

Health Professional Plus

Commercial Insurance Policy



Insurance Marketing Group of Australia Pty Ltd - Mediprotect
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Insurer
CGU Insurance Limited
ABN 27 004 478 371
AFS Licence No. 238291

About Your Health Professional Plus Commercial Insurance Package

This booklet contains two parts.

Important Information

This part contains general information about the Health Professional Plus Commercial Insurance Policy.

Health Professional Plus Commercial Insurance Policy

This part contains the Policy terms and conditions, which detail all the terms, conditions and exclusions relating to the Policy.

To assist You to locate specific items in this Policy, a Table of Contents is provided on the following page

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Important Information

About CGU

CGU Insurance Limited is the underwriter of this insurance Policy. Our Australian Business Number is 27 004 478 371. Our Australian Financial Services Licence Number is 238291.

About Insurance Marketing Group of Australia Pty Ltd - Mediprotect

Insurance Marketing Group of Australia Pty Ltd – Mediprotect (IMGA) is an insurance broker.

In arranging this Policy, IMGA is acting on Your behalf and not as the agent of the insurer. The IMGA Australian Business Number is 74 088 790 327. The IMGA Australian Financial Services Licence Number is 234421.

How to contact Us

You may contact Us by any of the following ways:

- In person at any CGU Insurance office
- By telephone on 13 15 32
- By writing to Us at CGU Insurance, GPO Box 9902 in Your capital city
- By email on our website www.cgu.com.au

Your cooling off period

We will refund all premium paid for cover under Your Policy if You request cancellation within 21 days of its commencement.

To do this, You must advise Us in writing. You will not receive a refund if You have made a claim under Your Policy.

About Your Policy

Insurance can cover You against certain risks that may cause You a loss or result in You incurring a liability, but it is important to realise that no insurance can cover everything. You may suffer a loss or incur a liability that is not covered by this Policy. You should read this Policy carefully to ensure that You understand what it covers and what it does not cover, and that it meets Your insurance needs.

This Policy has 10 Sections, each with a different type of cover available. The details of the types of cover available are set out in each Section of this Policy document. All of the covers in this Policy are subject to the General Provisions included in this Policy document.

There are four types of documents You need in order to understand Your policy cover:

- This Policy document.
- The application document You completed and signed when You requested this Policy.
- Your current Policy Schedule.
- Any other document from CGU indicating a change to Your cover.

Before You file Your Health Professional Plus Commercial Insurance Policy, please check that the details of these documents are correct and that they meet Your insurance needs. If You think anything should be changed, please inform Your insurance adviser immediately.

Privacy

We collect personal information from You for the purpose of providing You with insurance products and services, and processing and assessing claims. You can choose not to provide this information however, We may not be able to process Your requests.

We treat Your personal information with care. We will not release Your personal information to anyone other than another insurer or an insurance reference service or as permitted or required by law. In the event of a claim, We may disclose information to and/or collect additional information about You from investigators or legal advisers.

If You wish to update the information We hold about You, please contact Your insurance adviser.

General Insurance Code of Practice

CGU Insurance proudly supports the General Insurance Code of Practice.

The purpose of the Code is to raise standards of practice and service in the general insurance industry. The objectives of the Code are:

- to promote better, more informed relations between insurers and their customers;
- to improve consumer confidence in the general insurance industry;
- to provide better mechanisms for the resolution of complaints and disputes between insurers and their customers; and
- to commit insurers and the professionals they rely upon to higher standards of customer service.

Brochures on the Code are available from your nearest CGU office.

Our service commitment

We have adopted and support the Code and are committed to complying with it. Please contact Us if You would like more information about the Code.

How to resolve a complaint or dispute

1. Talk to Us first

If You have a complaint, the first thing You or Your insurance adviser should do is speak to one of Our staff. If Your complaint relates specifically to a claim, speak with the claims officer managing Your claim.

If the staff member or claims officer are unable to resolve the matter for You, You or Your insurance adviser may speak to a manager. The manager will usually provide You with a response to Your complaint within 15 days. If the timeframe is impractical for any reason such as the need for more information or further investigation, they will discuss with You alternative timeframes. If You are not satisfied with Our response or We cannot agree with You on alternative timeframes, You can go to step 2.

2. Seek a review

If the matter is still not resolved the manager will refer You or Your insurance adviser to the relevant dispute handling department or area who will conduct a review of Your dispute and will usually provide You with a response to Your dispute within 15 business days. If the timeframe is impractical, we will discuss with You alternative timeframes.

If You are still not satisfied with Our response to Your dispute or We cannot agree on alternative timeframes, You can go to step 3.

3. Seek an external review

You are entitled to seek an external review of Our decision. We will provide You with information about options available to You, including, if appropriate, referring You to the external dispute resolution scheme administered by the Financial Ombudsman Service Limited (FOS).

You will not be able to have Your dispute resolved by the FOS if You are not eligible under the FOS's Terms of Reference.

Further information about Our complaint and dispute resolution procedures is available by contacting Us.

Taxation information

This insurance is subject to GST. The GST amount will be specified in the Policy Schedule . If You are registered for GST purposes, You may be able to claim an input tax credit in respect of GST We collect from You. Details about the Goods and Services Tax in relation to a payment under this Policy are shown under 'Claims Procedure' section of this Policy.

Intermediary remuneration

CGU Insurance Limited pays remuneration to insurance intermediaries when We issue, renew or vary a policy the intermediary has arranged or referred to Us. The type and amount of remuneration varies and may include commission and other payments. If You require more information about remuneration We may pay Your intermediary, You should ask Your intermediary.

Health Professional Plus Commercial Insurance Policy

General Provisions

THE FOLLOWING GENERAL PROVISIONS APPLY TO ALL SECTIONS OF THIS POLICY DOCUMENT

Extract From The Insurance Contracts Act 1984

Under the terms of the Act, We must advise You about the following:

Your duty of disclosure

Before You enter into a contract of general insurance with an insurer, You have a duty, under the Insurance Contracts Act 1984, to disclose to the insurer every matter that You know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, on what terms.

You have the same duty to disclose those matters to the insurer before You renew, extend, vary or reinstate a contract of general insurance. Your duty however does not require disclosure of matter:

- that diminishes the risk to be undertaken by the insurer;
- that is of common knowledge;
- that Your insurer knows or, in the ordinary course of its business, ought to already know;
- as to which compliance with Your duty is waived by the insurer.

Non-disclosure

If You fail to comply with Your duty of disclosure, the insurer may be entitled to reduce its liability under the contract in respect of a claim or may cancel the contract.

If Your non-disclosure is fraudulent, the insurer may also have the option of avoiding the contract from its beginning.

IMPORTANT INFORMATION

1. Delay of Cover

We will not provide any cover, for a period of 48 hours from the time of the commencement of Your insurance, for Damage or loss caused by:

- a) bushfire or grassfire; or
- b) a named cyclone.

This Exclusion does not apply, however, if this insurance commences directly after:

- a) another insurance policy covering the same property expired, without a break in cover;
- b) You have entered into a contract of sale to purchase the property; or
- c) You have entered into a contract to lease the property.

2. Acceptance of the Application

This insurance will not be in force until the completed Application has been received by Us and the risk accepted by Us. We reserve the right to decline any Application.

3. Alterations to Your Business

To ensure continued cover under this Policy, it is important that You advise Us immediately of any changes to Your Business that may result in an increased chance of destruction, loss or damage to property insured or liability to third parties. Some examples of changes about which You should notify Us are:

- a) changes in Your name or directors or partners;
- b) changes to the address or location of Your Business;
- c) changes in the nature of Your Business or trade or occupation;
- d) alterations in construction of the premises;
- e) new business products not previously disclosed to Us.

When We receive notification of a change, We may decide to either:

1. adjust the premium or terms of the Policy, or
2. cancel the Policy in accordance with the provisions of the Insurance Contracts Act 1984.

4. Workers' Compensation

The insurances provided by this Policy do not include workers' compensation. It is compulsory for all employees to be insured for workers' compensation and separate cover should be arranged.

5. Payments by instalment

Under General Condition 7, if payment is to be made by instalments, then failure to pay any instalment for a period of 14 days or longer may result in Us refusing to meet any claim arising from an event occurring after the due date of the instalment. If the instalment is overdue for a period of one month or longer, We may cancel Your Policy without notice.

Our Agreement

The Policy wording, Schedule (which expression includes any Schedule substituted for the original Schedule) and endorsements (if any) are to be read together.

In return for You having paid or agreed to pay the premium to Us, subject to the terms, conditions, exclusions and limitations contained in, or endorsed on or otherwise expressed in this Policy or the Schedule, We will insure You to the extent described in this Policy during the Period of Insurance or any further period for which We may accept payment of the premium and indemnify You in the manner and to the extent described in this Policy.

You are insured for those items, including Variations and Extensions, for which a Sum Insured or Limit of Indemnity is shown in the Schedule or which are otherwise indicated in the Schedule as being operative. However:

1. the Sum Insured under any item is as shown in the Schedule or as otherwise expressed in the Policy;
2. where the insurance is varied or extended by any Additional Benefit, Special Clause, Variation and Extension or endorsement, the insurance provided by such Additional Benefit, Special Clause, Variation and Extension or endorsement is subject to the terms, conditions, exclusions and limitations of the Policy in so far as they can apply.

The Policy, Schedule and endorsements together form the agreement.

General Definitions

Business means the business described in the Schedule and no other.

Computer Virus means an executable program or computer code segment that is self-replicating, requires a host program or executable disc segment in which it can be contained, and which destroys or alters the host program or other computer code or data, causing undesired program or computer system operation.

Damage (with 'Damaged' having a corresponding meaning) means physical loss, damage or destruction. Damage does not mean loss caused by **Theft**.

Documents means written or printed: deeds, wills, agreements, manuscripts, maps, plans, drawings, records, computer data, designs, books of account, books, letters, certificates, documents or forms of any nature whatsoever (excluding any bearer bonds or coupons, Bank or currency notes, other negotiable instruments, book debts) all belonging to You, or in Your custody, or for which You are legally responsible or have assumed a responsibility to insure.

Excess means the sum shown in the Schedule, this Policy, or an endorsement to this Policy which You must pay in respect of each occurrence or event giving rise to a claim.

Where a claim or series of claims, that result from one original source or cause is made in respect of Sections 1, 2, 3, 4, and 8 Part A or any of them, the Excess applicable shall not be aggregated and the highest single level of Excess only shall apply.

Where a Sum Insured limit is provided under an Additional Benefit, the excess amount will be deducted from the claim before the Sum Insured limit is applied.

With respect to Section 5 - Broadform Liability, the Excess applies to all amounts for which we will be liable, including the indemnity provided by Additional Benefit 1 (Your Legal Costs), or any investigation costs associated with the claim.

Flood is when water from a river, creek, lake, swamp, watercourse, reservoir, dam or navigable canal (whether they are in their original state or have been modified), overflows, onto normally dry land. Water that escapes from an irrigation canal is not flood.

We also regard rainwater on Your property:

1. that cannot run off into a river, creek, lake, swamp, watercourse, reservoir, dam or navigable canal (whether they are in their original state or have been modified) because it is overflowing in flood; and/or
2. that mixes with the floodwater coming from the river, creek, lake, swamp, watercourse, reservoir, dam or navigable canal (whether they are in their original state or have been modified),

as water coming from a flood.

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

Period of Insurance means the Period of Insurance shown in the Schedule.

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

Pollution or **Contamination** means the discharge, dispersal, release or escape of Pollutants into or upon any property or land or into the atmosphere or any watercourse or body of water (including ground water).

Schedule means the Schedule to this Policy.

Situation means the Situation(s) shown in the Schedule.

Specified Items means property specifically described in the Schedule under Specified Items.

Theft means the dishonest appropriation of Property or Money belonging to You, with the intention of permanently depriving You of it.

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

We, Us, Our, Company means the insurance company named in the Schedule.

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

Other words may be defined within specific Sections that form part of this Policy. If so, they are shown under the heading of Definitions within that Section.

General Conditions

1. a) Your Duty

Our liability is conditional upon the following:

1. Payment of the premium

We will not pay any claim until You have paid the premium.

2. Notification of Changes

You must notify Us as soon as possible of any change materially varying any of the facts or circumstances existing at the commencement of this Policy or following any renewal of this Policy.

3. Reasonable Precautions

You must take all reasonable precautions to prevent destruction, loss or damage to property or bodily injury and comply and ensure that Your employees, servants and agents comply with, all statutory obligations and by-laws or regulations imposed by any public authority for the safety of property or person.

4. Observance of Policy Terms

You and any other person who may seek indemnity from Us, must observe the terms of this Policy.

b) Transfer of Interest:

No interest in this Policy can be transferred without Our written consent.

c) Our Rights of Conduct and Recovery

Subject to the provisions of the Insurance Contracts Act 1984, We have the right to recover or obtain contribution from any person against whom You may be able to claim, and We have the right to take action in Your name. We shall have full discretion in the conduct, defence or settlement of any claim.

You and any other person entitled to benefit under this Policy must not hinder these rights and must give all such information and co-operation as We may require.

2. Adjustment of Premium

If the first or renewal premium for the Policy or any Section or Part thereof is calculated on estimates furnished by You, then You will keep an accurate record containing all particulars relative thereto and will at any time allow Us to inspect such record. Even if the Policy is terminated or cancelled, You must, within 30 days after the expiry of each Period of Insurance, furnish to Us such particulars and information as We may require, and the premium for such period will then be adjusted and any difference paid by or allowed to You as the case may be, subject to receipt and retention of the minimum premium charged by Us.

3. Jurisdiction

Any dispute arising from this Policy will be determined by Australian courts, and in accordance with the laws of the State or Territory of Australia in which the Policy was issued.

4. Cancellation

a) Under Section 60 of the Insurance Contracts Act 1984, We may cancel this Policy or any Section at any time, by giving notice in writing to You of the date from which cancellation is to take effect, where You have:

1. failed to comply with Your duty of utmost good faith; or
2. failed to comply with Your duty of disclosure at the time when this Policy or any Section of the Policy was entered into, varied, altered, renewed or reinstated; or
3. made a misrepresentation to Us during the negotiations for this Policy, but before We agreed to issue this Policy; or
4. failed to comply with a provision of the Policy; or
5. failed to pay the premium for this Policy; or
6. made a fraudulent claim under this Policy, or any other contract of insurance (whether with Us or another insurer) that provided cover during any part of the Period of Insurance of this Policy; or
7. failed to comply with a requirement in this Policy that You notify Us of an act or omission which occurred after this Policy was entered into, or
8. failed to notify Us of any specific act or omission or failed to furnish such a notification as is required under the terms of this insurance Policy.

We may deliver such notice to You personally or by post at Your address last notified to Us.

- b) Under Section 60 of the Insurance Contracts Act 1984, We may cancel this Policy at any time where:
 - 1. it is in force by virtue of Section 58 of the Insurance Contracts Act 1984; or
 - 2. it is an interim contract of general insurance.
- c) You may cancel this Policy at any time by notifying Us in writing.
- d) After cancellation, We will refund the premium for the time remaining on the Policy, less any non-refundable duties, unless You have made a fraudulent claim.

5. Inspections

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

6. Joint Insurance

A claim made by any one of the people or entities named as the Insured in the Schedule is a claim made by all of the people or entities named as the Insured. Similarly, any statement, act or omission made by any person or entity named as the Insured in the Schedule is assumed to be made by all people or entities named as the Insured.

7. Payment by Instalments

If You are paying the premium by instalments:

- a) and an instalment is overdue for a period of fourteen (14) days or longer, any claim arising from an event occurring after the due date of the instalment may be refused;
- b) and an instalment is overdue for a period of one month or longer, We may cancel the Policy without notice;
- c) all outstanding instalments will be deducted from any total loss settlement.

General Exclusions

1. We will not be liable for any loss, damage, destruction or liability, caused by, or arising directly or indirectly from:

- a) war, invasion, act of foreign enemy, hostilities (whether or not war is declared), civil war, conspiracy, rebellion, revolution, insurrection, mutiny, or military or usurped power.
- b) any act/s of terrorism. For the purposes of this exclusion an act of terrorism means an act, which may include but is not limited to an act involving the use of force or violence and/or 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), which from its nature or context is done for, or in connection with, political, religious, ideological, or ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

In accordance with the Terrorism Act 2003, the above Terrorism Exclusion will not apply in respect of an act deemed by the Federal Treasurer to be a "declared terrorist incident".

Provided that, exclusion 1 (b) will not apply to Section 3 – Theft and Money, Section 4 – Glass and Section 9 – General Property.

- c) confiscation or nationalisation, or requisition or destruction of or damage to property by or under the orders of any government or public or local authority. However, this exclusion will not apply to damage that occurs as a result of such an order if it prevents or attempts to prevent fire or other damage covered by this Policy.
- d) or contributed to by, ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste. This exclusion will not apply to liability arising from the use of radioisotopes or radium or radium compounds, away from the place where they are made or produced and incidental to ordinary industrial, educational, medical or research pursuits.
- e) or contributed to by, nuclear weapons or nuclear weapons material.

Furthermore, any loss, destruction, damage, cost or expense of any nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing or suppressing, or in any way relating to 1(a), 1(b), 1(d) and 1(e) above, is also excluded from the Policy.

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

- (a) (1) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data and/or Software;
- (2) error in creating, amending, entering, deleting or using Electronic Data and/or Software; or
- (3) total or partial inability or failure to receive, send, access or use Electronic Data and/or Software for any time or at all, from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

Electronic Data means facts, concepts and information converted to a form useable for communications, display, distribution, interpretation, or processing by electronic or electromechanical data processing or electronically controlled equipment.

Software means programs, procedures and routines associated with the operation of electronic or electromechanical data processing or electronically controlled equipment, including any operating system.

- b) However, for all sections of the Policy or policies except those dealing specifically with public liability and/or products liability and/or machinery, in the event that a peril listed below (being a peril insured by this Policy but for this exclusion) is caused by any of the matters described in paragraph (a) above, this Policy, subject to all its provisions, will insure:
 - (1) physical loss of or damage or destruction to property insured directly caused by such listed peril; and/or
 - (2) consequential loss insured by this Policy.

Further, this exclusion does not apply in the event that a peril listed below (being a peril insured by this Policy but for this exclusion) causes any of the matters described in paragraph (a) above:

fire, lightning, thunderbolt, aircraft or other aerial devices or articles dropped therefrom, earthquake, tsunami, subterranean fire, volcanic eruption, storm, tempest, rainwater, snow, sleet, wind, hail, water, liquids or substances discharged, overflowing or leaking from fixed apparatus, fixed appliances, fixed pipes or other systems, riots, civil commotions, strikes or locked out workers or persons taking part in labour disturbances, explosion, impact by vehicles, animals or trees or branches of trees, communication masts, towers, antennae, satellite dishes, watercraft, meteorites, or theft of Electronic Data and/or Software solely where such theft is accompanied by theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing such Electronic Data and/or Software.

However, this exclusion does not apply to any section of the Policy dealing specifically with glass.

