malfunctioning or failure of the thermostats, controls, fuses, circuit breakers or limiting, protection or overload devices which are owned by you or for which you are responsible and are protecting a refrigeration chamber, but shall not include loss or damage due to the manual operation or setting of switches;
- (c) contamination of the refrigerated stock by leakage of refrigerant.
- (d) sudden and unforeseen failure of the public power supply;
- (e) accidental failure of supply services which directly affects the refrigeration or freezer unit;
- (f) a supply authority intentionally interfering with a public service but only to the extent that this is necessary to safeguard life or any part of the public supply and the supply authority's interference is not caused directly or indirectly by fire, flood, storm or any other natural cause; or
- (g) sudden leakage of refrigerant from the machinery or pressure pipe systems.

Loss minimisation

If deterioration occurs or is likely to occur to such stock by any of the above causes, we will pay any reasonable expenses incurred by you to prevent or minimise the loss of refrigerated stock.

What we pay under this option

If we agree to pay for a claim for deterioration of refrigerated stock, we will at our option, pay the cost of replacing the refrigerated stock or replace that stock.

We are not liable to pay more than the purchase price you paid for the stock, together with any handling costs you incurred. If deterioration occurs or is likely to occur to refrigerated stock by any of the Defined events specified in (a) to (g) above, we will also pay the reasonable costs incurred by you to prevent or minimise the loss of or damage to refrigerated stock.

We will not pay more than the insured amount shown on the current Policy schedule for this optional cover, except to the extent stated during seasonal increase periods.

During the seasonal increase periods, we will increase the insured amount shown in the Policy schedule by 50%.

What you are not covered for under this option

In addition to the exclusions for this Cover Section, we will not pay for:

- (a) any loss or damage due to shrinkage, inherent defects or diseases;
- (b) loss or damage caused by improper storage, collapse of the packing material or storage structure;
- (c) penalties or delay or detention or consequential loss or damage or liability of any nature whatsoever, or
- (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.

Cover Section conditions under this option

In respect of stock that is kept in cold storage under controlled atmospheric conditions, you must keep adequate records, for each chamber, of the temperature, humidity and gas concentrations, as well as the time(s) and date(s) when each chamber is opened. You must provide us with those records upon request.

Definitions

These Definitions apply to this Cover Section only. You should also refer to the General definitions section on pages 23 to 28.

Air conditioner

An appliance, system, or mechanism designed to extract heat from an area via a refrigeration cycle. Its purpose in a building is to provide comfort during either hot or cold weather.

Boilers and pressure plant and pressure pipe systems

The permanent structure of machinery 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.

Breakdown

A sudden and accidental failure of machinery or electronic equipment or part thereof resulting in physical damage to the item of insured equipment which requires the repair or replacement of all or part of the insured equipment or a part of the insured equipment before normal operation of it can be resumed and may include, but is not limited to the actual breaking, seizing, deformation or burning out sufficient to prevent the item undertaking its normal operation and necessitating repair or replacement.

Breakdown does not mean:

- (a) depletion, deterioration, corrosion or erosion of material or the need to clean any component;
- (b) wear and tear;
- (c) leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (d) vibration or misalignment;
- (e) the functioning of any safety device or protective device;
- (f) the failure of any structure, foundation or setting supporting the insured equipment or a part of the equipment; or
- (g) The cracking of any part of a gas turbine exposed to the products of combustion.

Computer equipment

General purpose machine, commonly consisting of digital circuitry, that accepts (inputs), stores, manipulates, and generates (outputs) data as numbers, text, graphics, voice, video files, or electrical signals, in accordance with instructions called a program including but not limited to electronic data processing equipment comprising a central processing unit, video display units, printers, hard disks, floppy disk drives, micro diskettes including read and write heads, electro or mechanical motors and passive components but does not include software.

Electronic equipment (as referred to under electronic equipment cover)

Any of the following equipment provided it is owned, leased, operated or controlled by you and used in your business for:

- (a) the generation, control, transmission, reception, recording, reproduction, playback or other use of television, radio or telephone signals;
- (b) research, diagnostic, treatment, experimental or other medical or scientific purposes;
- (c) computing, data processing, duplicating, inventory control, monitoring, surveillance, audio visual amplification, lighting, scanning, point of sale or office services; or
- (d) starting, stopping, controlling or monitoring one or more items of insured equipment.