3. We will not be liable for any destruction, loss or damage intentionally caused or liability intentionally incurred by:
 1. You; or
 2. any person(s) acting with Your express or implied consent.
4. There is no insurance under this Policy in respect of any claim of whatsoever nature which consists of or arises directly or indirectly out of or in connection with the failure or inability of any:
 - (a) electronic circuit, microchip, integrated circuit, microprocessor, embedded system, BIOS or other instruction set, hardware, software, firmware, program, computer, data processing equipment, telecommunication equipment or systems, or any similar device; or any
 - (b) media or systems used in connection with any of the foregoing,

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

- i) anything referred to in (a) or (b) recognising, using or adopting any date, day of the week or period of time, otherwise than as, or other than, the true or correct date, day of the week or period of time; or
- ii) the operation of any command or logic that has been programmed or incorporated into anything referred to in (a) or (b) above.

This special exclusion will not exclude any claim for subsequent loss or destruction of or damage to any property or consequential loss which is solely and directly caused by a Defined Contingency (as defined hereunder), arising under Sections 1, 2, 3 — Part B, 4, 8 and 9 of this Policy but only to the extent that such claim would otherwise be insured under those Sections.

This special exclusion does not apply in respect of Section 3 — Part A of this Policy.

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

5. We will not provide any cover, for a period of 48 hours from the time of the commencement of your insurance, for Damage or loss caused by:
 - a) bushfire or grassfire; or
 - b) a named cyclone.This Exclusion does not apply, however, if this insurance commences directly after:
 - a) another insurance policy covering the same property expired, without a break in cover;
 - b) You have entered into a contract of sale to purchase the property; or
 - c) You have entered into a contract to lease the property.

Claims Procedure

General — All Sections

Note: Failure to forward to Us any Writ or Summons served upon You within the time stipulated may result in Us refusing to indemnify you.

1. As soon as possible after the happening of any occurrence, accident or event that may give rise to a claim against Us, You or Your legal representative must:
 - a) advise details to Us, and then send written confirmation within 30 days.
 - b) take all reasonable steps to minimise the loss, damage or liability, and to prevent any further loss, damage or liability.

We will not be liable in respect of any further damage arising out of the continued use of damaged property, until such property is repaired to Our satisfaction.

- (c) use best endeavours to preserve any damaged or defective appliances, plant or things that might prove necessary or useful by way of evidence in connection with any claim and, so far as possible, with due regard for safety, no alteration or repair shall be made without Our consent.
- (d) retain all damaged property for inspection by Us.

- (e) advise the nearest Police Station in the case of property lost, stolen or vandalised, and obtain a written Police report if requested by Us.
 - (f) advise Us of any impending prosecution or inquest.
 - (g) forward to Us every communication, Writ or Summons within 72 hours of receipt by You or service upon You.
2. Where a claim arises, You must not authorise repairs to, or arrange replacement of, any of the property relevant to the claim without Our consent other than as provided for under 1(c) above.
 3. Subject to the provisions of the Insurance Contracts Act 1984, You, or any person making a claim under this Policy, must not make any admission of liability or payment or promise or offer of payment in connection with any such claim, without Our written consent.
 4. At Your own expense, You will furnish Us with such books of account and other business books, computer records, vouchers, invoices, balance sheets, and other documents, proofs, information, explanations and other evidence together with a statutory declaration as We may require for the purpose of investigating or verifying a claim under this Policy and You and Your accountants must co-operate fully in this regard.
 5. You, or any other person entitled to claim under this Policy, must furnish Us with a statement giving details of other insurances that may also provide cover on any property or liability hereby insured.
 6. If We agree to indemnify You under any Section of this Policy in respect of a claim, We will make progress payments to You on account of that claim at such intervals and for such amounts as may be mutually agreed.
 7. Where We make a payment under this Policy for the acquisition of goods, services or other supply, We will reduce the amount of the payment by the amount of any input tax credit that You are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999, in relation to that acquisition, whether or not that acquisition is actually made.

Where We make a payment under this Policy as compensation instead of payment for the acquisition of goods, services or other supply, We will reduce the amount of the payment by the amount of any input tax credit that You would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 had the payment been applied to acquire such goods, services or other supply.

Section 1 Property

Introduction

This Section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the General Provisions of the Policy and in the Schedule.

Cover

We will indemnify You for Damages caused by Fire and Perils or Accidental Damage to property Insured, whilst at the Situation.

Limitations

Our total liability for all Damage arising during any one Period of Insurance or for any loss for which a claim would be payable under this Section arising out of one event or series of events directly or indirectly from one source or original cause, will not exceed, for each item specified in the Schedule, the Sum Insured shown in the Schedule for that item. In addition, We will also pay other amounts as provided for under Additional Benefits.

Definitions

In this Section:

Accidental Damage means Damage to property Insured but does not include Damage,

(a) caused by, or as a consequences of:

- (1) Fire and Perils. Anything that is specifically excluded under Fire and Perils is also excluded from this cover.
- (2) breakage of Glass.
- (3) fraudulent misappropriation, embezzlement, fraud and dishonest acts committed by You or by any of Your employees action alone or in collusion with any other person or persons, forgery, erasure, counterfeiting.
- (4) (a) unexplained inventory shortages or disappearances resulting from accounting or clerical errors.
(b) shortage in supply or delivery of materials to You.
(c) loss induced by trickery.
- (5) unloading on delivery to, or loading prior to dispatch from, the Situation.
- (6) (a) incorrect siting of Buildings as a result of error in architectural design or specification, faulty workmanship or non-compliance with the requirements of any Government, Local Government or Statutory Authority.
(b) demolitions ordered by Government, Public or Local Authorities as a result of Your failure or the failure of Your agents to comply with any lawful requirement.
- (7) erosion, subsidence, landslide, collapse or any other movement of earth.
- (8) testing, intentional overloading or experiments of any kind.
- (9) faults or defects known to You or to 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, renewed or reinstated.
- (10) welding, grinding, cutting, drilling or shaping, or the application of tools to the property.
- (11) faulty packing or storage.
- (12) inherent defect, inherent vice, latent defect, or disease.
- (13) mechanical, hydraulic, electrical or electronic breakdown, failure, malfunction or derangement of any nature.
- (14) fusion of any nature. However, this exclusion will not apply to electric motors under 1.8 Kilowatts (2.5 horse power) where the loss or damage is caused by actual burning out by the electric current therein.
- (15) moths, termites, other insects, vermin, rust or oxidation, mould, mildew, fungus, wet or dry rot, corrosion, change of colour, dampness, variations in temperature, evaporation, change in flavour texture or finish, stain or smoke from industrial operations.
- (16) Pollution or Contamination unless it is sudden and unforeseen.
- (17) wear and tear, fading, scratching or marring, gradual deterioration, developing flaws, normal upkeep or making good.
- (18) error or omission in design, plan or specification, or failure of design.
- (19) normal settling, seepage, shrinkage or expansion in Buildings or foundations, walls, pavements, roads, and other structural improvements, creeping, heaving, vibration.
- (20) faulty materials or faulty workmanship.
- (21) kidnapping, bomb threat, threat of contamination, hoax, extortion or any attempt at any of these.
- (22) the gaining of access by any person other than You or Your employees to Your computer system via data communication media.
- (23) Computer Virus.

(24) legal liability of any nature other than as provided for herein.

(25) consequential loss of any kind.

The above exclusions 8, 10, 13, 14, 15, 17, 18, 19, 20 and 23 of this cover shall be limited to the item, appliance, unit or machine immediately affected and shall not extend to Damage to other property that would otherwise be covered under this Section.

(b) (1) to, or Theft of, Money and negotiable securities.

(2) to property undergoing any process where the Damage results from its being processed.

Buildings means the property belonging to You or for which You are legally responsible, or for which You have assumed a responsibility to insure, described below.

1. The building together with outbuildings, foundations, annexes and gangways.

2. Structural improvements including:

(a) fixtures, lifts, elevators, escalators and equipment all permanently fixed and non- portable.

(b) paths, driveways, car parks, driveway aprons, terraces, walls, gates, fences, letterboxes, signs, exterior lights, masts, antennae and aerials, storage tanks including fixed attachments and fixed accessories thereof.

(c) swimming pools, saunas and spas, all permanently fixed including fixed attachments and fixed accessories thereof.

3. Materials and supplies intended for use in the construction, erection, repair of, or alteration and addition to, the building to an amount not exceeding ten per cent (10%) of the Sum Insured on Buildings, or \$100,000, whichever is the lesser.

4. Pipes, ducts, wires, cables, meters, and switches used in connection with the provision of lighting, heating, cooling, communication, water supply, drainage, sewerage and other services.

5. (a) Room heaters, stoves, air-conditioners, fans, light fittings and hot water services, all permanently fixed and non-portable.

(b) Other fixed (non-portable) apparatus or appliances attached to the gas, plumbing, drainage or sewerage system, or to the electrical system (other than by means of a flexible or tensile cord to a power point).

8. Exterior blinds, awnings and shade sails.

9. Fixed coverings to walls, floors and ceilings but excluding fixed carpets other than landlord's fixed carpets.

10. Fire extinguishment equipment or electronic surveillance equipment installed in or on the building.

Buildings undergoing demolition are not included.

Computers means electronic data processing equipment including software programs.

Contents means the items belonging to You or for which You are legally responsible, or have assumed a responsibility to insure, described below.

1. Furniture, furnishings, carpets, curtains, internal blinds.

2. Machinery, machinery foundations, settings and beddings, plant, tools, instruments and utensils of trade, non-fixed or portable equipment, office equipment, safes, strongrooms, fire extinguishment equipment and electronic surveillance equipment.

3. Computers, all equipment connected to and operating from Computers, and all disks, tapes, cards or other materials used for storing data.

4. Advertising material and display equipment.

5. (a) Documents, but only for their value as stationery.

(b) Patterns, models, moulds, designs.

(c) Unused books, books of reference, stationery.

6. (a) Paintings, curios, works of art, tapestries, Persian and similar rugs or carpets to an amount not exceeding \$5,000 any one item, pair, set or collection,

(b) Jewellery, furs, stamp or coin collections to an amount not exceeding \$2,000 any one item, pair, set or collection, unless the item, pair, set or collection is insured for a separate sum as a Specified Item.

If an item forms part of a pair, set or collection, the value of the entire pair, set or collection is to be considered in determining the value of any item alone.

7. Money and negotiable securities to an amount not exceeding ten per cent (10%) of the Sum Insured on Contents, or \$50,000, whichever is the lesser.

8. Plants, shrubs and trees whilst in the Buildings to an amount not exceeding \$2,500 any one item.

9. Where You are a tenant of leased or rented premises:

(a) landlord's fixtures and fittings other than breakage of glass for which You are liable under the terms of a lease or similar agreement;

(b) fixtures and fittings, or materials and supplies intended for use in the construction of fixtures and fittings, installed or to be installed for Your own use.

10. Stock

But Contents does not include:

1. Specified Items.
2. (a) watercraft, aircraft, registered mobile plant, motor vehicles, motorcycles, trailers or caravans, including accessories, tools and spare parts whilst attached to or within the watercraft, aircraft, registered mobile plant, motor vehicle, motorcycle, trailer or caravan.
(b) any living creature or organism, except laboratory cultures.
(c) growing crops and pastures.
(d) plants, shrubs and trees growing in the open air; other than as provided for under Additional Benefit 17.
(e) bullion, precious metals or unset precious stones.
(f) Money belonging to the owners, partners, proprietors, directors or employees of Your Business, unless insured as Specified Items.

Debris means the residue of Damaged Property Insured excluding any material which is itself a pollutant or contaminant and which is deposited beyond the boundaries of the Situation.

Damage (with 'Damaged' having a corresponding meaning) means physical loss, damage or destruction but not Theft.

Fire and Perils means,

1. (a) fire resulting from explosion or otherwise, but excluding spontaneous combustion, fermentation, heating or any process involving the direct application of heat. This exclusion shall be limited to the item or items immediately affected and shall not extend to other property Damaged as a result of such spontaneous combustion, fermentation, heating or any process involving the direct application of heat.
(b) lightning or thunderbolt.
(c) attempts by civil authorities to prevent the spread of fire.
2. impact by aircraft or other aerial devices or articles dropped therefrom, sonic boom.
3. earthquake, subterranean fire, volcanic eruption, tsunami (subject to the Excess imposed by Special Clause 2 of this Section).
4. storm, tempest, rainwater, snow, sleet, wind, hail, but not Damage caused:
 - (a) by water from or action of the sea, tidal wave, storm surge, high water, Flood.
 - (b) to gates, fences, retaining walls, exterior natural textile awnings or blinds including shade cloths, shades, shade sales, plastic awnings and blinds, which exceed \$20,000 in respect of any one Occurrence for loss or damage other than those manufactured in shade cloth.
 - (c) to property in the open air unless such property is a permanent structure designed to function without the protection of walls or roof.
 - (d) by erosion, subsidence, landslide, collapse or any other movement of earth.
 - (e) by water seeping, percolating or otherwise penetrating into the building as a result of structural defects, faulty design or faulty workmanship in the construction.
 - (f) by water entering the Buildings through an opening in the wall or roof made for the purpose of alterations, additions, renovations, or repairs.
5. water, liquids or substances discharged, overflowing or leaking from fixed apparatus, fixed appliances, fixed pipes or other systems.
6. riots, civil commotions, strikes or locked out workers or persons taking part in labour disturbances or whereby Damage occurs as a result of vandalism by persons not being tenants (including damage or destruction to property caused by theft or any attempt thereat) or any lawfully constituted authority in connection with the foregoing acts but not:
 - (a) cessation of work whether total or partial;
 - (b) cessation, interruption, or retarding, of any process or operation as a direct result of strikes, labour disturbances or locked out workers.
7. explosion:
 - (a) but not Damage to Pressure Equipment or the contents of Pressure Equipment, resulting from its own explosion, other than:
 - (b) where the Damage is to:
 - (1) boilers used for domestic purposes only; or
 - (2) Pressure Equipment and the contents of the Pressure Equipment with a value less than \$15,000 in total for any one event.
8. impact by:
 - (a) vehicles designed primarily for use on land.
 - (b) animals, but not Damage by eating, chewing, clawing or pecking by animals or birds.
 - (c) trees or branches of trees. This cover includes the reasonable costs associated with the removal and disposal of the tree or branches which caused the Damage.

- (d) communication masts, towers, antennae or satellite dishes.
- (e) Watercraft.
- (f) Aircraft and other aerial devices.
- (g) meteorites and other space debris.
- (h) a falling building or other structure or part thereof.

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

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

Pressure Equipment means those parts of the permanent structure of a boiler, pressure vessel, economiser and superheater and attaching pipe systems that are subject to steam, gas or fluid pressure or vacuum, all belonging to You or for which You are responsible or have assumed a responsibility to insure.

Property Insured means the property shown in the Schedule under this Section.

Removal of Debris means,

1. the removal, storage and disposal of Debris and of any thing that caused insured Damage, from the Situation.
2. the removal, storage and disposal of Debris from premises, roadways, services, railways or waterways owned by any other person or entity, where You are liable at law to remove, store or dispose of such Debris as a result of insured Damage, together with the cost of cleaning up, but provided that such liability has not arisen as a result of any agreement made by You unless liability would have attached in the absence of such agreement.
3. the demolition, dismantling, shoring up, propping or underpinning of Property Insured or the carrying out of other temporary repairs to Property Insured as a result of insured Damage.
4. the demolition and removal of Property Insured that is necessary for the purpose of repair or replacement as a result of insured Damage.

Rent means,

1. the amount receivable by You in accordance with a lease or agreement existing at the time of Damage to the Buildings; or
2. the amount at reasonable market value payable by You for alternative accommodation where at the time of Damage to the Buildings, the Buildings are occupied wholly or in part by You.

Stock means the items belonging to You or for which You are legally responsible, or have assumed a responsibility to insure, described below:

1. Products and material You intend to sell
2. Raw or consumable materials used by You to make or alter Your products
3. Your products while being made, repaired or altered
4. Any consumable products or materials used in Your Business
5. Goods for which You are responsible.

Additional Benefits

Following a claim under this Section for which We have agreed to indemnify You, the insurance is extended to include:

1. Architects', Surveyors' and Legal Fees

Where the Sum Insured is not otherwise exhausted the insurance under this Section is extended to include legal fees, fees of architects, surveyors and consulting engineers, and salaries of clerks of works for estimates, plans, specifications, quantities, tenders and supervision, necessarily incurred in the reinstatement or repair of the Buildings, Contents and Specified Items insured as a result of such Damage, but not costs, fees or other expenses for preparing a claim made under this Section.

2. Reinstatement of Sum Insured

Following a claim under this Section other than a claim for total loss, whether actual or constructive total loss, We will reinstate the Sum Insured from the date of loss, provided You pay or agree to pay any additional premium that may be required by Us.

3. Floor Space Ratio Index (Plot Ratio)

If an insured Building is Damaged in circumstances for which a claim is payable under this Section and if the cost of reinstatement is more than fifty per cent (50%) of the cost that would be required for reinstatement if the Building had been totally destroyed, and if reinstatement is only legally permissible with a reduced floor space ratio index, We will pay, in addition to any other amount payable on reinstatement of the Building (including the extra cost payable under clause 1(b) of Settlement of Claims), the difference between the actual cost of reinstatement incurred in accordance with the reduced floor space ratio index and the cost of reinstatement that would have been incurred had a reduced floor space ratio index not been applicable.

4. Undamaged Foundations

Where a Building or an installation constructed on its own foundations is Damaged in circumstances for which a claim is payable under this Section but its foundations are not destroyed and, due to legal requirements, reinstatement of the Building has been carried out upon another site, the abandoned foundations shall be considered as having been destroyed.

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

5. Change in Description

If You:

- (a) change Your processes or machinery;
- (b) make structural changes to Buildings, Contents or Specified Items,

We will hold you covered for 30 days from the date the changes are commenced.

The most We will pay under this Additional Benefit is \$50,000.

You must notify Us of the change within 30 days of the change and at that time We will decide to:

- (a) charge an additional premium;
- (b) alter the terms of the Section; or
- (c) cancel the Policy if We are entitled to do so.

6. Rewriting of Records

If insured Contents are Damaged in circumstances for which a claim is payable under this Section, the reasonable costs associated with the rewriting, reconstructing and restamping of Your records and books of accounts. The most We will pay under this Additional Benefit is ten per cent (10%) of the Contents Sum Insured.

7. Rewriting of Documents

The cover provided for Rewriting of Documents is hereby extended to anywhere in Australia, whilst in Your possession or in the possession of any other party with whom such Documents have been entrusted, lodged or deposited by You in the ordinary course of business, having been Damaged, lost, mislaid or stolen, and which, after a diligent search cannot be found.

8. Capital Additions

Cover for Property Insured at any one situation is extended to include any alterations and additions to Buildings, Contents, and Specified Items to an amount not exceeding twenty per cent (20%) of the total Sum Insured on Buildings, Contents and Specified Items or \$500,000, whichever is the lesser.

9. Discharge of Mortgage(s)

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

When the Sum Insured is exhausted, in respect of the discharge of a mortgage on Buildings only, We will pay up to ten per cent (10%) of the total Sum Insured on Buildings, following settlement of a claim on the basis of a total loss, whether actual or constructive total loss.

10. Fire Extinguishment Costs

Costs and expenses, including wages of Your employees, up to \$25,000 necessarily and reasonably incurred:

- (a) (1) in extinguishing fire at or in the vicinity of, and threatening to involve; or
(2) in preventing or diminishing imminent Damage to; or
(3) in gaining access consequent upon Damage to,
the Property Insured.
- (b) in the replenishment of fire-fighting appliances and apparatus.
- (c) for the purpose of shutting off the supply of water or other substances that are accidentally discharged from any fire protective equipment or otherwise.
- (d) in the Removal of Debris from the Situation by Fire Brigade Services.
- (e) for which you are liable under any Fire Brigade Act or similar legislation following circumstances described in (a) above.

Payment under this Additional Benefit is not dependent on Damage to Property Insured.

11. Removal of Debris

Where the Sum Insured is not otherwise exhausted the insurance under this Section is extended to include the reasonable costs associated with the Removal of Debris.

12. Clothing, Tools and Personal Effects

Clothing, tools and personal effects (excluding Money), not otherwise insured, belonging to Your social clubs, or belonging to the owners, partners, proprietors, directors or employees of Your Business whilst at the Situation up to an amount not exceeding \$5,000 for any one person.

13. Temporary Protection and Security Guard

We will pay the reasonable costs and expenses necessarily incurred for temporary protection and for employment of security guards to safeguard the Property Insured pending repair or replacement consequent upon Damage for which a claim is payable under this Section. If the Sum Insured has otherwise been exhausted, the most We will pay under this Additional Benefit is \$25,000.

14. Temporary Removal

Cover is extended to include Contents and Specified Items whilst temporarily removed from the Situation to anywhere in Australia, including whilst in transit, but excluding:

- (a) theft from a vehicle, unless consequent upon forcible and violent entry into the vehicle;
- (b) theft of property in the open air;
- (c) Money;
- (d) Contents or Specified Items that have been removed for a period in excess of ninety (90) days without Our written agreement to continue cover.

This Additional Benefit applies whether or not You already have a claim under this Section, for which We have agreed to indemnify You.

The most We will pay under this Additional Benefit is twenty per cent (20%) of the total Sum Insured on Contents.

15. Exploratory Costs

The reasonable cost of identifying and locating the source of the Damage for which a claim is payable, where such Damage is caused by discharge, overflowing or leakage from fixed apparatus, fixed appliances, fixed pipes or other systems used to hold or carry liquid of any kind but We will not pay for the repair or replacement of such apparatus, appliances, pipes or other systems that give rise to the Damage. The most We will pay under this Additional Benefit for any one event is \$25,000.

16. Government Fees

Any fee, contribution or other impost payable to any government, local government or other statutory authority, incurred by You because payment of such fee, contribution or impost is a condition precedent to the obtaining of consent to repair or replace any Buildings insured under this Section. We shall not be liable for payment of any fine or penalty imposed by such authorities. The most We will pay under this Additional Benefit for any one event is \$10,000.

17. Landscaping

The cost of repairing Damage to landscaping caused by Fire and Perils, excluding Fire and Perils definition 4 (storm, tempest, rainwater, wind, snow, sleet and hail) and Accidental Damage. Landscaping includes trees, shrubs, plants and lawn.

The most We will pay under this Additional Benefit for any one event is \$10,000.

18. Loss of Land Value

If the requirements of any statute or regulation or any municipal or statutory authority do not allow rebuilding, or only allow partial rebuilding at the Situation, We will also pay the difference between:

- (a) the land value after such rebuilding; or
 - (b) the land value after it has been determined that rebuilding is not possible,
- and the land value before the Damage.

The most We will pay under this Additional Benefit is ten per cent (10%) of the Sum Insured for Buildings at the Situation where the Damage occurred, or \$100,000, whichever is the lesser, less any sum paid by any authority to You by way of compensation.

19. Locks and Keys

If keys are stolen, or there are reasonable grounds to believe that the keys have been stolen and duplicated, We will:

- (a) pay for the keys and locks to be replaced and the reasonable and necessary cost to have the security restored to the same level of security as existed immediately prior to the loss; and
- (b) indemnify You in respect of the cost of temporary protection reasonable and necessary for the safety and protection of the Money insured, pending restoration of the security.

The most We will pay under this Additional Benefit is \$5,000 for any one event. If Additional Benefit 6 under Section 3 — Money is operative, the limits will not be aggregated.

Unless otherwise stated, Additional Benefits are not subject to the application of the Underinsurance/ Average clause in this Section.

20. Catastrophe Escalation Cost

If:

- (a) any of Your Buildings are destroyed or damaged by any event insured against by this cover section,
- and
- (b) We classify such destruction or damage as a total loss; and
 - (c) the event giving rise to the destruction or damage has resulted in any competent authority declaring a state of emergency affecting the area in which Your Building is situated;

We will:

- (d) increase the sum insured applicable to such Buildings under this cover section by up to 20% provided that Your Building is rebuilt, and

- (e) increase the amounts payable under the 'Capital Additions' (relating to Buildings only) and 'Temporary Protection and Security Guards' Additional Benefits of this cover section by 20%;

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

Provided that:

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

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

Variation and Extension

Cover only applies if shown in the Schedule

1. Flood

The word Flood is hereby deleted from the Definition of Fire and Perils 4(a).

2. Underinsurance / Average

Special Clause 1: Underinsurance/Average is deleted for Buildings at the Situation (s) nominated in the Schedule for this clause to apply. If no Situation (s) is nominated, this clause will apply to all Situation (s) shown on the Policy Schedule.

If no Situation(s) is nominated, this clause will apply to all situation (s) shown in the Policy Schedule.

Furthermore, in the event of Loss or Damage which exceeds the sum insured at a situation to which this clause applies, the Sum Insured will increase by up to 20% to represent Full Insurable Value.

3. Right Cover

Special Clause 1: Underinsurance/Average is deleted for the situation(s) nominated in the Schedule for this clause to apply.

If no Situation(s) is nominated, this clause will apply to all situation (s) shown in the Policy Schedule.

Furthermore, in the event of Loss or Damage which exceeds the sum insured at a situation to which this clause applies, the Sum Insured will increase by up to 20% to represent Full Insurable Value.

Settlement of Claims

For the purpose of these Settlement of Claims clauses:

Replacement Cost means the cost necessary to replace, repair or rebuild the Property Insured to a condition substantially the same as but not better or more extensive than its condition when new.

Indemnity Value refer to Definition in the General Provisions.

In the event of a claim for:

1. Buildings, Contents or Specified Items, other than as specified in clauses 2, 3, 4, 5, 6 and 7 below,

- (a) where the Schedule indicates that Replacement Cost applies, the amount payable will be the Replacement Cost.

This is subject to the following conditions:

1. The work of rebuilding, or replacing, or repairing, or restoring (which may be carried out upon another site and in any manner suitable to Your requirements, but subject to Our liability not being thereby increased) must be commenced and carried out with due diligence, failing which We will not be liable to make any payment beyond the amount that would have been payable had Replacement Cost not been shown in the Schedule.
2. Where Buildings, Contents or Specified Items are Damaged in part only, Our liability will not exceed the sum representing the Replacement Cost which We would have been called upon to pay if the Buildings, Contents or Specified Items had been wholly destroyed.
3. No payment beyond the amount which would have been payable under Settlement of Claims clause 1(c) will be made until a sum equal to the Replacement Cost has actually been incurred.

- (b) Where the Schedule indicates that Extra Cost of Replacement applies, We will also pay the extra cost of replacement, including any demolition or dismantling of the Buildings, Contents or Specified Items, incurred to comply with the requirements of any lawful authority.

This is subject to the following conditions:

- (1) The work of reinstatement (which may be carried out wholly or partially upon another site if the lawful authority so requires, but subject to Our liability not being thereby increased) must be commenced and carried out with due diligence, failing which We will not be liable to make any payment beyond the amount that would have been payable under Settlement of Claims clause 1(c).
- (2) The amount payable will not include the additional cost incurred in complying with requirements of any lawful authority, or requirements with which You had been duly required to comply prior to the happening of the event causing the Damage.
- (3) Underinsurance/Average will not be applied to the amount recoverable under this clause 1(b).

- (4) If the cost of reinstatement, repair or replacement is less than fifty per cent (50%) of the Full Insurable Value of the Buildings, Contents or Specified Items, the amount payable under this clause 1(b) is limited to the extra cost necessarily incurred in reinstating the Damaged portion only.
- (c) Where the Schedule does not indicate that Replacement Cost or Extra Cost of Replacement apply, We will, at Our option,
- (1) reinstate, replace or repair Buildings, Contents or Specified Items insured or any part thereof, subject to an allowance for age, condition and remaining useful life; or
 - (2) pay the cost of such reinstatement, replacement or repair of such Buildings, Contents or Specified Items to a condition substantially the same as but not better or more extensive than its condition at the time of the Damage, taking into consideration age, condition and remaining useful life, but We will not be liable to make any payment until the cost of reinstatement, replacement or repair is actually incurred; or
 - (3) pay You the cost of such reinstatement, replacement or repair whichever is less; or
 - (4) pay You the Indemnity Value of such Buildings, Contents or Specified Items at the time of the Damage.

2. **Stock**, We will pay:

- (a) in the case of raw materials, supplies and other merchandise not manufactured by You, the cost of replacement calculated at the time and place of replacement, provided that replacement shall have been carried out with reasonable dispatch, or if not replaced, the original cost to you of such property or the Indemnity Value, whichever is the lesser.
- (b) in the case of materials in process of manufacture, the cost of replacement of the raw materials and the cost of labour and other overhead charges expended on them, calculated at the time and the place of the Damage.
- (c) in the case of finished goods:
 - (1) the cost of replacement of the raw materials and the cost of labour and other overhead charges expended on them, without any allowance for profit, calculated at the time and place of the Damage; or
 - (2) the cost of restocking such goods within a reasonable time;
 whichever is the lesser.

3. **Rewriting of Documents**, We will pay:

- (a) the reasonable costs necessarily incurred in reinstating, replacing, reproducing or restoring Documents including information thereon or therein but excluding the value to You of that information or the costs incurred in the reinstatement of computer data; or
- (b) if You so request, the current cost of replacement of materials as blank stationery, but excluding the value to You of the information on the Documents.

We will not be liable for reinstatement of electronic data stored or created more than thirty (30) days before the date of the loss, if such data has not been backed up and stored away from the computer site.

4. **Rent lost or payable**, We will pay:

- (a) the Rent lost by You for such period as the Buildings (or proportionally in the case of any part thereof) are untenable; or
- (b) where the whole or any part of the Buildings are occupied by You, the Rent payable by You at reasonable market value for such period as the Buildings (or proportionally in the case of any part thereof) are untenable,

less the amount of any charges saved in relation to maintaining the Buildings in a tenable condition (such as wages of caretaker, cost of power, lighting).

The period for which We will pay You for Rent lost or payable will not exceed the number of months shown in the Schedule.

This is subject to the following conditions:

- (1) due diligence is used in the repair or reconstruction of the Buildings.
- (2) if, due to any cause, repair or reconstruction of the Buildings is delayed, the amount payable will be determined by the time which would have sufficed for the purpose had due diligence been used.

5. **Removal of Debris**, We will pay the reasonable costs necessarily incurred.

6. **Buildings awaiting demolition**, We will pay You the salvage value of the Damaged Building materials and landlord's fixtures and fittings.

7. **Electric Motors**, in the event that electric motors:

- (a) under 1.8 kilowatts (2.5 horse power); and
- (b) forming part of Buildings or Contents insured under this Section;

burn out due to the electric current therein, We will pay the cost of replacing or repairing the motor, subject to allowance for wear, tear and gradual deterioration, calculated as follows:

- (a) where the age of the motor is less than 3 years, no deduction will be made for wear, tear and gradual deterioration;
- (b) where the age of the motor is 3 years or more, the deduction for wear, tear and gradual deterioration shall be ten per cent (10%) of the cost of replacement or repair, whichever is applicable, for each year of age. The maximum amount of deduction shall not exceed ninety per cent (90%).

Exclusions

1. Unattended Situations

We will not pay any claim where Premises at the Situation have become unattended and have remained so for any period of more than sixty (60) consecutive days, unless Our written agreement to continue cover has been obtained.

2. Pressure Equipment

We will not be liable for Damage to Property caused by explosion of Pressure Equipment, if at the time of such explosion:

- (a) the load on the safety valve upon the particular Pressure Equipment was in excess of the manufacturer's specification;
- (b) any safety valve limiting the pressure was removed or rendered inoperative;
- (c) the particular equipment was not certified in accordance with the applicable pressure equipment inspection regulations;
- (d) such equipment is operated in an unsafe condition;
- (e) such equipment does not comply with Australian Standards, codes or laws; or
- (f) an inspection by a competent person has not been carried out in accordance with the applicable Australian Standards, codes or laws.

3. In respect of Pressure Equipment:

We will not pay any increase in the cost of repair or replacement necessitated by compliance with any ordinance or law regulating repair, alterations, construction, installation or operation of the insured boilers, economisers, or vessels under pressure.

Special Clauses

1. Underinsurance/Average

In the event of Damage that is insured under this Section, We will not be liable for more than that proportion of the Damage that:

- (a) **in respect of Buildings, Contents, Stock and Specified Items**, the Sum Insured on Buildings, Contents, Stock and Specified Items at the Situation bears to eighty per cent (80%) of the Full Insurable Value of such Buildings, Contents, Stock and Specified Items;
- (b) **in respect of Rent**, the Sum Insured on Rent at the Situation bears to eighty per cent (80%) of the amount of Rent for the period specified in the Schedule,

at such Situation at the time of the Damage.

Conditions:

- (1) Our liability is limited to the Sum Insured at the Situation as shown in the Schedule.
- (2) This clause will not apply if the amount of any Damage does not exceed ten per cent (10%) of the Sum Insured at the Situation.

Example: Item value \$200,000

80% of value = \$160,000

Sum Insured \$144,000

Therefore, if a \$100,000 loss occurs, we would pay

$$\frac{\$144,000}{\$160,000} \times \$100,000 = \$90,000$$

We would pay \$90,000 (less any excess)

2. Earthquake, Subterranean Fire, Volcanic Eruption Excess

An Excess of \$20,000 or one per cent (1%) of the total Sum Insured at the Situation, whichever is the lesser, applies in respect of Damage to property caused by earthquake, subterranean fire, volcanic eruption, tsunami, or fire occasioned by or happening through or in consequence of earthquake, subterranean fire or volcanic eruption or tsunami, occurring during any period of 72 consecutive hours.

3. Branded Goods

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

4. Release Clause

Without prejudicing Your position under this Section, You may release any railways, statutory governmental, semi-governmental or municipal authority from any liability if required by any contract to do so.

5. Leased Building Clause

Without prejudicing Your position under this Section, You may 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.

6. Storage Premises

Without prejudicing Your position under this Section, You may enter into a contract that includes a disclaimer clause in relation to the storage of goods or merchandise.

Special Condition

Sprinkler Installations

1. This Special Condition applies to any property being Property Insured in which an automatic sprinkler system is installed and which is owned by You or where You are responsible for the operation or maintenance of the automatic sprinkler system.
2. You shall ensure that the property is protected as required by law by an approved installation of automatic sprinklers, automatic external alarm signal and automatic alarm signal connected with a Fire Brigade Station or other legally approved monitoring organisation.
3. You shall exercise due diligence to ensure that any system and alarm signal are at all times maintained in good working order.
4. It is a condition of this insurance that such system will be regularly maintained in accordance with Australian Standard AS1851 (Part 3).
5. Any alterations or additions to the automatic sprinkler installation must be notified by You, to Us, in writing as soon as reasonably practicable.

Claims Procedure

Please refer to the Claims Procedure in the General Provisions of this Policy for details of Your obligations in the event of a claim.

Section 2 Business Interruption

Introduction

This Section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the General Provisions of the Policy and in the Schedule.

Cover

If the Business carried on by You is interrupted or interfered with as a result of Damage occurring during the Period of Insurance, to:

1. Property insured under any of the following Sections of this Policy:

- (a) Section 1 — Property; or
- (b) Section 3 — Part A - Theft and Part B - Money; or
- (c) Section 4 — Glass; or
- (d) Section 8 — Part A — Computer and Electronic Equipment, for Fire and Perils or Accidental Damage (as Defined in Section 8); or
- (e) Section 9 — General Property,

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

2. Property insured under another insurance policy, and:

- (a) the insurer has paid or admitted liability under its policy or would have paid or admitted liability but for the application of an Excess; and:
- (b) the Damage would have been covered under one of the Sections of this Policy shown in 1. above had You elected to take such cover; or

3. Property at the Situation, used by You but not owned by You,

- (a) for which You are not legally responsible, and for which You have not assumed a liability to insure,
- (b) and such Damage would have been insured under one of the Sections of this Policy shown in 1 above had the Property been owned by You; or

4. Property insured by You under Section 1, as a result of explosion or implosion of boilers (other than boilers used for domestic purposes only), economisers, or vessels under pressure, including their own explosion or implosion,

We will, after taking into account any sum saved during the Indemnity Period in respect of such charges and expenses of the Business as may cease or be reduced in consequence of the interruption or interference, indemnify You in respect of:

Item 1. Gross Income

- (a) The amount by which the Gross Income during the Indemnity Period in consequence of the Damage falls short of the Standard Income; and
- (b) the additional expenditure necessarily and reasonably incurred by You for the sole purpose of avoiding or minimising the reduction in Gross Income during the Indemnity Period in consequence of the Damage, but not exceeding the reduction in Gross Income thereby avoided.

If, during the Indemnity Period, services are rendered other than at the Situation, for the benefit of the Business, either by You or by others on Your behalf, the money received or receivable in respect of those services will be brought into account in arriving at the amount of the Gross Income during the Indemnity Period.

Item 2. Payroll

(a) Loss of Payroll

(1) During the Initial Period:

The amount produced by applying the Rate of Payroll applied to the Shortage in Income, less any Payroll saved in consequence of the Damage.

(2) During the Remaining Period:

The amount produced by applying the Rate of Payroll to the Shortage in Income, less any Payroll saved in consequence of the Damage, but not exceeding the amount produced by applying the insured percentage of the Rate of Payroll to the Shortage in Income, plus any Payroll saved in consequence of the Damage during the Initial Period.

(3) Option to Consolidate

At Your option, the Initial Period may be increased to the period shown in the Schedule as the Consolidated Period. This means that the cover for the rest of the Remaining Period will be restricted to the amount of Payroll saved during the Consolidated Period.

(b) Additional Expenditure

The additional expenditure necessarily and reasonably incurred by You for the sole purpose of minimising the loss of Payroll during the Indemnity Period but not exceeding the loss of Payroll thereby avoided.