Expendable items

- (a) Electrical and electronic glass bulbs, tubes, x-ray tubes, contacts, fuses and heating elements;
- (b) Tracks, rails, wear plates, cutting edges, tools, dies, engraved cylinders, moulds, patterns, shear pins, filters, chains, belts, tyres, tracks or conveyor belts and any other part or parts which require periodic replacement.

Hazardous substance

- (a) any pollutant, contaminant or other substance declared by a government authority to be hazardous to health or the environment; or
- (b) any mould, yeast, fungus or mildew including any spores or toxins created or produced by or emanating from such mould, yeast, fungus or mildew, whether or not allergic, pathogenic or toxigenic.

Machinery

Any of the following equipment provided it is owned, leased, operated or controlled by you and used in your business:

- (a) any boiler, fired or unfired pressure vessel normally subject to vacuum or internal pressure (other than static pressure of contents) any refrigerating or air conditioning vessels and piping or any other piping and its accessory equipment, but not including:
 - (i) any boiler foundation, any refractory or insulating material;
 - (ii) any part of a boiler or fired pressure vessel that does not contain steam or water; nor
 - (iii) any buried piping, any drainage piping, any sprinkler piping and its accessory equipment;
- (b) any mechanical or electrical equipment that generates, transmits or utilises mechanical or electrical power, but not including:
 - (i) any vehicle, or mobile equipment;
 - (ii) any watercraft or aircraft; or
 - (iii) any elevator, escalator, crane, hoist or conveyor.

Obsolescence

Obsolescence occurs when equipment is no longer wanted even though it may still be in good working order. Obsolescence frequently occurs because a replacement has become available that has, in total, more advantages than the inconvenience related to repurchasing the replacement.

Obsolescence will be taken into account on damaged or destroyed property.

Refrigerated stock

Refrigerated goods owned by you or for which you are legally responsible while contained within any storage which is cooled by insured equipment. It includes items such as food stuffs and their packaging that are subject to decay, rot, ruin or spoilage.

TAX AUDIT COVER SECTION

About this section

This Cover Section covers professional fees (such as accountant's fees) incurred by you in connection with a tax audit by the Australian Taxation Office, State or Territory revenue office, or by a Commonwealth, State or Territory department, body or agency.

You can claim for professional fees as described under "What we cover" if:

- "Tax Audit" is specified in the Policy schedule;
- the tax audit was commenced and is notified to us during the period of insurance;
- the claim is not excluded under "What we exclude"; and
- the claim is not excluded under the General Exclusions listed on pages 19 to 22.

Your insurance under this section

We cover professional fees reasonably and necessarily incurred by you in connection with a tax audit by an authority, which is commenced and notified to us during the period of insurance.

The type and extent of cover under this Cover Section will depend on whether you select:

- (a) Business Audit Only – with Investigation Cover which provides cover for the business (but excludes Extra Cover 2 – Directors' Personal Tax Returns); or
- (b) Business AND Directors Audit – with Investigation Cover which provides cover for the business or any company or partnership in which the Insured holds 50% or more ownership, interest or shareholding, and each director named in the policy schedule and includes Extra Cover 2 – Directors' Personal Tax Returns); or
- (c) Individual Cover (which provides cover for the individual named in the policy schedule but excludes Extra Cover 2 – Directors' Personal Tax Returns).

What we exclude

1. Returns not prepared by a tax agent

Any professional fees relating to, arising from or in connection with any income return that has not been prepared or reviewed prior to dispatch by your tax agent. However, this exclusion does not apply to any return for:

- (a) prescribed sales tax;
- (b) income derived from:
 - (i) any payment under a contract of employment of service between you and any other person, company or entity, other than when that payment is paid by a company for which you are a director or have a controlling interest;
 - (ii) any payment from superannuation, pension or other retirement benefit; or
 - (iii) personal investments that you are not wholly or mainly dependent on.