Item 3. Increased Cost of Working

The cost of further expenditure not otherwise payable under this Section, necessarily and reasonably incurred during the Indemnity Period in consequence of the Damage, for the sole purpose of avoiding or minimising a reduction in Gross Income or resuming or maintaining the normal operation of the Business.

Item 4. Reinstatement of Documents

The necessary and reasonable cost of legal, clerical and other charges actually incurred in reinstating Documents.

Item 5. Book Debts

- (a) The loss of Your book debts or book debts of a Client where You are responsible for them, which are, or become, irrecoverable as a result of Damage to books of accounts or other business records, calculated on the difference between:
- (1) the Outstanding Debit Balances; and
 - (2) the total of the amounts received or traced in respect thereof.
- (b) The additional expenditure, incurred with Our prior consent, in tracing and establishing Client debit balances after the date of the occurrence of the Damage.
- (c) The interest charges at the ruling rate of Your bank on any loan to offset impaired collections of such sums that become irrecoverable as a result of the Damage.

Item 6. Gross Rentals

- (a) The amount by which the Gross Rentals earned during the Indemnity Period fall short of the Standard Gross Rentals.
- (b) Any additional expenditure necessarily and reasonably incurred by You for the sole purpose of avoiding or minimising the reduction in Gross Rentals during the Indemnity Period, but not exceeding the reduction in Gross Rentals thereby avoided.

Item 7. Weekly Income

The percentage reduction in the Actual Average Weekly Income during the Indemnity Period, applied to the Weekly Income Sum Insured.

Under this item,

- (a) the Indemnity Period commences with the occurrence of the Damage that gives rise to the interruption or interference, and
- (b) no payments will be made once the weekly income exceeds ninety per cent (90%) of the Actual Average Weekly Income, and
- (c) if the weekly income is less than ten per cent (10%) of the Actual Average Weekly Income, then the weekly income will be treated as being nil.

Item 8. Accountants' Fees

The reasonable cost of accountants' and other professionals' fees and other expenses, necessarily incurred by You in producing or certifying the bills, accounts or particulars required by Us, in respect of any claim made under this Section.

Limitation

Our total liability during any one Period of Insurance or for any claim arising out of the one event or series of events arising directly or indirectly from one source or original cause, in respect of each Item specified on the Schedule, will not exceed the Sum Insured shown on the Schedule for that Item.

Definitions

In this Section:

Actual Average Weekly Income means the weekly average of the Gross Income for the twelve (12) months immediately before the commencement date of the occurrence of the Damage, after Adjustment.

Adjustment means adjustment as necessary to provide for the trend of the Business and variations in, or other circumstances affecting, the Business, either before or after the date of occurrence of the Damage, or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted represent, as nearly as may be reasonably practicable, the results that, but for the Damage, would have been obtained during the relative period after the Damage.

Annual Gross Rentals means the Gross Rentals earned during the twelve (12) months immediately before the date of the occurrence of the Damage, after Adjustment.

Annual Income means the Gross Income during the twelve (12) months immediately before the date of the occurrence of the Damage, after Adjustment.

Business means Your Business at the Situation and specified in the Schedule.

Client means the persons, partnerships or bodies whether incorporated or unincorporated, to whom You owe money or by whom money is owed to You, for services rendered in the course of the Business.

Gross Income means the total of:

1. the amount paid or payable to You for goods sold and services rendered; and
2. Gross Rentals; and
3. all other sources of income received in the course of the Business; and
4. the amount of closing stock and work in progress at the end of Your financial year;

less:

1. purchases of stock and consumables; and
2. the amount of opening stock and work in progress at the beginning of Your financial year; and
3. Uninsured Working Expenses.

Gross Rentals means the amount receivable by You in accordance with a lease or agreement existing at the time of Damage to the building.

Indemnity Period means the period beginning with the date of the occurrence of the Damage and ending not later than the last day of the period specified in the Schedule, during which the results of the Business are affected as a consequence of the Damage.

Initial Period means the period shown in the Schedule which immediately follows the date of the Damage.

Output means the sale and/or invoice value of goods manufactured and/or processed by You in the course of the Business at the Situation.

Outstanding Debit Balances means the total of the outstanding debit balances of all Clients appearing in Your books of account as at the date of the occurrence or the event giving rise to a claim, adjusted for:

1. Bad Debts;
2. amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the occurrence of the Damage)
3. any abnormal condition of trade that had, or could have had, a material effect on the Business, so that the figure thus adjusted represents as nearly as reasonably practicable, the debit balances that would have been recovered had the Damage not occurred.

Payroll means the remuneration (including but not limited to wages, salaries, payroll tax, fringe benefits tax, bonuses, holiday pay, sick pay, workers' compensation insurance premiums, accident compensation levies, superannuation and pension fund contributions and the like) paid to all of Your employees.

Property means the property at the Situation belonging to or used by You, if for which You are legally responsible or have assumed a responsibility to insure.

Rate of Payroll means the proportion that the payroll bears to the Gross income during the financial year immediately before the date of the occurrence of the Damage.

Remaining Period means the period, shown in the Schedule which immediately follows the Initial Period.

Shortage in Income means the amount by which the Gross Income during a period following Damage falls short of that part of the Standard Income that relates to that period in consequence of that Damage, after Adjustment.

Standard Gross Rentals means the Gross Rentals earned during that period in the twelve (12) months immediately before the date of the occurrence of the Damage that corresponds with the Indemnity Period (appropriately adjusted where the Indemnity Period exceeds twelve (12) months), after Adjustment.

Standard Income means the Gross Income during that period in the twelve (12) months immediately before the date of the occurrence of the Damage that corresponds with the Indemnity Period (appropriately adjusted where the Indemnity Period exceeds twelve (12) months), after Adjustment.

Uninsured Working Expenses means the uninsured working expenses shown in the Schedule.

Weekly Income Sum Insured means the Sum Insured for each week, which You have selected and which is shown in the Schedule.

Additional Benefits

1. Return Premium Clause

In the event of the:

- (a) Gross Income earned; or
- (b) Payroll paid; or
- (c) Gross Rentals earned,

in accordance with the indemnity afforded in respect of such Items, in the course of the Business during the accounting period of twelve months (or a proportionately increased multiple thereof where the Indemnity Period exceeds twelve months) most nearly concurrent with the Period of Insurance, being certified by Your accountant or auditor as being less than the respective Sum Insured, a pro rata return of premium not exceeding fifty per cent (50%) of the Premium paid for such Period of Insurance will be made in respect of the difference, but:

- (1) if a claim has been paid or became payable in the Period of Insurance, for which an adjustment is to be made under this clause, the amount of the claim will be included in the calculation of Gross Income or Gross Rentals earned or Payroll paid for such period.
- (2) no return premium will be allowed unless You lodge the accountant's or auditor's certificate with Us within twelve (12) months of expiry of the Period of Insurance for which the return of premium is claimed.

2. Departmental Clause

If the Business is conducted in departments, divisions or locations, the independent trading results of which are ascertainable, in the event of Damage giving rise to a claim under this Section, the provisions of this insurance will apply separately to each department, division or location affected by the Damage.

3. Gross Income/Output Option

In the event of Damage giving rise to a claim under this Section, at Your option, the term 'Output' may be substituted for the term 'Gross Income' wherever appearing in this Section, but that only one such term will operate in connection with any one occurrence involving Damage.

4. Accumulated Stocks Clause

In adjusting any loss, account will be taken and equitable allowance made, if any Shortage in Income or reduction in the weekly income due to Damage is postponed by reason of the Gross Income or weekly income being temporarily maintained from accumulated stocks.

5. Reinstatement of Sum Insured

Following a claim under this Section (other than a claim for total loss), We will reinstate the Sum Insured from the date of loss, provided You pay or agree to pay any additional premium that may be required by Us.

6. Government Incentives

The pecuniary loss under Item 1 Gross Income and Item 2 Payroll of this Section includes the loss of any Government-approved incentives, subsidies or market development allowances to which You are entitled in relation to the Business resulting from interruption of or interference with Your Business in consequence of Damage giving rise to a claim.

7. Unspecified Suppliers' and/or Customers' Premises

Any loss to Property for which a claim would have been payable under Section 1 of this Policy if such Property had been insured under this Policy, resulting in interruption of or interference with the Business, as a consequence of Damage occurring within Australia to Property:

- (a) at suppliers' and/or customers' premises; or
 - (b) preventing movement of goods to, or from, a suppliers' or customers' premises,
- shall be deemed to be loss resulting from Damage to Property used by You at the Situation.

The most We will pay under this Additional Benefit, in respect of Item 1 Gross Income, Item 2 Payroll, or Item 7 Weekly Income, is twenty per cent (20%) of the Sum Insured for that item. For the purposes of this Additional Benefit, premises does not include domestic premises.

8. Murder, Suicide or Disease

The occurrence of any of the circumstances set out in this Additional Benefit shall be deemed to be Damage to Property used by You at the Situation.

- (a) Murder or suicide occurring at the Situation.
- (b) Injury, illness or disease caused by the consumption of food or drink provided and consumed at the Situation.
- (c) The outbreak of a human infectious or notifiable contagious disease occurring within a 20 kilometre radius of the Situation.
- (d) Closure or evacuation of your business by order of a government, public or statutory authority consequent upon:
 - (1) the discovery of an organism likely to result in a human infectious or contagious disease at the Situation, or;
 - (2) vermin or pests at the Situation; or
 - (3) defects in the drains or other sanitary arrangements at the Situation.

Cover under Additional Benefits 8(c) and 8(d)(1) does not apply in respect of Highly Pathogenic Avian Influenza in Humans or any other diseases declared to be a quarantinable diseases under the Quarantine Act 1908 and subsequent amendments.

9. Prevention of Access, Public Utilities, Computer Installations, Commercial Complexes

Any loss to Property for which a claim would have been payable under Section 1 of this Policy, if such Property had been insured under this Policy, resulting in interruption of or interference with the Business as a consequence of Damage to:

- (a) Property within twenty (20) kilometres of the Business, which prevents or hinders access to, or use of, the Property; or
- (b) property, either at or away from the Situation, within Australia, belonging to or under the control of suppliers of electric power, gas, communications, water or sewerage reticulation control systems, from which You obtain services, subject to the limitation below; or
- (c) computer installations, including ancillary equipment and data processing media utilised by You anywhere in Australia; or
- (d) property in any commercial complex of which the Business forms a part or in which the Business is contained, which results in cessation or diminution of trade, including any cessation or diminution of trade due to temporary falling away of custom,

shall be deemed to be loss resulting from Damage to Property used by You at the premises.

Note: In relation to Additional Benefit 9(b), We will not be liable for the first two (2) usual trading days of any loss.

10. Fines and Damages

Following a claim under Item 1 Gross Income or Item 2 Payroll for which We have agreed to indemnify You, this insurance extends to include Your liability, incurred during the Indemnity Period, to pay cancellation charges, or fines or damages other than aggravated, punitive or exemplary damages:

- (a) for breach of contract resulting from non- completion or late completion of orders for Your goods or services; or in discharge of contract purchases of Your goods or services.
- (b) for breach of contract for the purchase by You of goods or services that cannot be utilised by You, during the Indemnity Period, less any value to You of such goods or services or the amount received from sale.

The most We will pay under this Additional Benefit is five per cent (5%) of the total Sum Insured for Gross Income and Payroll.

This Additional Benefit applies in addition to the Sum Insured shown in the Schedule.

11. Accountants' Fees

In the event of Damage giving rise to a claim under this Section, We will pay the reasonable cost of accountants' and other professionals' fees and other expenses, necessarily incurred by You in producing or certifying the bills, accounts or particulars required by Us, in respect of any claim made under this Section.

The most We will pay under this Additional Benefit is \$5,000 plus any amount shown on the Schedule for accountants' fees.

Variations and Extensions

Cover only applies if shown in the Schedule.

1. Suppliers' Premises

This Section extends to include loss resulting from interruption of or interference with the Business as a consequence of Damage, for which insurance is provided under Cover clause 1 or 2, to property (including Your property while it is temporarily deposited at premises anywhere in Australia) at the premises of Your suppliers of materials or where work is done in connection with Your Business, and which is shown in the Schedule.

Our liability under this Extension shall not exceed the percentage of the Sum Insured shown against each supplier's premises in the Schedule.

We are not liable under this Extension, for any loss resulting from Damage by earthquake, tsunami, subterranean fire or volcanic eruption, to property at any supplier's premises located in Japan, New Zealand or United States of America.

2. Customers' Premises

This Section extends to include loss resulting from interruption of or interference with the Business as a consequence of Damage, for which insurance is provided under Cover clause 1 or 2, to property at the premises of Your customers shown in the Schedule.

Our liability under this Extension shall not exceed the percentage of the Sum Insured shown against each customer's premises in the Schedule.

We are not liable under this Extension, for any loss resulting from Damage by earthquake, tsunami, subterranean fire or volcanic eruption, to property at any customer's premises located in Japan, New Zealand or United States of America.

3. Underinsurance / Average

Special Clause 2. Underinsurance/Average is deleted.

4. Right Cover

Special Clause 2. Underinsurance/Average is deleted.

Furthermore, in the event of a claim for which cover is provided under this Section and the actual loss exceeds the amounts insured against Item 1 Gross Income, Item 2 Payroll, Item 5 Book Debts or Item 6 Gross Rentals, the sum insured will increase by up to 20% to represent the full insurable value calculated in accordance with each item insured.

Exclusions

We will not be liable for any claim under this Section if:

1. the Damage occurs after the Business has been dissolved or wound up or is being carried on by a liquidator or receiver or has ceased to operate; or
2. Your interest in the Business ceases, other than by death; or
3. the interruption to or interference with the Business is due to underinsurance under any Section of this Policy, or any other policy of insurance.

Special Clauses

1. New Business

In the event of Damage occurring before the completion of the first year's trading of Your Business:

- (a) Annual Gross Rentals and Annual Income shall mean the proportional equivalent, for a period of twelve (12) months, of the actual Gross Rentals or income, realised;
- (b) Rate of Payroll shall mean the proportion that the Payroll bears to Gross Income;
- (c) Standard Gross Rentals and Standard Income shall mean the proportional equivalent, for a period equal to the Indemnity Period, of the actual Gross Rentals and actual Gross Income, realised;
- (d) Actual Average Weekly Income shall mean the average weekly income during the period between the date of the commencement of the Business and the date of the occurrence of the Damage.

2. Underinsurance/Average

Where at the date of the occurrence of the Damage the Sum Insured as shown in the Schedule for:

- (a) Gross Income is less than eighty per cent (80%) of the Annual Income (appropriately increased if the Indemnity Period exceeds twelve (12) months);

- (b) Payroll is less than the amount produced by applying the Payroll limits set out in the Schedule to eighty per cent (80%) of the amount produced by applying the Rate of Payroll to the Annual Income (appropriately increased if the Indemnity Period exceeds twelve (12) months);
- (c) Book Debts is less than eighty per cent (80%) of the total amount of Outstanding Debit Balances;
- (d) Gross Rentals is less than eighty per cent (80%) of the Annual Gross Rentals (appropriately increased if the Indemnity Period exceeds twelve (12) months);

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

This clause shall not apply if the claim does not exceed ten per cent (10%) of the Sum Insured for the respective item.

Claims Procedure

Please refer to the Claims Procedure in the General Provisions of this Policy for details of Your obligations in the event of a claim.

Section 3 Theft and Money

Introduction

This Section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the General Provisions of the Policy and in the Schedule.

Part A - Theft Cover Section

Definitions

In this Section:

Business Hours means Your normal trading hours or whilst You, or employees authorised by You, are on the Premises for the purposes of the Business.

Business Premises means the buildings at the Situation including outbuildings but excluding any garden, yard, open verandah, or other fixed attachments and fixed accessories thereof.

Contents means Contents as defined under Section 1 Property.

Family means any member of Your Family who lives permanently with You, including Your partner.

Property means Buildings and Contents as defined in Section 1 Property.

What You are covered for

We cover You for loss of or damage to Your Property shown under the Theft section on the current Policy Schedule caused by:

1. any person who enters or attempts to enter the Business Premises
2. any person unlawfully concealed on the Business Premises
3. any person who threatens or commits physical violence to You, Your employees or other persons
4. armed hold-up at the Situation
5. any person who breaks into any locked cabinet and/or counter and/or showcase which is located on the Business Premises.

The loss or damage must occur during the Period of Insurance.

How We will pay Your claim

We will not pay more than the sum insured shown on the current Policy Schedule for the Theft cover section, except to the extent stated under the heading 'Additional benefits in addition to Your sum insured'.

Method of settlement – reinstatement or replacement value

We will pay Your cost to:

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

Method of settlement – Indemnity

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

- (a) if You do not replace the covered Property which is lost or destroyed, or
- (b) if the covered Property can be repaired for less than the cost to replace but You choose not to replace the Property.

Additional benefits – Theft cover section

Additional benefits in addition to Your sum insured

Temporary protection and security guards

The cost of necessary temporary protection and repairs and the employment of guards/watchmen to protect insured Property following an occurrence covered by this cover section. The maximum amount We will pay for each occurrence is \$10,000. If an occurrence results in a claim being paid under this cover section and another cover section of the Policy, the highest single limit under the relevant cover section applies. The benefit of Temporary Protection and Security Guards shall not be cumulative under this Policy.

Locks, keys and combinations

Following an occurrence covered by this section We will pay the cost of:

- (a) replacing locks, keys or combinations used in Your Business and the cost of opening safes and strongrooms. This additional benefit shall also apply if there are reasonable grounds to suspect that keys or combinations have been stolen or copied without Your authority.
- (b) replacing and developing security film exposed because of theft or attempted theft.

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

If you are also insured under the Money cover section, the benefit payable for Locks, keys and combinations shall not be cumulative and shall be limited to \$10,000 in the aggregate.

Rewriting of Records

The cost of additional clerical and professional costs, limited to \$25,000 any one occurrence, incurred by You to rewrite Your necessary business records if they are lost, destroyed or damaged, whilst located at Your Business Premises or offsite anywhere in the Commonwealth of Australia, by an occurrence and which You are covered for in the Theft cover section

Property of directors, and employees

Cover is extended to include personal property of directors and employees of Your Business if the person to whom the personal effects belong is not named as an insured.

Cover is limited to \$5,000 any one item and \$10,000 overall in respect of any one loss. This additional benefit provides cover to You. It does not provide any insurance cover to any director or employee.

Temporary removal

We also cover Your insured Property 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 in trade that is on consignment to other parties unless it is owned by You or is property for which You are responsible
- (c) The maximum amount we will pay for this additional benefit will be 20% of the sum insured
- (d) This additional benefit will not apply to any Property insured, which has been removed for a period greater than 90 days without our prior written consent.

Death or injury following assault

If an injury is suffered by an owner, partner, proprietor or director, during a theft or attempted theft of Property insured under this Policy for which we have agreed to pay Your claim, and such injury is the sole cause of:

Item 1. death;

Item 2. total and permanent loss of sight in one or both eyes;

Item 3. total and permanent loss of one or both hands or feet; occurring within twelve (12) months of such owner, partner, proprietor or director sustaining the injury; or

Item 4. temporary or permanent total disablement from attending to usual business,

We will, in respect of such injury, pay to such owner, partner, proprietor or director or his or her legal representative, in respect of:

- (a) Items 1, 2, and 3: \$10,000, in respect of all injury sustained by any one person during any one Theft or attempted Theft; or
- (b) Item 4: \$200 per week or eighty per cent (80%) of the average weekly earnings of such owner, partner, proprietor or director, whichever is the lesser, to a maximum period of thirteen (13) weeks from the date of sustaining the injury.

No amount will be payable in respect of:

- (c) death attributable to, or consequent upon, or accelerated by; or
- (d) disablement aggravated by, attributable to, or consequent upon, any pre-existing physical defect, illness or disease or injury.

If You are also insured under the Money cover section, the benefits payable for death or injury following assault shall not be cumulative and shall be limited to \$10,000 in the aggregate.

Tenanted premises

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

What You are not covered for under this section

1. We will not pay under the Theft cover section for loss of or damage to:
 - (a) money and negotiable instruments in excess of \$250
 - (b) jewellery, furs, property made of gold or silver or precious stones exceeding \$10,000 any one loss and \$2,000 any one item unless they are Stock
2. We will not pay under the Theft cover section for loss of or damage to Property caused by:
 - (a) any person lawfully on Your Business Premises

- (b) any person who does not steal or intend to steal Property.
3. We will not pay under the Theft cover section for loss of or damage to Property caused by or in any way contributed to by dishonest acts by You, Your directors, partners, employees or any members of Your Family, other than by an employee following forcible and violent entry.
 4. Loss from a safe, strongroom or security enclosure opened by a key or by the use of details of a combination, either of which has been left on Your Business Premises while closed for business, is not covered for more than the sum insured on Property anywhere on the premises outside Business Hours.
 5. We will not pay under the Theft cover section for unexplained disappearances or unexplained shortages, whether resulting from clerical or accounting errors or shortages in supply or delivery of materials to or by You.

Part B - Money Cover Section

The items shown in the Schedule are insured against:

1. Theft; or
2. loss, destruction or damage caused by any accident, not otherwise excluded; discovered within seven working days of the occurrence of such Theft or accident.

Limitation

The most We will pay during any one Period of Insurance or for any claim arising out of one event or series of events arising directly or indirectly from one source or original cause, for each item specified in the Schedule, is the Sum Insured shown in the Schedule for that item.

Definitions

In this Section:

Bank means a bank, credit union or similar financial institution.

Business Hours means Your normal trading hours or whilst You, or employees authorised by You, are on the Premises for the purposes of the Business.

Combined Money means the combined Sum Insured for Money in Transit, Money on Premises — Business Hours, Money in Securely Locked Safe or Strongroom, and Money in Private Residence only.

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

Money in Private Residence means Money in Your personal custody or in the custody of persons authorised by You, whilst contained in the private residence, in Australia, of such person. Our liability will cease at Bank closing time on the next Bank business day following the completion of the transit of the Money to the private residence.

Money in Securely Locked Safe or Strongroom means Money in a securely locked Safe or securely locked Strongroom on the Premises, provided that the key and details of the combination are removed from the Premises whilst closed for business. For the purpose of this Definition, Premises does not include such area within the Premises occupied by You as a residence.

Money in Transit means,

1. Money in Your personal custody or in the custody of persons authorised by You whilst in transit within Australia but not Money in Private Residence or loss from any vehicle left unattended.
2. Money whilst contained in the night Safe, night depository chute, or automatic teller machine of any Bank. Our liability ceases at Bank closing time on the next business day following deposit therein.

Personal Money means current coin, Bank notes, currency notes, cheques, public transport tickets, private transport tickets (excluding airline tickets), bridge or highway tokens, car wash tokens and stored value or similar type cards belonging to the owners, partners, proprietors, directors or employees of Your Business.

Premises means the buildings at the Situation including outbuildings but excluding any garden, yard, open verandah, or other fixed attachments and fixed accessories thereof.

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

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

Specified Money means Money specifically described in the Schedule under Specified Money.

Theft means the dishonest appropriation of Property or Money belonging to You, with the intention of permanently depriving You of it.

Additional Benefits

1. Counterfeit Currency

We will indemnify You for losses sustained by You due to the acceptance in good faith, in exchange for merchandise, money or services, of counterfeit Australian currency notes, up to \$250 in any one Period of Insurance.

2. Seasonal Increase

The Sum Insured shown in the Schedule for Combined Money, Money in Transit, Money on Premises — Business Hours, Money on Premises outside Business Hours, Money in Securely Locked Safe or Strongroom, and Money in Private Residence will automatically increase by fifty per cent (50%) during the following periods:

- a) Sixty (60) days before Christmas Day and for sixteen (16) days following Christmas Day;
 - b) Thirty (30) days before Good Friday and ten (10) days following Good Friday,
- or as otherwise shown in the Schedule.

3. Bank Holiday Increase

The Sum Insured shown in the Schedule for Combined Money, Money in Transit, Money on Premises — Business Hours, Money on Premises outside Business Hours, Money in Securely Locked Safe or Strongroom, and Money in Private Residence will automatically increase by one hundred per cent (100%) on:

- (a) Bank holidays, or
- (b) gazetted public holidays (other than Bank holidays) that fall on days adjacent to a weekend. If such a weekend occurs during

the period specified in this Section for Seasonal Increase or the period specified in the Schedule for Seasonal Increase, only the Bank Holiday Increase will apply.

Cover under this Additional Benefit will apply until the close of trading of Your Bank on the next business day following such Bank holiday or gazetted public holiday.

4. Travellers' Money

Cover under this Part is extended to include loss, of Money belonging to You, occurring while such Money is in Your personal custody or in the custody of Your employee while travelling outside Australia in connection with Your Business.

The most We will pay under this Additional Benefit is \$1,000 during any one Period of Insurance.

5. Damage to Premises, or Safe or Strongroom

In respect of Damage (other than breakage of glass) to the Premises due to Theft of Money or attempted Theft of Money, We will:

- (a) at Our option, pay for or repair or make good the Damage that You are legally responsible to repair or make good;
- (b) indemnify You in respect of the cost of temporary protection reasonably necessary for the safety and protection of the Money insured, pending repair of the Damaged Premises.

The most We will pay under this Additional Benefit is \$5,000 for any one event.

6. Locks and Keys

If keys are stolen, or there are reasonable grounds to believe that the keys have been stolen and duplicated, We will:

- (a) pay for the keys and locks to be replaced and the reasonable and necessary cost to have the security restored to the same level of security as existed immediately prior to the loss; and
- (b) indemnify You in respect of the cost of temporary protection reasonable and necessary for the safety and protection of the Money insured, pending restoration of the security.

The most We will pay under this Additional Benefit is \$5,000 for any one event. If Additional Benefit 19 under Section 1 — Property is operative, the limits will not be aggregated.

7. Reinstatement of Sum Insured

Following a claim under this Section, We will reinstate the Sum Insured from the date of loss, provided You pay any additional premium that may be required by Us. Such reinstatement will be automatic only once during any one Period of Insurance.

8. Injury During Theft

If an injury is suffered by an owner, partner, proprietor or director, during a Theft of Money or attempted Theft of Money insured under this Policy (other than Personal Money) for which we have agreed to pay Your claim, and such injury is the sole cause of:

Item 1. death;

Item 2. total and permanent loss of sight in one or both eyes;

Item 3. total and permanent loss of one or both hands or feet;

occurring within twelve (12) months of such owner, partner, proprietor or director sustaining the injury; or

Item 4. temporary or permanent total disablement from attending to usual business,

We will, in respect of such injury, pay to such owner, partner, proprietor or director, or his or her legal representative, in respect of:

1. items 1, 2, and 3: \$10,000 in total, in respect of all injuries sustained by any one person during any one Theft or attempted Theft; or
2. item 4: \$200 per week or eighty per cent (80%) of the average weekly earnings of such owner, partner, proprietor or director, whichever is the lesser, to a maximum period of thirteen (13) weeks from the date of sustaining the injury.

No amount will be payable in respect of:

1. death attributable to, or consequent upon, or accelerated by; or
2. disablement aggravated by, attributable to, or consequent upon, any pre-existing physical defect, illness or disease or injury.

9. Temporary Protection and Security Guard

If Premises or security protection equipment installed at the Premises are damaged during a Theft of Money or attempted Theft of Money, We will pay the costs reasonably and necessarily incurred for the temporary protection of, and the employment of security guards to safeguard, the Money insured, until the Premises or security protection equipment are repaired or replaced.

The most We will pay under this Additional Benefit is \$5,000 for any one event.

10. Additional Premises — Provisional Cover

Cover is extended to include all Premises within Australia that become Yours after the commencement of the Period of Insurance, for 30 days from first being used by You (unless the Period of Insurance ends sooner or the Premises ceases to be Yours, whichever shall first occur), but the cover is limited to:

- (a) the Business described in the Schedule, and
- (b) Money described in the Schedule.

The most We will pay under this Additional Benefit is ten per cent (10%) of the highest Sum Insured shown in the Schedule in relation to each item of Money.

Full details of such additional Premises are to be supplied to Us within 30 days of Your commencement of the use of the Premises. If We agree to provide continuing cover for such additional Premises, We may first require You to pay an additional premium.

Variation and Extension

Cover only applies if shown in the Schedule.

Personal Money

Insurance for Money on Premises — Business Hours, and Money in Securely Locked Safe or Strongroom is extended to include Personal Money.

The most We will pay will not exceed the percentage shown in the Schedule for Personal Money, of the Sum Insured in respect of such Money on Premises — Business Hours or Money in Securely Locked Safe or Strongroom.

Conditions

Burglar Alarm Systems

Where the Situation is protected by a burglar alarm system, You must ensure that:

1. the burglar alarm system is made operative whenever the Premises are left unattended, and
2. You exercise all due care to maintain all burglar alarm systems under Your control so that they are in good working order at all times and are tested daily, except on non-business days.

Note: If You do not meet both of these conditions, We may refuse to pay, or reduce the amount We pay for, any claim.

Exclusions

We will not be liable for:

1. any consequential loss whatsoever.
2. loss arising out of the payment of Money for, or in consideration of, a cheque or negotiable instrument that is subsequently dishonoured.
3. loss due to shortages resulting from clerical or accounting errors or loss due to errors in receiving or paying out.
4. loss, destruction or damage due to, or sustained by or through Theft or any attempted Theft, or any act of fraud or dishonesty committed by any:
 - (a) members of Your family; or
 - (b) persons in Your service, other than loss or destruction or damage through Theft or any attempted Theft committed by persons in Your service following forcible and violent entry by such persons to the Premises.
5. loss, destruction or damage if the Premises become unattended and remain so for any period of more than sixty (60) consecutive days, unless Our written agreement to continue cover has been obtained prior to the loss.
6. loss, destruction or damage as a result of trickery.
7. loss of, destruction of or damage to Money from or whilst in an unattended vehicle.
8. loss of, destruction of or damage to Money due to ransom or extortion, other than actual assault or the threat of immediate violence to any person on the Premises.

Claims Procedure

Please refer to the Claims Procedure in the General Provisions of this Policy for details of Your obligations in the event of a claim.

Section 4 Glass

Introduction

This Section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the General Provisions of the Policy and in the Schedule.

Cover

We will indemnify You in the event of Breakage of the Glass shown in the Schedule.

Definitions

In this Section: Breakage means:

Breakage means:

1. for plate or sheet Glass or porcelain, a fracture extending through the entire thickness of the Glass or porcelain; and
2. for laminated Glass, a fracture extending through the entire thickness of a lamination,

but not:

1. any other damage or disfiguration; or
2. caused by or in consequence of fire or artificial heat.

External Glass means:

1. external fixed glass forming part of the Premises and any shatter resistant or reflective film affixed thereto.
2. ceramic tiled shop fronts.

Glass means Internal Glass, External Glass and Specified Glass.

Internal Glass means:

1. all internal glass, sinks, wash basins and sanitary ware and mirrors (other than hand mirrors) whilst in the Premises; and
2. showcase frames, display cabinets and counter frames whilst in the premises.

but does not include:

1. glass forming part of stock in trade or merchandise;
2. glassware, crystal, crockery or china; or
3. imperfect glass.

Premises means the buildings at the Situation.

Signs means Glass or plastic that forms part of a sign.

Specified Glass means glass specifically described in the Schedule under Specified Glass.

Additional Benefits

1. External Glass

In the event of Breakage of External Glass, We will indemnify You for up to \$5,000 or the amount specified in the Schedule, whichever is the higher, for each of the following:

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

2. Destruction of Stock or Contents

We will indemnify You for loss as a result of destruction of, or damage to Your stock or contents, caused by broken Glass following the Breakage of Glass where such Breakage constitutes an admissible claim under this Section,

The most We will pay under this Additional Benefit during any one Period of Insurance, is the lesser of:

- (a) the value at cost, of the stock or contents destroyed or damaged, less any amount realised from the sale of any salvage; or
- (b) \$5,000.

3. Reinstatement of Sum Insured

Following a claim under this Section, We will reinstate the Sum Insured from the date of loss, provided You pay or agree to pay any additional premium that may be required by Us.

Settlement of Claims

In the event of a Breakage of Glass shown in the Schedule, We will, at Our option:

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

Exclusion

Unattended Premises

We will not pay a claim where the Premises become unattended and remain so for any period of more than sixty (60) consecutive days, unless Our written agreement to continue the cover has been obtained.

Claims Procedure

Please refer to the Claims Procedure in the General Provisions of this Policy for details of Your obligations in the event of a claim.

Section 5 Broadform Liability

Introduction

This Section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the General Provisions of the Policy and in the Schedule.

Cover

We will indemnify You against:

1. Public Liability; or
2. Products Liability;

if shown in the Schedule as an insured item.

Limitations

1. The maximum amount that We will pay for Public Liability:
 - (a) for one Occurrence (other than an Occurrence in connection with Pollutants) shall be the Limit of Indemnity for Public Liability shown in the Schedule.
 - (b) for one Occurrence in connection with Pollutants, shall be the Limit of Indemnity for Public Liability shown in the Schedule, less the amounts that We have already paid for Public Liability claims in connection with Pollutants, that arose during the Period of Insurance.
2. The maximum amount that We will pay for Products Liability for one Occurrence shall be the Limit of Indemnity for Products Liability shown in the Schedule, less the amounts that We have already paid for Products Liability claims that arose during the Period of Insurance.
3. Where an Occurrence is caused repeatedly, progressively or continuously by one Event, all of the Personal Injury or Damage to Property caused by that Event shall be deemed to be a single Occurrence.
4. Personal Injury or Damage to Property that is discovered before the Period of Insurance shall not be an Occurrence.
5. Where We are indemnifying more than one legal entity for Public Liability or Products Liability in respect of the one Occurrence, the maximum amount We will pay in total for all legal entities We are indemnifying shall be the relevant Limit of Indemnity for Public Liability or Products Liability.

Excess

The Excess shall apply to each Occurrence.

Definitions

In this Section:

Aircraft means any vessel, craft or thing designed to transport people or goods in, or through, the air or space,

Business means the Business as described in the Schedule and is extended to include:

1. a canteen, social or sporting club or first aid, fire or ambulance service, provided by You and incidental to Your Business; and
2. private work undertaken by Your employees for any of Your directors or senior executives.

Damage to Property means:

1. physical damage to Property;
2. physical destruction of Property; or
3. loss of use of Property as a result of physical damage to, or physical destruction of, Property.

Event means:

1. a single incident;
2. a series or number of incidents either having the same original cause or attributable to the one source; or
3. continuous or repeated exposure to substantially the same general conditions.

Geographical Limits means:

1. anywhere in the world;
2. but excludes North America for Occurrences in connection with:
 - (a) the performance of manual work.
 - (b) the ownership, occupancy or tenancy of any building, land or structure.
 - (c) an Unknown Defect in Your Products, exported to, sold in or supplied in North America, by You or on Your behalf.

Hovercraft means any vessel, craft or thing designed to transport people or goods over land or water, supported on a cushion of air.

Loading or Unloading goods onto or from a Vehicle means the single action of transferring the weight of the goods (or a portion of a consignment of goods) onto or from the Vehicle.

Managed Organisations means any organisation other than subsidiary companies (or their subsidiaries) whose daily activities and daily decision making You directly control and manage.

North America means:

1. the United States of America and Canada; and
2. any state or territory incorporated in, or administered by, or from, either the United States of America or Canada.

Occurrence means:

Personal Injury or Damage to Property that:

1. is neither intended nor expected by You and would not be expected from the standpoint of a reasonable person in Your position;
2. is caused by an Event; and
3. occurs:
 - (a) within the Geographical Limits; and
 - (b) during the Period of Insurance.

Personal Injury means:

1. bodily injury, death, sickness, disease, disability.
2. shock, fright, mental anguish.
3. unlawful arrest, unlawful imprisonment, wrongful detention, malicious prosecution.
4. libel, slander or defamation.
5. wrongful eviction, wrongful entry or other invasion of privacy.

Products means:

any thing (after it has passed from Your possession and control), including its packaging, that was manufactured, grown, extracted, produced, processed, assembled, constructed, erected, installed, repaired, serviced, treated, sold, supplied, re-supplied or distributed by You in the course of Your Business.

Products Liability means:

Your legal liability to pay damages for an Occurrence caused by an Unknown Defect in Your Products, but excludes Public Liability.

If Products Liability is not insured, Public Liability includes liability to pay damages for an Occurrence caused by a defect, unknown to You, in food or drink sold or supplied from Your staff canteen.

Property means:

1. tangible property not in Your possession or control.
2. premises that You occupy for the purpose of the Business.
3. Vehicles in Your possession or control while in a car park, where the car park:
 - (a) is owned, occupied, or leased by You;
 - (b) does not form part of a building construction or work site; and
 - (c) for the use of which You do not charge a fee.

Public Liability means:

Your legal liability to pay damages for an Occurrence in the course of Your Business, but excludes Products Liability.

Unknown Defect in Your Products means:

1. a defect in, or the harmful nature of, Products;
2. a defect or deficiency in any direction or advice provided by You concerning the use or storage of Products; or
3. a failure by You to provide direction or advice concerning the use or storage of Products;

that was not known to, and which should not reasonably have been suspected by, You or Your directors, partners or senior executives, before Your Products left Your possession or control.

Use as a Working Tool means:

use for excavating, digging, grading, drilling, lifting, pumping, spraying, vacuuming and the like.

It does not include use for:

1. Loading or Unloading goods onto or from a Vehicle, by use of a crane mounted on the Vehicle; or
2. transit to or from or within a work site; or
3. transport or haulage.

Vehicle means:

any type of machine on wheels, on skis or on self-laid tracks, designed to be moved other than by manual or animal power, and includes any trailer whilst attached to a vehicle.