2. Representations, errors in information and improper conduct

Any professional fees relating to, arising from or in connection with:

- (a) you or your tax agent making a statement to the authority that is false or misleading except that this exclusion will not apply where a false or misleading statement results from you being misled by the authority or where you did not and could not be expected to know that a statement was false or misleading;
- (b) any fraudulent act or fraudulent omission or statement made to an authority arising from any act committed deliberately or with your wilful intent;
- (c) an authority, or its authorised representative, having assessed your behaviour as being a case of deliberate evasion or recklessness;
- (d) any return lodged or submitted dishonestly or fraudulently where the supporting documents have been falsely created or collected; or
- (e) any error or deficiency with information already provided to the relevant authority which you do not notify to the relevant authority within thirty (30) days of you discovering the error or deficiency with the information.

3. Delay

Any professional fees relating to, arising from or in connection with:

- (a) a tax audit which is commenced due to your failure to lodge a taxation or any other return within the time limit prescribed by law or within the extended time granted by an authority;

- (b) a tax audit which is commenced due to your failure to pay all taxes by the due date or within any extension of time granted by the authority; or
- (c) your failure to respond to the authority within the time it has specified for you to give your response.

4. Imposition of penalties

The imposition of or the seeking to impose on you any tax, penalty tax, costs, interest, fine or penalty by any authority, court or tribunal.

5. Shortfall tax audits

Any professional fees relating to, arising from or in connection with a tax audit where an authority imposes or seeks to impose a penalty due to any shortfall amount, or part of that amount, resulting from:

- (a) intentional disregard of a designated tax by you or your tax agent; or
- (b) recklessness by you or your tax agent as to the operation of a designated tax.

6. Subrogation agreements

Any amount that you are unable to recover because of a contract or agreement that you have entered into that excludes or limits your rights to recover that amount.

7. Territorial limitations

Any tax return:

- (a) prepared by a person who ordinarily resides outside Australia and its external territories; or
- (b) for a company, firm or entity which operates outside Australia and its external territories;

Any professional fees that are:

- (a) associated with any return lodged outside Australia and its external territories; or
- (b) in respect of any person or organisation ordinarily resident outside Australia and its external territories.

8. Prior tax audits

Any claim arising from or in connection with any tax audit for which verbal or written notice or information was received by you or your tax agent before the inception of this Cover Section.

9. Unjustified refusal or failure to comply

Any claim or claims caused by or arising from any improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by the authority.

10. Professional fees after completion of tax audit

Any professional fees incurred after the tax audit has been completed.

11. Other Matters

Any professional fees relating to, arising from or in connection with:

- (a) any criminal prosecution;
- (b) any tax audit relating to customs legislation;
- (c) any tax audit conducted by the Australian Prudential Regulation Authority; or
- (d) any tax audit that includes a refund or claim for tax or duty relief arising out of an arrangement, facility, financial structure or the like adopted for the principal purpose of obtaining that refund or relief, unless the arrangement has received prior written approval from the relevant government or government authority or agency before being offered to you or the general public.

Any claim or claims caused by, arising from or in connection with:

- (a) amounts sought by any amended notice of assessment, additional tax, duty government impost or the like;
- (b) costs to pursue or defend any legal actions against you or initiated by you (unless it is agreed to by us);
- (c) any inquiry from an authority which is not related to either an identified intention to conduct a tax audit
- (d) or is not directed at obtaining information or data for a possible future tax audit;

- (e) any routine enquiries, or enquiries from a tax agent which are not identified as being either preliminary to, or relating to a tax audit of a return; or
- (f) any form of activity involving a periodic review, routine inquiry or compliance review relevant to you maintaining industry status, licence, compliance, membership, any form of occupational health and safety compliance or similar requirements.

Extra covers

If we agree to pay a claim for professional fees under this Cover Section, we will also pay for the following extra covers.

Reinstatement of insured amount

If we pay an amount for a claim under this Cover Section, we will automatically reinstate the insured amounts under this Cover Section. You will not have to pay any additional premium.

Directors' personal tax returns

If your policy schedule shows that you have selected 'Business and Directors Audit – with Investigation Cover' and you are a company and the director(s) work full-time in the business, we will also pay for professional fees reasonably and necessarily incurred by each director in connection with an audit by an authority of the director's personal income tax returns that are lodged with that authority which is commenced and notified to us during the period of insurance.

This Extra cover only covers an audit of a director's personal income tax return that was prepared by the same tax agent who prepared the income tax return for the business in that same year.

The amounts payable under this Extra cover 2 are included in, and do not apply in addition to, the 'Business and Directors Audit – with Investigation Cover' insured amount.

This Extra cover 2 will not apply if the Policy schedule shows that you have selected Business Audit Only – With Investigation Cover or Individual Cover.

Travel and accommodation expenses

We will reimburse you for travel and accommodation expenses incurred by you or your employees if they are reasonably and necessarily incurred to substantiate the claim.

The amounts payable under this Extra cover 3 are included in, and do not apply in addition to, the insured amount.

Cover Section conditions

These conditions apply to this section.

1. Commencement and completion of a tax audit

A tax audit commences at the time you or your tax agent first receives notice (verbal or written) of an audit, inquiry, investigation, examination or review.

A tax audit is complete when:

- (a) the officer authorised by the authority has given written notice to that effect;
- (b) the officer authorised by the authority notifies us in writing of its decision in connection with your returns including any written statement which is intended by such officer to be its findings in connection with a return or the basis upon which it proposes to act in connection with a return;
- (c) when the officer authorised by the authority has issued an assessment or amended assessment of your returns; or
- (d) in the absence of subparagraphs (a), (b) or (c) where your tax agent declares in writing that such a tax audit has been concluded.

2. Authority matters

You must:

- (a) submit all taxation and other returns within the time limits prescribed by all relevant legislation or regulations or as requested by or on behalf of the relevant authority or within the extensions of time granted by the relevant authority;
- (b) make full and complete disclosure of all assessable income (including capital gains), as required by any relevant legislation or regulation, and you must take reasonable care to not omit from any such disclosure any matter or thing without which the disclosure is misleading or likely to mislead any person or authority who relies on that disclosure;

- (c) be registered for GST purposes, if required by legislation or regulations; and
- (d) ensure all correspondence, requests or inquiries from an authority are dealt with within the required time and where there is no required time, a reasonable time.

3. Claims

For any claim:

- (a) you must notify us within thirty (30) days of you first becoming aware of the first notice of a tax audit;
- (b) you must keep us informed of all developments as they occur;
- (c) you must take all necessary and reasonable steps to minimise any delays and costs incurred or likely to be incurred;
- (d) we have the right to directly access your tax agent and lawyers and any documented advice they have given
- (e) you relevant to the tax audit;
- (f) you must ensure your tax agent will assist us with any matter we may pursue with the authority; and
- (g) you must submit to us all accounts for professional fees that relate to your claim upon completion of the tax audit.

What we pay

Subject to Extra cover 1 – Reinstatement, if the Policy schedule shows the cover you have selected is:

- (a) Business Audit Only – with Investigation Cover, then the most we will pay for a tax audit of the business commenced during the period of insurance is the insured amount specified in the Policy schedule for this Cover Section; or
- (b) Business AND Directors Audit – with Investigation Cover, the most we will pay for a tax audit commenced during the period of insurance relating to:
 - (i) the business named in the policy schedule or any company or partnership in which the Insured holds 50% or more ownership, interest or shareholding; and
 - (ii) each director named in the Policy schedule, in total is the insured amount specified in the Policy schedule for this Cover Section; or
- (c) Individual Cover, the most we will pay for a tax audit commenced during the period of insurance relating to the individual named in the Policy schedule is the insured amount specified in the Policy schedule for this Cover Section.

When we pay

We will pay the professional fees reasonably and necessarily incurred by you in connection with assisting you to respond to an official tax audit by an authority where:

- (a) your claim is covered under “What we cover” of this Cover Section;
- (b) your claim is not excluded under “What we exclude” of this Cover Section;
- (c) your claim is not excluded under the General Exclusions on pages 19 to 22 and
- (d) the tax audit has been completed (as defined Cover Section Condition 1 above).

Excess

The excess that applies is specified in the Policy schedule.