Additional Benefits

1. Your Legal Costs

- (a) In the case of:
 - (1) Public Liability or Products Liability; or
 - (2) a claim of Public Liability or Products Liability being made against You; for which indemnity is available under this Section, or would be available under this Section if such a claim were to succeed, We will pay Your Legal Costs.
- (b) Your Legal Costs means:
 - (1) the legal costs and expenses, that You incur with Our written agreement, in defending a claim of Public Liability or Products Liability made against You;
 - (2) the legal costs and expenses of any claimant claiming against You for Public Liability or Products Liability that You are liable to pay; and
 - (3) the legal costs reasonably incurred for representing You at any Coroner's inquest or any court of summary jurisdiction.
- (c) In relation to Public Liability or Products Liability subject to or determined by:
 - (1) the law outside North America, the indemnity for Your Legal Costs shall not be limited by any Limit of Indemnity.
 - (2) the law in North America, the indemnity for Your Legal Costs shall be limited to the amount by which the applicable Limit of Indemnity is not exhausted by the indemnity for the Public Liability or Products Liability.

2. Cover for Others

Provided that they observe, fulfil and are subject to the definitions, terms, conditions and exclusions of this Section, We will also indemnify, as though they were You, the following that are not named in the Schedule.

- (a) Any party with whom You have entered into an agreement for the purpose of Your Business, but only for Occurrences for which You would be liable in the absence of the agreement and only to the extent that the agreement requires You to indemnify that party in relation to that Occurrence.
- (b) Any of Your directors, partners, officers or employees, or voluntary workers while such persons are acting for or on Your behalf, but only for liability incurred by them while acting within the scope of their duties in such capacity.
- (c) Any canteen, or social or sporting club, or first aid, fire or ambulance service provided by You and incidental to the Business.
- (d)
 - (1) All Your subsidiary companies (and their subsidiaries) and all Your Managed Organisations, existing at the commencement of the Period of Insurance, for the whole Period of Insurance or until they cease to be Yours before the end of the Period of Insurance; and
 - (2) all Your subsidiary companies (and their subsidiaries) and all Your Managed Organisations, that became Yours after the commencement of the Period of Insurance, for 90 days from becoming Yours (unless the Period of Insurance ends sooner or they cease to be Yours, whichever shall first occur);but in each case cover is limited:
 - (3) to the Business described in the Schedule;
 - (4) to business operations carried out within Australia;
 - (5) for Public Liability, to Occurrences within Australia.

During the Period of Insurance, You may request Our agreement to insure Your subsidiary companies and Your Managed Organisations that have become Yours after the commencement of the Period of Insurance. In doing so, the duty of disclosure explained in the General Provisions of this Policy will apply in relation to such new companies and organisations. If We agree to provide continuing cover for such companies and organisations, We may first require You to pay an additional premium.

3. Cross Liabilities

Where more than one legal entity is insured under this Section, We shall indemnify You against Public Liability or Products Liability to another Insured as if that other Insured were not a party to the Policy.

4. Loss of Goods in Your Possession or Legal Control

- (a) We will also Indemnify You against Public Liability for physical loss of, or loss of use of, goods that are in Your possession or legal control, as though it were Damage to Property, if the loss was not caused by physical damage or destruction.
- (b) The maximum amount that We will pay under this Additional Benefit for all the Public Liability, of all of the parties We are indemnifying, arising during the Period of Insurance, will be \$100,000.

5. Damage to Goods in Your Possession or Legal Control

- (a) We will also indemnify You against Public Liability for:
 - (1) physical damage to; or
 - (2) physical destruction of; goods that are in Your possession or legal control as though it were Damage to Property.
- (b) The maximum amount We will pay under this Additional Benefit for all the Public Liability, of all of the parties We are indemnifying, arising during the Period of Insurance, shall be \$100,000.

6. First Aid Expenses

Where We are indemnifying You, or would indemnify You if a claim were made against You for Personal Injury, We will also pay the expenses reasonably incurred by You for first aid given to others at the time of an injury.

Exclusions

Where an exclusion nominates a cause of an Occurrence, the Exclusion shall apply and We will not indemnify You against the Public Liability or Products Liability for the Occurrence, whether or not that cause is the proximate or effective cause of the Occurrence.

We will not indemnify You against the following:

1. Employer's Liability (Workers' Compensation)

- (a) Liability for Personal Injury to any person arising out of, or sustained in the course of, the employment of such person in Your service, or through the breach of any duty owed to that person, where You:
 - (1) are indemnified or entitled to be indemnified (either in whole or in part) in respect of claims for damages under a policy of insurance (which expression includes arrangements made by You to provide accident insurance for Your workers under a licence to self-insure) arranged (whether required by law or not) in accordance with any workers' compensation legislation or accident compensation legislation; or
 - (2) would have been indemnified or entitled to be indemnified had You arranged a policy of insurance as required by such legislation.
- (b) Liability for Personal Injury to any person arising out of, or sustained in the course of, the employment of such person in Your service in Western Australia, other than a person of whom You are deemed to be an employer by reason only of Section 175 of the Workers' Compensation and Rehabilitation Act 1981 (WA).
- (c) Liability for mental anguish suffered by any person arising out of, or in the course of, that person's employment by, or service to, You.
- (d) Liability for Personal Injury arising out of the harassment, libel, slander, defamation or humiliation of, or discrimination against, any person while in Your service or while employed by You.
- (e) Liability of a type in respect of which indemnity previously would have been provided under a policy of insurance arranged in accordance with any workers' compensation legislation or accident compensation legislation, but in respect of which indemnity has been withdrawn or reduced as a consequence of a change to the scope, terms, provisions, or requirements of such legislation made after the commencement of the current Period of Insurance of this Policy.
- (f) Any other liability imposed by the provisions of any workers' compensation legislation or accident compensation legislation or any industrial award, agreement or determination.

2. Discrimination and harassment

Liability for discrimination or harassment in violation of statute.

3. Assault and battery

Liability for assault or battery committed by You or at Your direction, unless it was committed for the purpose of preventing or eliminating danger to persons or property.

4. Waiver of rights

Liability in respect of all or part of which You, by an agreement, have released or waived Your right to recover indemnity or contribution from another.

5. Contractual liability

Liability assumed by You under an agreement, unless such liability would have attached to You in the absence of that agreement.

6. Intentionally or recklessly caused Personal Injury or Damage to Property

Liability in connection with Personal Injury or Damage to Property intentionally or recklessly caused by You or the risk of which You deliberately courted.

7. Faulty workmanship

Liability to perform, complete or rectify any work undertaken by You or on your behalf, or to pay the cost of performing, completing or rectifying such work.

8. Product recall and repair

Liability to pay:

- (a) for the cost of recall, withdrawal from sale, inspection, repair or replacement of Your Products;
- (b) for the cost of investigation into the cause of any defect; or
- (c) in connection with the loss of use of Your Products.

9. Reinstatement, repair or replacement of Your Products

Liability:

- (a) to reinstate, repair or replace Products; or
- (b) to pay the cost of reinstating, repairing or replacing Products; where the damage was caused by those Products.

10. Loss of use of Property

Liability for loss of use of Property that has not been physically damaged or destroyed, caused by or arising out of:

- (a) a delay in, or lack of, performance, by You or on Your behalf, of any contract or agreement; or
- (b) the failure of Your Products to meet warranties or representations as to performance, fitness, quality or durability (but this exclusion shall not apply to liability for physical damage or destruction caused to other Property by a Product).

11. Aircraft Products

Liability in connection with Products that:

- (a) are incorporated into the structure, machinery or controls of Aircraft; and
- (b) You know are used in Aircraft.

12. Aircraft and Hovercraft

Liability in connection with Your ownership or physical or legal control of, or use by You or on Your behalf of, any:

- (a) Aircraft;
- (b) land, building or structures in an area where Aircraft land or take off, or are housed, maintained or operated;
- (c) Hovercraft.

13. Vehicles

- (a) Liability for Personal Injury:
 - (1) where such liability arises out of, is caused by, or is in connection with Your ownership, operation or use of a Vehicle; and
 - (2) where the Event that causes the Occurrence happens in circumstances in which that Vehicle is required by law to have compulsory insurance against that Occurrence, or when such insurance cover is in force; or
- (b) Liability for Damage to Property, where such liability arises out of, is caused by, or is in connection with Your ownership, possession, operation, maintenance or use of a Vehicle that is registered.

Exclusions 13(a) and 13(b) will not apply where the liability arises from:

- (c) the delivery of goods to the Vehicle before the Loading of the goods onto the Vehicle, or arises from the collection of goods from the Vehicle after the Unloading of the Vehicle; or
- (d) the Use of the Vehicle, or plant or attachment to the Vehicle, as a Working Tool.

14. Watercraft

Liability:

- (a) in connection with Your ownership or use by You or on Your behalf of any Watercraft greater than 8 metres in length, except whilst stored on land; or
- (b) arising from damage to Watercraft in Your possession or legal control, where the Watercraft is greater than 8 metres in length, except whilst stored on land. The maximum amount we will pay for all of the Public Liability of all the parties we are indemnifying, arising during the Period of Insurance, from damage to Watercraft in Your possession or legal control shall be \$100,000.

15. Pollution

Liability:

- (a) in connection with pollution occurring in North America or subject to jurisdiction of North America.
- (b) to pay the cost of preventing the discharge, dispersal, release or escape of Pollutants; or
- (c) for:
 - (1) an Occurrence in connection with the discharge, dispersal, release or escape of Pollutants; or
 - (2) the cost of testing, monitoring, containing, removing, cleaning up or neutralising Pollutants.

Exclusions 15(c)(1) and 15(c)(2) shall not apply where discharge, dispersal, release or escape of Pollutants:

- (i) is caused by a single incident;
- (ii) is instantaneous;
- (iii) is clearly identifiable; and
- (iv) is confined to one specific location.

16. Asbestos

Liability caused by, arising out of, or in connection with the use or presence of, asbestos.

17. Building and demolition

Liability in connection with:

- (a) the erection or demolition of buildings;
- (b) the alteration of or addition to buildings not owned or occupied by You; or
- (c) the alteration of or addition to buildings owned or occupied by You where the total cost of the alteration or addition exceeds \$500,000.

18. Vibration and removal of support

Liability for Damage to Property in connection with:

- (a) vibration; or
- (b) removal or weakening of, or interference with, support to land, buildings or any other property.

19. Treatment, design and professional risks

Liability caused by, or arising out of, Your performance or failure to perform the following:

- (a) rendering of professional advice or service;
- (b) prescription or administration of treatment of, or to, persons (including, but not limited to, grooming, beauty, cosmetic, pharmaceutical and therapeutic treatment).
- (c) making or formulating a design or specification within the domain of the architectural, engineering, scientific, chemical, actuarial, statistical, economic, financial or medical profession.

20. Libel and slander

Liability in connection with the publication or utterance of a libel or slander:

- (a) made before the commencement of the Period of Insurance;
- (b) made by You, or at Your direction, with knowledge of its falsity; or
- (c) related to publishing, advertising, broadcasting or telecasting activities conducted by You, or on Your behalf.

21. Fines and punitive damages

Liability for fines or penalties, or punitive, exemplary or aggravated damages.

22. Foreign non-admitted cover

Liability under the law of any country, state or territory (outside the Commonwealth of Australia) that requires such liability to be insured or secured with an insurer or organisation licensed in that country, state or territory to grant such insurance or security.

23. Cranes

Liability in connection with the operation of a crane that is in an unsafe condition, or where all laws, bylaws, regulations and recognised standards for the operation of the crane or for the safety of persons or property, in the state or territory in which the Event occurred, have not been observed.

24. Advice for a fee

Liability caused by or arising out of Your rendering or failure to render advice for a fee.

25. Molestation

Personal Injury in connection with the molestation of any person by:

- (a) You;
- (b) Your employee; or
- (c) Any person whose actions for which You may be liable.

We will not pay Your Legal Costs, and We will not have any duty to defend any suit against you seeking damages on account of any such Personal injury.

26. A.I.D.S. and Transmissible Diseases

Liability in connection with:-

- (a) any event that causes Acquired Immune Deficiency Syndrome (AIDS)
- (b) any event that causes the presence of Human Immunodeficiency Virus (HIV)
- (c) the transmission of any sexually transmissible disease; and
- (d) the transmission of any disease by or through contact with blood.

Special Conditions

1. Reasonable care

You shall:

- (a) take all reasonable precautions to prevent:
 - (1) Public Liability and Products Liability;
 - (2) Personal Injury and Damage to Property;
 - (3) the manufacture, sale or supply of defective Products;
- (b) comply with, and ensure that Your employees, servants and agents comply with, all laws, bylaws, regulations and recognised standards for the safety of persons or property;
- (c) ensure that only competent employees use, operate, maintain and service plant and equipment;
- (d) maintain all premises, fittings, plant and equipment in sound condition; and
- (e) take immediate action to trace, recall or modify all Products that You know or have reason to suspect contain a defect or deficiency.

2. Welding, Flame Cutting, Application of Heat

You shall ensure that all welding and flame cutting complies with the Australian Standard “AS1674.1 - 1997 and AS1674.2 - 2003 Safety and Welding in Allied Processes” and its amendments.

(This is a detailed Code, designed to protect persons and property from injury by fire or explosion in the course of cutting, heating or welding operations.)

3. Conduct of Your Defence

When You make a claim for indemnity against Public Liability or Products Liability under this Section, We shall have the right to conduct of Your defence, to instruct lawyers to provide advice as to Your liability and to represent You.

4. Payment of Limit of Indemnity

We may at any time pay to you the appropriate Limit of Indemnity (after deducting from it any amounts already paid) or any lesser amount for which a claim or claims may be settled. In doing so We will relinquish the conduct of, and shall be under no further liability in connection with, such claim or claims except for costs and expenses incurred before We made such payment.

Section 6 Employee Dishonesty

Introduction

This Section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the General Provisions of the Policy and in the Schedule.

Cover

1. After You have:
 - (a) provided to Us the Claim Documents; and
 - (b) made available to Us for interview all persons nominated by Us who in Our opinion will be helpful to assist Us to investigate Your claim or a Loss;We will indemnify You against Loss.
2. The amount of the indemnity will be determined in accordance with the clauses under the heading Settlement of Claims.

Definitions

In this Section:

Claim Documents means:

1. the documentation created in the preparation of, or evidencing, a claim; and
2. all records and documents that may assist Us to investigate:
 - (a) a claim; or
 - (b) a Loss; or
 - (c) Your right of recovery in consequence of a Loss;

including electronic records, computer records, video and audio recordings, working papers, internal memoranda, reports, accounting records and audit documents.

Employee means:

1. a person:
 - (a) employed by You under a contract of service;Or
 - (b) assigned, by any agency whose business it is to furnish personnel, to perform Employee duties for You, in the ordinary course of Your Business, during the Period of Insurance, and whom You have the right to direct in the detail of that person's performance of work;
2. a former Employee during a period of not more than 30 days following the cessation of that person's service;
3. a Group of Employees, which means:
 - (a) two or more Employees acting in collusion;
 - (b) an Employee acting alone and also acting as a member of a Group of Employees;
 - (c) two or more Groups of Employees having an Employee in common,

but Employee does not include:

1. a person who is not directly paid remuneration by You other than as described in 1(b) above; or
2. a person who is one of Your directors or trustees, except when performing acts within the scope of the usual duties of an Employee; or
3. a person who is a member of any committee that examines or audits or has custody of or access to Your money, negotiable instruments or goods.

Limit of Indemnity means the Limit of Indemnity of Employee Dishonesty insurance shown in the Schedule for all Losses during the Period of Insurance.

Limit per Employee means the Limit per Employee for Employee Dishonesty insurance, shown in the Schedule, in respect of any Loss or all Losses caused by an act or acts of the one Employee.

Loss means direct loss:

1. of:
 - (a) money;
 - (b) negotiable instruments; or
 - (c) goods;which belong to You, or are in Your possession and for the loss of which You are liable;

2. occurring in the ordinary course of Your Business;
3. caused directly by an act of fraud or dishonesty:
 - (a) of an Employee; and
 - (b) committed within twelve (12) months before discovery by You of the act of fraud or dishonesty, and
4. discovered by You:
 - (a) during the Period of Insurance; or
 - (b) if this Section is not renewed or is cancelled, within twelve (12) months after the Period of Insurance or the date of cancellation for this Section of the Policy; but in either case no later than twelve (12) months after the cessation of employment of the relevant Employee, and does not include cover for any indirect or consequential loss whatsoever.

Additional Benefits

1. Claims Preparation Fees

If We are liable to indemnify You against a Loss and where the Limit per Employee and the Limit of Indemnity are not otherwise exhausted, the cover is extended to indemnify You against:

- (a) the fees payable by You to Your Auditors; and
- (b) all other costs, charges and expenses;

reasonably and necessarily incurred by You with Our consent in the preparation of a claim; but the most We will pay under this Additional Benefit is ten per cent (10%) of the Limit per Employee or \$20,000, whichever is the lesser.

2. Superannuation Funds

The Definition of You, Your, includes any superannuation or pension scheme formed by You and exclusively for the benefit of Employees, but does not include any scheme that is administered by a professional funds manager.

3. Welfare, Social or Sporting Club

The Definition of You, Your, includes any welfare, social or sporting club formed with Your knowledge and consent exclusively for the benefit of Employees and their families.

Settlement of Claims

1. Our total liability for all Losses and Claims Preparation Fees during the Period of Insurance shall not exceed the Limit of Indemnity shown on the Schedule.
2. Our liability for all Losses relating to acts of fraud or dishonesty committed by one Employee, or any Group of Employees, or any number of Groups of Employees that contain one common Employee, will not exceed the Limit per Employee shown on the Schedule.
3. Our liability will be reduced by the sum of all moneys to which an Employee who caused a Loss would have been entitled, but which are retained by You or which You are entitled to retain.
4. We will be liable only for that part of the Loss that exceeds the Excess shown on the Schedule or on any endorsement to this Section.

Exclusion

This Section does not cover Loss arising from an act committed by an Employee after You have knowledge of, or reasonable cause to suspect, the commission by the Employee of an act of fraud or dishonesty, unless if, when You first obtained the knowledge or reasonable cause for suspicion:

1. the money, negotiable instruments or goods that are the subject of the Loss were in the possession of the Employee; and
2. You immediately took all reasonable action to regain possession of the money, negotiable instruments or goods.

Special Conditions

1. Notification of Loss

You must:

- (a) notify Us in writing within 21 days after discovery by You of Loss, or any act of fraud or dishonesty that may give rise to a Loss or after You first have reasonable cause for suspicion thereof; and
- (b) deliver to Us as soon as practicable, but no later than 3 months after the notice in (a), the Claim Documents and full details in writing of the Loss and of Your claim under this Section.

2. Observance of System of Audit, Supervision and Checks

You must observe the system of audit, supervision and checks which, in connection with this Section, You stated to Us that You observe.