Definitions

These words have the following meanings and apply only to this Cover Section. These defined terms prevail over any other meaning given to them in other parts of the Policy wording. You should also refer to the General Definitions on pages 23 to 28.

Authority

Means:

- (a) the Australian Taxation Office;
- (b) a revenue office of an Australian State or Territory; or
- (c) a Commonwealth, State or Territory government department, body or agency, duly authorised to conduct a tax audit.

Business

Means a company or partnership which has an ABN and is named in the policy schedule as the insured, and does not include an individual.

Designated tax

Any tax assessable in accordance with the provisions, as amended, of the:

- (a) Income Tax Assessment Act 1936 (Cth);
- (b) Income Tax Assessment Act 1997 (Cth);
- (c) Fringe Benefits Tax Assessment Act 1986 (Cth);
- (d) A New Tax System (Goods and Services Tax) Act 1999 (Cth);
- (e) Superannuation Guarantee (Administration) Act 1992 (Cth);
- (f) Termination Payments Tax (Assessment and Collection Act) 1997 (Cth); or
- (g) any law of an Australian State or Territory relating to payroll tax.

Individual

The person named in the policy schedule as the individual and who wholly owns and operates a business and lodges an individual return in relation to such business.

Insured

- (a) the individual; or
- (b) the business, named in the policy schedule.

Professional fees

Fees, costs and disbursements payable to a tax agent or professional person (other than you or your employee) in connection with a tax audit by an authority.

Professional fees does not mean any fees, costs or disbursements:

- (a) charged by a tax agent for administrative services;
- (b) that relate to any subsequent objection lodged with an authority in respect of a tax audit;
- (c) that relate to, or are associated with the preparation of any accounts, financial statements or documents which would or should have been ordinarily or prudently prepared prior to or at the time that the lodgement of any return or documents was required to be lodged;
- (d) incurred after the tax audit has been completed; or
- (e) incurred 12 months after the commencement date of a tax audit other than when you can demonstrate to our satisfaction that the delay in completing the tax audit was caused primarily by the authority.

Return

Any return legally required to be, and that is actually lodged with, an Australian Commonwealth, State or Territory government department, body or agency by you or on your behalf.

Shortfall amount

A shortfall amount arises in the following situations:

- (a) your tax related liability, worked out on the basis of your disclosure or statement, is less than it would be if the disclosure or statement:
 - (b) was not false or misleading; or
 - (c) did not treat a designated tax as applying in a way that was not reasonably arguable;
 - (d) an amount the authority must pay or credit to you under a designated tax, worked out on the basis of your
 - (e) disclosure or statement, is more than it would be if the disclosure or statement:
 - (f) was not false or misleading; or
 - (g) did not treat a designated tax as applying in a way that was not reasonably arguable.

Tax agent

Any person who is recognised by the authority as a registered tax agent, as appropriate to the type of designated tax, who prepares returns or statements required by that authority in respect of your liability to pay a designated tax, including supervision of the preparation of, and review prior to dispatch of, those returns or statements.

Tax agent does not mean you or a person working for you under a contract of employment.

Tax audit

Means:

- (a) the audit by an authority of a return in respect of your liability to pay any designated tax (including the amount of tax payable or refundable) following lodgement of a return for that designated tax;
- (b) any official inquiry, investigation, examination or review undertaken by an authority in respect of your liability to pay any designated tax (including the amount of tax payable) following lodgement of a return for that designated tax,
- (c) a workers' compensation wage audit or investigation by an authority in respect of your liability to pay a workers' compensation premium; or
- (d) the audit by an of a director's personal income tax return only to the extent that Extra Cover 2 'Directors' personal tax returns' applies.
- (e) If an official inquiry, investigation, examination or review referred to in paragraph (b) above escalates or results in an audit as referred to in paragraph (a) above, then this would be viewed as one tax audit for the purposes of this Cover Section.

You / Your / Yours

Means:

- (a) the Insured;
- (b) any partnership, or company in which the Insured hold a 50% or more ownership, interest or shareholding; and
- (c) any director but only to the extent that Extra Cover 2 'Directors' personal tax returns' applies.