3. Notification of Alteration of Risk

You must as soon as practicable notify us in writing of any change that will or might increase the risk, including:

- (a) a change in the nature of your Business;
- (b) Your non-observance of the system of audit, supervision and checks which, in connection with this Section, You stated to Us that You observe;

so that We may either cancel the Section or agree to the variation of its terms and conditions.

4. Prevention of Further Loss After Discovery

You must, immediately when You discover Loss, take all reasonable steps to regain possession of the money, negotiable instruments or goods and take all reasonable steps to prevent further Loss occurring.

5. Unidentifiable Employees

Where a Loss is caused by an unidentifiable Employee, cover is subject to You proving that the Loss was caused by fraud or dishonesty of an Employee and any cost incurred in proving this will be at Your expense and will not be payable under Additional Benefit Claims Preparation Fees.

6. Our Rights of Conduct and Recovery

- (a) We will, upon Your notice to Us of a Loss, have the right to recover the Loss and We will have full discretion in the recovery of the Loss;
- (b) You must not in any way prejudice Our right or ability to recover a Loss;
- (c) You must co-operate with Us fully in the recovery of a Loss.

Section 7 Machinery

Introduction

This Section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the General Provisions of the Policy and in the Schedule.

Cover

The property for which a sum insured is shown in the Schedule, is insured whilst at the Situation, as follows:

1. for Machinery, against Breakdown.
2. for Pressure Equipment, against Collapse and Explosion.
3. for Goods in Cold Chamber, against Deterioration.

Limitation

In respect of Machinery, or Pressure Equipment, Our total liability for any claim arising out of one event or series of events arising directly or indirectly from one source or original cause will not exceed the Sum Insured shown in the Schedule.

In respect of Deterioration of Goods, Our total liability during any one Period of Insurance or for any claim arising out of one event or series of events arising directly or indirectly from one source or original cause will not exceed the Sum Insured shown in the Schedule.

Definitions

In this Section:

Breakdown means sudden and unforeseen physical destruction or physical damage to Machinery, which requires repair or replacement to enable normal working to continue.

Cold Chamber means the cold storage chamber including all parts of the refrigeration or controlled atmosphere gas generating and scrubbing plant system including associated controls and pressure pipe systems necessary for the purpose of maintaining the temperature or gas concentration in the cold storage chamber.

Collapse means unforeseen and unexpected physical destruction, damage, distortion bending, or crushing of any part of Pressure Equipment, caused by vacuum or reduced pressure in the Pressure Equipment, including damage caused by overheating resulting from insufficiency of water.

Deterioration (in relation to Goods, with 'deteriorated' having a corresponding meaning) means unforeseen and unexpected putrefaction, decay or contamination of refrigerated Goods within Cold Chambers as specified in the Schedule, caused by a rise or fall in temperature due to:

1. Breakdown of Cold Chamber Machinery, for which a claim has been admitted under this Section, or would have been admitted other than for the application of the Excess.
2. a change in the concentration of gases in the Cold Chamber caused by Breakdown.
3. contamination of Goods caused directly by contact with refrigerant gas leaking from the insured Machinery.
4. failure of thermostats or operation or failure of pressure controls or other limiting devices. This will not include loss due to the manual operation of switches or valves.
5. failure of the public electricity supply to the terminal point of the suppliers feed at the Situation caused by:
 - (a) an accidental failure of the suppliers system; or
 - (b) a scheme of rationing necessitated solely by accidental damage to a part of the supplier's system; or
 - (c) a deliberate act of the supplier performed for the sole purpose of safeguarding life or protecting a part of the suppliers system.

Explosion means unforeseen and unexpected physical destruction or physical damage caused by sudden and violent rending of the permanent structure of the Pressure Equipment by force of internal steam, gas or fluid pressure (including pressure of ignited flue gases) or vacuum causing displacement of any part of the Pressure Equipment together with forcible ejection of its contents.

Goods means the perishable goods specified in the Schedule, including their packaging material, belonging to You or for which You are responsible or have assumed a responsibility to insure.

Machinery means the electric, electronic, mechanical or hydraulic machinery together with associated controls belonging to You or for which You are responsible or have assumed a responsibility to insure, but does not include:

1. wiring, fittings and outlet sockets of electric lighting or electric power circuits.
2. Computers, office machines and portable and/or hand-held electronic equipment.
3. telephone and closed circuit television installations.
4. any Mobile Machinery, vessel, craft or thing made or intended to fly, float or travel, or stored in or mounted upon such Mobile Machinery, vessel, craft or thing.
5. gaming, gambling, amusement, vending and/or coin/card-operated machinery, or audio or visual entertainment equipment;
6. machinery not owned by You;

7. Research, diagnostic and electro-medical equipment;
unless specified in the plant schedule.

Mobile Machinery means any mechanically operated or driven machine on wheels or self-laid tracks.

Pressure Equipment means those parts of the permanent structure of a boiler, pressure vessel, economiser or superheater and attaching pipe systems that are subject to steam, gas or fluid pressure or vacuum, all belonging to You or for which You are responsible or have assumed a responsibility to insure.

Additional Benefits

1. Additional Costs Associated with Repair

In respect of each event resulting in a claim that is admitted under this Section for Breakdown of Machinery or Explosion or Collapse of Pressure Equipment, We will pay the reasonable expenses necessarily incurred for:

- (a) temporary repairs;
- (b) hiring of substitute Machinery or Pressure Equipment;
- (c) overtime;
- (d) express freight including overseas air freight;
- (e) removing, storing and disposing of debris being the residue of damaged property insured, excluding any Pollutants deposited beyond the boundaries of the Situation.

We will not be liable for:

- (1) the costs and expenses for specialists or consultants to travel to or from Australia;
- (2) air freight by aircraft specifically chartered for the purpose;
- (3) overtime charges that exceed fifty per cent (50%) of the cost of carrying out the repairs at ordinary rates;
- (4) Breakdown of Machinery or Explosion or Collapse of Pressure Equipment that has been hired or is on loan to You from a third party.

The most We will pay for any one event under this Additional Benefit is \$25,000 or fifty per cent (50%) of the total Sum Insured, whichever is the lesser.

2. Cover for Additional Machinery and Pressure Equipment

Cover is extended to include other Machinery or Pressure Equipment, delivered and installed, after the inception of this Section at any of the Situations described in the Schedule, excluding items hired by You.

- (a) Such additions must be of a similar type and class as described in the Schedule.
- (b) Such additions must be free from known defects and comply with all applicable statutory requirements.
- (c) Cover will not attach until such additions have become Your responsibility and have operated satisfactorily at design load, for eight hours in total.
- (d) Section limits and Excesses will remain the same for such additions.
- (e) You must notify Us of such additions in writing within ninety (90) days of the commencement of such additions.
- (f) You must pay the extra premium required by Us for the insurance of such additions.
- (g) If such additions are unacceptable to Us, We shall, within 7 days of receiving Your notice, give You 7 days' notice that the additional plant is unacceptable to Us and on expiry of that period the additional plant shall no longer be covered.

3. Reinstatement of Sum Insured — Goods

Following a claim for Deterioration of Goods in Cold Chambers under this Section, We will reinstate the Sum Insured from the date of the loss, provided You pay or agree to pay any additional premium that may be required by Us.

4. Seasonal Increase

The Sum Insured for Deterioration of Goods in Cold Chambers will automatically increase by thirty per cent (30%) during the following two periods:

- (a) Sixty (60) days before New Year's Day and ten (10) days following New Year's Day.
- (b) Thirty (30) days before Good Friday and ten (10) days following Good Friday,
or as otherwise shown in the Schedule.

5. Inflation Protection

The declared value of machinery items shall at the time of loss be increased according to the Consumer Price Index by the proportion that the number of days since the commencement of such period shall bear to the whole of such period.

Settlement of Claims

In the event of a claim for:

1. Breakdown

In respect of Breakdown of Machinery or Pressure Equipment, We will, at Our option, repair or replace the damaged items or pay the cash equivalent of such repair or replacement. We will also pay the cost of liquids or refrigerant gas or insulating oil necessary to complete the repairs.

The amount payable will include the cost of transport and labour and the onsite cost of parts.

If it is necessary to replace parts that are unavailable or obsolete, We will not pay more than the estimated cost of replacement of similar parts for similar type of plant currently available. If similar parts are found to be unobtainable, We shall not pay more than the manufacturer's or supplier's latest list price.

We will not pay for the costs of any alterations, improvements, maintenance or overhauls carried out on the occasion of the repair or replacement.

2. Explosion or Collapse of Pressure Equipment

We will, at Our option, repair or replace the damaged items or pay the cash equivalent of such repair or replacement as follows:

- (a) In the case of repairable damage, We will pay the cost of repairs necessary to restore the Pressure Equipment to its condition as it was when last working safely before the Explosion or Collapse.
- (b) In the case of the Pressure Equipment that cannot be repaired at a cost less than the value of a new equivalent unit, We will pay the cost of installing and commissioning replacement Pressure Equipment of equivalent quality and size. If the Pressure Equipment is replaced with equipment that is of a better kind, quality or size, We will pay the cost that would have been incurred if an exact replacement had been installed.
- (c) If the repair or replacement is not effected within twelve (12) months of the Explosion or Collapse, We will not pay more than the Indemnity Value of the Pressure Equipment immediately prior to the Explosion or Collapse.

The amount payable will include the costs of transport and labour, the onsite cost of parts and air freight.

We will not pay for the costs of any alterations, improvements, maintenance or overhauls carried out on the occasion of the repair or replacement.

3. Deterioration of Goods in Cold Chambers We will, at Our option:

- (a) replace the Deteriorated Goods; or
- (b) pay the actual cost price of the Deteriorated Goods, including their packaging and the cost of disposing of them, however, We will not pay for any Deteriorated Goods that had passed their "use by" or "best before" dates at the date of loss.

In respect of each event for which a claim is made under this Section, We will deduct the Excess and the value of any salvage obtained following repair or replacement.

Exclusions

We will not pay for:

1. consequential financial loss, loss of use, or other indirect loss.
2. liquidated damages or penalties for delay or detentions or in connection with guarantees of performance or efficiency.
3. repair or replacement necessitated by:
 - (a) wasting or wearing out of parts, caused by or resulting from ordinary use or working or gradual deterioration;
 - (b) corrosion, cavitation, erosion, or deposits of scale, sludge or other sediment;
 - (c) any direct consequences of progressive or continuous influences from working, or from atmospheric or chemical action other than accidental contact with acids or other corrosive substances causing damage that manifests itself within twenty four (24) hours of such accidental contact;
 - (d) rusting or scratching of painted or polished surfaces, but this Exclusion does not apply to other physical damage to Machinery or Pressure Equipment insured by this Section resulting from such causes.
4. the cost of removal of Machinery from a borehole and subsequent replacement.
5. **in respect of Machinery:**
 - (a) loss, destruction or damage directly or indirectly caused by or arising from or in consequence of:
 - 1) fire resulting from explosion or otherwise, lightning, thunderbolt, spontaneous combustion, fermentation, heating or any process involving the direct application of heat.
 - 2) aircraft or other aerial devices or articles dropped therefrom, or sonic boom.
 - 3) earthquake, subterranean fire, volcanic eruption, tsunami.
 - 4) storm, tempest, rainwater, snow, sleet, wind, hail, water from or action of the sea, tidal wave, high water, Flood.
 - 5) water, liquids, or substances discharged, overflowing or leaking from apparatus, appliances, pipes or other systems unless such apparatus, appliances, pipes or other systems form part of the Machinery.
 - 6) riots, civil commotions, strikes or locked out workers, or persons taking part in labour disturbances, or acts of vandalism, or acts of any lawfully constituted authority in connection with the foregoing acts, cessation of work whether total or partial.

- 7) Explosion.
 - 8) attempts by civil authorities to prevent the spread of fire.
 - 9) theft or attempted theft.
 - 10) unexplained inventory shortages or disappearances.
 - 11) unloading on delivery to, or loading prior to dispatch from the Situation.
 - 12) incorrect siting, demolitions ordered by Government or Public or Local Authorities.
 - 13) erosion, subsidence, or collapse or any other movement of earth.
 - 14) testing and commissioning, intentional overloading or experiments.
 - 15) faults or defects known to You or to 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, renewed or reinstated.
 - 16) any process of heat treatment, welding, grinding, cutting, drilling or shaping or the application of tools to the property other than for the purpose of lifting the insured machine or item.
 - 17) Damaged or faulty doors, lids, catches, latches, locks or any door-closing or lid- closing or securing mechanism or device of a Cold Chamber.
- (b) for loss of or physical destruction or damage caused to:
- 1) bits, drills, knives, saw blades, heating elements, fuses, contacts that spark or arc, and electronic valves and tubes, lasers and magnetron units.
 - 2) dies, moulds, patterns, blocks, stamps, punches.
 - 3) coating or engraving on cylinders and rolls.
 - 4) crushing, hammering or grinding surfaces, wear plates, screens, tyres, batteries, burner jets or other parts which by their use and nature, suffer a high rate of wear or gradual deterioration.
 - 5) sieves, flexible pipes, seals, jointing and packing materials, filters, ropes, chains, belts, elevator and conveyor belts or bands, cables (other than electrical conductors) brushes, refractory materials, fire bars, unless as a result of Breakdown.
 - 6) fuels, chemicals, filter substances, heat transfer media, cleansing agents, lubricants, oils, catalysts or other operating materials. We will not pay for loss or damage to refrigerants or transformer oils due to defective valves, glands, seals, gauges, or loose connections of pipes. However, this Exclusion does not apply to loss or damage to refrigerants or transformer oils due to breaking of pipes or flared joints.
 - 7) materials in the course of or undergoing processing.
 - 8) foundations and masonry — unless specifically included and described in the Schedule.
 - 9) any below ground turbine pump, submersible pump or motor, unless such pump or motor is fitted with an effective pressure or flow cut out switch that will stop the motor if the normal pumping pressure or flow is interrupted.
 - 10) any unattended engine unless such engine is fitted with an effective automatic safety engine monitoring device and such device stops the engine in the event of a lubricating or cooling fault or failure.
6. **in respect of Pressure Equipment:** repair or replacement following loss, destruction or damage directly or indirectly caused by or arising from or in consequence of:
- (a) wasting or wearing away whether by leakage or corrosion or by the action of the fuel or otherwise,
 - (b) slowly developing deformation or distortion,
 - (c) cracks, fractures, blisters, lamination separation, flaws or grooving that has not penetrated the entire thickness of the material,
- however, these exclusions 6(a), (b) and (c) will not apply to subsequent Explosion or Collapse.
- (d) Explosion or Collapse of any Pressure Equipment if at the time of such Explosion or Collapse:
 - 1) the load on the safety valve upon the particular Pressure Equipment was in excess of the manufacturer's specification;
 - 2) any safety valve limiting the pressure was removed or rendered inoperative; or
 - 3) the particular Pressure Equipment was not certified in accordance with the applicable Pressure Equipment inspection regulations.
 - (e) loss, destruction or damage to Pressure Equipment where:
 - 1) such equipment is operated in an unsafe condition;
 - 2) such equipment does not comply with Australian Standards, codes or laws; or
 - 3) an inspection by a competent person has not been carried out in accordance with the applicable Australian Standards, codes or laws.
7. **in respect of Machinery and Pressure Equipment:** any increase in the cost of repair or replacement necessitated by compliance with any ordinance or law regulating repair, alterations, construction, installation or operation of the insured Machinery or Pressure Equipment.

Special Clause

Loss Minimisation — Goods

If the Sum Insured on Deterioration of Goods is not exhausted and Deterioration occurs to Goods insured under this Section, or if Deterioration is likely to occur to such Goods because of a Breakdown, We will pay any reasonable expenses incurred by You to prevent or minimise the loss of insured Goods:

- (a) if as a result Our liability is reduced; or
- (b) if the expenses were incurred with Our consent; or
- (c) if You reasonably considered it expedient to incur these expenses but were not able to obtain Our consent.

Claims Procedure

Please refer to the Claims Procedure in the General Provisions of this Policy for details of Your obligations in the event of a claim.

Section 8 Computer and Electronic Equipment

Introduction

This Section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the General Provisions of the Policy and in the Schedule.

PART A - Computer and Electronic Equipment

PART B - Business Interruption

Definitions Applicable to Parts A and B

In this Section:

Accidental Damage means physical destruction, loss or damage to property insured but does not include Damage caused by or as a consequence of:

1. Fire and Perils. Anything that is specifically excluded under Fire and Perils, is also excluded from this cover.
2. Breakdown.
3. Theft or conversion, of any property hired out by You, by the hirer or by the employees or agents of the hirer of such property.
4. Theft by trickery.

Annual Income means the Gross Income during the twelve (12) months immediately before the date of the occurrence of the Damage. In the event of Damage occurring before the completion of the first year's trading of Your Business, Annual Income shall mean the proportional equivalent for a period of twelve (12) months of the Gross Income realised during the period between the date of the commencement of the Business and the date of the occurrence of the Damage, after Adjustment.

Adjustment means adjustment as necessary to provide for the trend of the Business and variations in, or other circumstances affecting, the Business, either before or after the date of occurrence of the Damage, or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted represent, as nearly as may be reasonably practicable, the results that, but for the Damage, would have been obtained during the relative period after the Damage.

Breakdown means sudden and unforeseen physical destruction, loss or damage resulting from electronic, electrical or mechanical failure of the insured Computer System or Electronic Equipment, requiring its repair or replacement.

Computer Systems means Computers, Peripheral Equipment, and Data Carrying Media, belonging to You, or for which You are legally responsible or have assumed a responsibility to insure.

Computers means electronic data processing equipment including software programs, but does not include equipment used for gaming, gambling, amusement, audio or visual entertainment, or vending.

Damage means:

1. Fire and Perils; or
2. Accidental Damage; or
3. Breakdown;

when shown as the Type of Cover in the Schedule, or any combination of the above shown as Type of Cover in the Schedule.

Data Carrying Media means all disks, tapes, cards or other materials used for storing data.

Electronic Equipment means all parts of electronic equipment (including Computer Systems) belonging to You or for which You are legally responsible or have assumed a responsibility to insure but does not include equipment used for gaming, gambling, amusement, audio or visual entertainment, or vending.

Fire and Perils means physical destruction, loss or damage resulting from:

1. (a) fire, lightning, thunderbolt, spontaneous combustion, fermentation, heating or any process involving the application of heat;
(b) civil authorities through attempts to prevent the spread of fire.
2. aircraft or other aerial devices or articles dropped therefrom, sonic boom.
3. earthquake, subterranean fire, volcanic eruption, tsunami.
4. storm, tempest, rainwater, snow, sleet, wind, hail, Flood, action of the sea, tidal wave, high water.
5. water, liquids or substances discharged, overflowing or leaking from fixed apparatus, fixed appliances, fixed pipes or other systems.
6. riots, civil commotions, strikes or locked out workers or persons taking part in labour disturbances or vandalism by persons, or acts of any lawfully constituted authority in connection with the foregoing acts.
7. explosion.
8. impact.

Gross Income means the total of:

1. the amount paid or payable to You for goods sold and services rendered; and
2. all other sources of income received in the course of the Business; and
3. the amount of closing stock and work in progress at the end of Your financial year,

less:

1. purchases of stock and consumables; and

2. the amount of opening stock and work in progress at the beginning of Your financial year; and
3. Uninsured Working Expenses.

Indemnity Period means the period beginning with the date of the occurrence of the Damage and ending not later than the last day of the period specified in the Schedule, during which the results of the Business are affected as a consequence of the Damage.

Peripheral Equipment means all other equipment connected to and operating from the Computer, excluding underground lines.

Standard Income means the Gross Income during that period in the twelve (12) months immediately before the date of the occurrence of the Damage which corresponds with the Indemnity Period (appropriately adjusted where the Indemnity Period exceeds twelve (12) months). In the event of Damage occurring before the completion of the first year's trading of Your Business, Standard Income shall mean the proportional equivalent, for a period equal to the Indemnity Period of the Gross Income realised during the period between the commencement of the Business, and the date of the Damage, after Adjustment.

Total New Replacement Value means the installed price of a new Computer System or Electronic Equipment of equivalent make and model and current manufacture.

Uninsured Working Expenses means the uninsured working expenses stated in the Schedule.

PART A — Computer Systems, Electronic Equipment

Cover

We will indemnify You in respect of:

1. Damage to Computer Systems and Electronic Equipment, specified in the Schedule, whilst at the Situation, excluding:
 - (a) the cost of reinstatement of data.
 - (b) consequential loss of any nature whatsoever.
 - (c) Visual display units such as Thin Film Transistor, Liquid Crystal Display and Plasma screens and other electrical and electronic valves and tubes, lasers and magnetron units, unless such a component has a normal life expectancy greater than 10 years and Accidental Damage occurs less than 10 years from the date of original installation or replacement, in which case We will pay a proportion of the value of the part being 10 per cent per year for each year less than 10 years from the date of original installation or replacement.
2. Breakdown excluding:
 - (a) Breakdown provided for under a supplier's or manufacturer's warranty or Comprehensive Hardware Maintenance Agreement.
 - (b) Breakdown of print heads, belts, chains, fuses, circuit breakers, contacts which spark or arc, photo-sensitive drum assemblies, latches, locks, securing mechanisms, batteries, carbon ribbons.
 - (c) visual display units such as Thin Film Transistor, Liquid Crystal Display and Plasma screens and other electrical and electronic valves and tubes, lasers and magnetron units.
 - (d) physical destruction, loss or damage resulting from Accidental Damage.

Limitation

Our total liability during any one Period of Insurance, will not exceed for each item specified in the Schedule, the Sum Insured shown in the Schedule for that item, plus any amount provided for under Additional Benefits.

Additional Benefits Applicable to Part A

Following a claim under this Part for which We have agreed to indemnify You and where the Sum Insured on this Part is not otherwise exhausted, We will also pay in respect of:

1. Consulting Engineers' Fees

The cost of Consulting Engineers' Fees (excluding fees for preparing a claim) necessarily incurred with Our written consent, in the reinstatement of Computer Systems or Electronic Equipment. Where the Sum Insured is otherwise exhausted, the most We will pay under this Additional Benefit is \$5,000.

2. Additional Costs Associated with Repair

In respect of each event resulting in a claim admitted under this Section for Breakdown of Computer and Electronic Equipment, We will pay, up to the Sum Insured specified in the Schedule against Increased Cost of Working, for the reasonable expenses necessarily incurred for:

- (a) temporary repairs;
- (b) hiring of substitute Computer and Electronic Equipment;
- (c) overtime;
- (d) express freight including overseas air freight;
- (e) removing, storing and disposing of debris being the residue of damaged property insured, excluding any Pollutants deposited beyond the boundaries of the Situation.

We will not be liable for:

- (1) the costs and expenses for specialists or consultants to travel to or from Australia;
- (2) air freight by aircraft specifically chartered for the purpose;
- (3) overtime charges that are fifty per cent or more higher than the labour cost of carrying out the repairs at ordinary rates;
- (4) Breakdown of Computer and Electronic Equipment that has been hired or is on loan to You from a third party.

If no Sum Insured is specified in the Schedule against Increased Cost of Working, the most We will pay under this Additional Benefit for any one event is \$25,000 in total or fifty per cent (50%) of the total Sum Insured, whichever is the lesser.

3. Equipment On Loan

Damage to items that You have on loan temporarily, to replace insured Computer Systems and/or Electronic Equipment. Cover on items on loan will be limited to the cover that would have applied to the item it replaced, excluding Breakdown.

The most We will pay for an item on loan is the Sum Insured on the item it replaced.

4. Inflation Protection

The declared value of Computer Systems and/or Electronic Equipment items shall at the time of loss be increased according to the Consumer Price Index by the proportion that the number of days since the commencement of such period shall bear to the whole of such period.

5. Transit and Temporary Removal

Cover is extended to include Computer Systems and/or Electronic Equipment temporarily removed from the Situation to anywhere in Australia, but not:

- (a) whilst in storage or whilst being transported for storage or during permanent removal from the Situation.
- (b) if stolen from any unlocked vehicle.
- (c) whilst left unattended in the open air.
- (d) whilst in transit as checked baggage or cargo.

The most We will pay under this Additional Benefit is \$5,000 per event, unless otherwise specified in the Schedule.

Variation and Extension Applicable to Part A

Cover only applies if shown in the Schedule

Transit and Temporary Removal

For Computer Systems and/or Electronic Equipment that are indicated in the Schedule as having this Variation and Extension apply, cover is extended to include temporary removal from the Situation to anywhere in Australia (or worldwide if specified in the Schedule), but not:

- (a) whilst in storage or whilst being transported for storage or during permanent removal from the Situation.
- (b) if stolen from any unlocked vehicle.
- (c) whilst left unattended in the open air.
- (d) whilst in transit as checked baggage or cargo.

Settlement of Claims

The basis of any claims settlement under this Part shall be as follows:

1. Where the insured items are repairable, We will pay the cost of restoring the Damaged portion to a condition substantially the same as but not better or more extensive than its condition when new.
2. Where the insured items are not repairable, We will pay the cost of replacing the item with a new item, of equivalent make and model, that is compatible with Your existing systems and programs.

The amount payable will include the costs of transport and labour, the onsite cost of parts and air freight within Australia.

Conditions Applicable to Part A

1. Breakdown — Hardware Maintenance

Where Breakdown is indicated in the Schedule as Type of Cover, it is a condition of the cover that the computer and electronic equipment must be operated and maintained in accordance with the manufacturers recommendations

2. Underinsurance/Average

In the event of Damage, We will not be liable for more than that proportion of the physical destruction, loss or damage which the Sum Insured bears to eighty per cent (80%) of the Total New Replacement Value of the insured Computer Systems and/or Electronic Equipment at the time of the Damage.

Conditions:

- (a) Our liability is limited to the Sum Insured at the Situation as shown in the Schedule.

- (b) This clause will not apply if the amount of any Damage does not exceed ten per cent (10%) of the Sum Insured at the Situation.

Example: Item value \$50,000
80% of value = \$40,000
Sum Insured \$36,000

Therefore, if a \$25,000 loss occurs, we would pay

$$\frac{\$36,000}{\$40,000} \times \$25,000 = \$22,500$$

We would pay \$22,500 (less any excess).

PART B — Business Interruption

Cover

1. If the Business carried on by You is interrupted or interfered with as a result of Damage (occurring during the Period of Insurance):
- (a) to property insured under Part A of this Section, for which a claim has been paid or liability admitted, or such claim would have been paid or liability admitted but for the application of a supplier's or manufacturer's warranty, hardware maintenance agreement, or Excess; or
 - (b) to other property at, or within twenty (20) kilometres of, the Situation, which prevents or hinders access to, or use of, any property insured under Part A; or
 - (c) to property, either at or away from the Situation, belonging to or under the control of suppliers of electric power, gas, water or sewerage reticulation control systems from which You obtain services; or
 - (d) causing loss of data;

We will, after taking into account any sum saved during the Indemnity Period in respect of such charges and expenses of the Business as may cease, or be reduced as a consequence of the interruption or interference, indemnify You in respect of:

Item 1: Increased Cost of Working

The additional expenses necessarily and reasonably incurred during the Indemnity Period, with Our written consent, for the sole purpose of resuming or maintaining the normal operation of the Business, but not the cost of reinstatement of data.

Item 2: Reinstatement of Data

The necessary and reasonable costs actually incurred in reinstating data on to Data Carrying Media.

In relation to 1(c), We will not be liable for the first two trading days of any loss.

2. If the Business carried on by You is interrupted or interfered with as a result of Breakdown of property insured under Part A of this Section, (occurring during the Period of Insurance) for which a claim has been paid or liability admitted, or such claim would have been paid or liability admitted but for the application of a supplier's or manufacturer's warranty, hardware maintenance agreement, or Excess.

We will, after taking into account any sum saved during the Indemnity Period in respect of such charges and expenses of the Business as may cease or be reduced as a consequence of the interruption or interference, indemnify You in respect of:

Item 3: Gross Income

- (a) The amount by which the Gross Income during the Indemnity Period as a consequence of the Damage falls short of the Standard Income; and
- (b) The additional expenditure necessarily and reasonably incurred by You for the sole purpose of minimising the reduction in Gross Income during the Indemnity Period, but not exceeding the reduction in Gross Income thereby avoided and not including the cost of reinstatement of data.

If, during the Indemnity Period, services are rendered elsewhere than at the Situation for the benefit of the Business, either by You or by others on Your behalf, the money received or receivable in respect of those services will be brought into account in arriving at the amount of the Gross Income during the Indemnity Period.

Limitation

Our total liability during any one Period of Insurance, in respect of each Item specified on the Schedule, will not exceed the Sum Insured shown on the Schedule for that Item.

Additional Benefits Applicable to Part B

1. Professional Accountants' Charges

To the extent that the total Sum Insured under this Part is not otherwise exhausted, We will pay the reasonable cost of accountants' and other professionals' fees and other expenses, necessarily incurred by You in producing or certifying the bills, accounts or particulars required by Us, in respect of any claim made under this Section.

Where the Sum Insured is otherwise exhausted, the most We will pay under this Additional Benefit is \$10,000, or five per cent

(5%) of the total Sum Insured on Increased Cost of Working and Gross Income, whichever is the lesser.

2. Additional Rental Charge

If, at the time of Damage to any Computer System or Electronic Equipment for which a claim is payable, there is a lease or hire contract in force which is cancelled and replaced by a new contract in respect of a Computer System or Electronic Equipment similar to the one that was lost or Damaged, We will pay the additional rental charges incurred that result directly from the Damage.

- (a) The most We will pay under this Additional Benefit is twenty five per cent (25%) of the Sum Insured for Increased Cost of Working and loss of Gross Income.
- (b) Our liability will cease when the Business is no longer affected by the Damage, or after a period of two years commencing from the time of the Damage, whichever shall first occur.
- (c) This Additional Benefit is only payable if the Sum Insured for Increased Cost of Working and Gross Income is not otherwise exhausted.

3. Failure of Electricity

We will also pay in respect of interruption to or interference with Your Business as a result of failure of the public supply of electricity to the terminal point of the supplier's feed at the Situation, but excluding failure caused by:

- (a) a deliberate act of the electricity supplier, unless performed for the sole purpose of safeguarding life or protecting a part of the supplier's system.
- (b) a scheme of rationing, unless necessitated solely by physical damage to a part of the electricity supplier's system.
- (c) riot, strike, lock-out, or civil commotion unless arising solely out of damage to or destruction of the electricity supplier's system (not being damage or destruction resulting solely from cessation of work).

4. Return Premium Clause

If the Gross Income earned (as certified by Your accountants or auditors) during the financial year most nearly concurrent with the Period of Insurance is less than the Sum Insured for Gross Income, a pro rata return of premium not exceeding fifty per cent (50%) of the premium paid for such Period of Insurance will be made in respect of the difference.

- (a) If a claim has been paid or became payable in the period for which an adjustment is to be made under this clause, the amount of the claim will be included in the calculation of Gross Income earned for the period.
- (b) No return of premium will be allowed, unless You lodge the accountant's or auditor's certificate with Us within twelve (12) months of the Period of Insurance for which the return of premium is claimed.

5. Breakdown of Essential Air-Conditioning Equipment

We will also pay in respect of interruption to or interference with Your Business as a result of the Breakdown of air-conditioning equipment, the operation of which is essential for the operation of Your Computer Systems, but only if:

- (a) the equipment is insured under the Machinery Section of this Policy; and
- (b) a claim has been paid or liability admitted, or such claim would have been admitted but for the application of an Excess.

6. Failure of Telecommunications Data Transmission

Networks (hereinafter referred to as 'Failure').

Cover for Increase in Cost of Working or loss of Gross Income insured under Part B of this Section is extended to include failure of telecommunications data transmission networks in Australia, which failure is not caused by a deliberate act of the telecommunications network, unless performed for the sole purpose of protecting a part of their equipment, but:

- (a) The insurance cover under this Additional Benefit is limited to a period of ten (10) days from the date of such failure;
- (b) We will not be liable in respect of any Increase in Cost of Working or loss of Gross Income incurred during the first thirty-six (36) hours immediately following such failure;
- (c) We will not be liable in respect of failure caused by riot, strike, lock-out, civil commotion, or vandalism, unless arising solely out of physical destruction, loss or damage to the telecommunications data transmission networks (not being physical destruction, loss or damage resulting solely from cessation of work).

Special Clause

Underinsurance/Average

Where at the date of the occurrence of the Damage the Sum Insured as shown in the Schedule for Gross Income is less than eighty per cent (80%) of the Annual Income (appropriately increased if the Indemnity Period exceeds twelve (12) months) then the amount payable for Gross Income will be proportionately reduced. This clause shall not apply if the claim does not exceed ten per cent (10%) of the Sum Insured for that Item.

Condition Applicable to Part B Back Up of Data

It is a Condition of this Part that You back up or duplicate the data at intervals of not greater than thirty (30) days and that these duplicate copies are stored off site.

We will not be liable for reinstatement of data, in respect of data stored or created more than thirty (30) days before the date of the loss, if such data has not been backed up and stored away from the computer site.

Additional Benefits Applicable to Parts A and B

1. Reinstatement of Sum Insured

Following a claim under this Section, We will reinstate the Sum Insured from the date of the loss, provided You pay or agree to pay any additional premium that may be required by Us.

2. Cover for Additional Computer Systems or Electronic Equipment

Cover is extended to include other Computer Systems or Electronic Equipment, delivered and installed after the inception of this Section at any of the Situations described in the Schedule, for a period of ninety (90) days from the time of installation but excluding items hired by You, but:

- (a) such Computer Systems or Electronic Equipment are insured only to the same extent as already described in the Schedule;
- (b) only if such Computer Systems or Electronic Equipment are in satisfactory working order when installed;
- (c) the Sum Insured under Part A will not be increased by more than 25 per cent of the total Sum Insured under Part A or \$250,000 whichever is the lesser;
- (d) the Sum Insured under Part B will not be increased by more than \$20,000 in respect of all Items shown in the Schedule as insured under Part B; and
- (e) You must pay any premium that We require.

Exclusions Applicable to Parts A and B

This Section does not cover:

1. (a) the cost of repairs or replacements; or
(b) consequential loss resulting from interruption to or interference with the Business directly due to repairs or replacements necessitated solely by wasting, wearing away or wearing out caused by or naturally resulting from ordinary use of working, rusting, corrosion, oxidation, gradual deterioration, chipping of painted surfaces or scratching of any surfaces of any part of an item of property.
2. loss of or Damage to data, including operating systems or application programs that is not accompanied by evidence of visible and identifiable physical destruction, loss or damage to the Data Carrying Media.
3. the costs otherwise recoverable under any hardware maintenance agreement or hiring/ leasing agreement or under any maker's or manufacturer's warranty.
4. physical destruction, loss or damage due to faults or defects about which You or Your employees knew when You arranged, renewed, extended, varied or reinstated this insurance but did not disclose to Us.
5. any Loss that occurs after the Situation becomes unattended and remains so for any period of more than sixty (60) consecutive days, unless Our written consent has been obtained.
6. the costs of any alterations, improvements, maintenance or overhauls carried out on the occasion of the repair or replacement.
7. loss of or Damage to data and operating systems resulting from Computer Virus.

Claims Procedure

Please refer to the Claims Procedure in the General Provisions of this Policy for details of Your obligations in the event of a claim.

Section 9 General Property

Introduction

This Section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the General Provisions of the Policy and in the Schedule.

Cover

We will indemnify You against destruction, loss or Damage to the property described in the Schedule, whilst at the Situation, caused by any event stated in the Schedule as Type of Cover.

In respect of Theft, cover is limited to:

1. Theft or attempted Theft consequent upon actual forcible and violent entry; or
2. Theft or attempted Theft occurring outside Business Hours, by a person having been feloniously concealed on the premises, provided that there is evidence of forcible and violent exit from the premises; or
3. Theft consequent upon threat of immediate violence or violent intimidation.

Limitation

Our total liability during any one Period of Insurance, will not exceed, in respect of each item, the Sum Insured shown in the Schedule for that item.

Definitions

In this Section:

Accidental Damage means Damage to the property described in the Schedule but does not include Damage caused by or as a consequence of:

1. Fire and Perils. Anything that is specifically excluded under Fire and Perils is also excluded from this cover.
2. Theft.
3. Fraud or dishonest acts committed by any of Your employees, acting alone or in collusion with any other person or persons.
4. (a) unexplained inventory shortages or disappearances.
(b) shortage in the supply or delivery of materials to or from You.
(c) loss induced by trickery.
5. Erosion, subsidence, landslide, collapse or any other movement of earth.
6. Testing, intentional overloading or experiments of any kind.
7. Faults or defects known to You or to 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, renewed, or reinstated.
8. Welding, grinding, cutting, drilling or shaping, or the application of tools to the property.
9. Inherent defect, inherent vice, latent defect, or disease.
10. Mechanical, hydraulic, electrical or electronic breakdown, failure, malfunction or derangement of any nature.
11. Fusion of any nature.
12. Moths, termites, other insects, vermin, rust or oxidation, mould, mildew, fungus, Pollution or Contamination, wet or dry rot, corrosion, change of colour, dampness, variations in temperature, evaporation, change in flavour texture or finish, or stain or smoke from industrial operations.
13. Wear and tear, fading, scratching or marring, gradual deterioration, developing flaws, normal up keeping or making good.
14. Error or omission in design, plan or specification or failure of design.
15. Normal settling, seepage, shrinkage or expansion • in buildings or foundations, walls, pavements, roads, and other structural improvements, creeping, heaving, vibration.
16. Faulty materials or faulty workmanship.
17. The cessation of work whether total or partial, or the cessation, interruption, or retarding, of any process or operation as a result of any industrial dispute.

The above exclusions 7, 8, 10, 11, 12, 13, 15, and 16 of this cover shall be limited to the item, appliance, unit, or machine immediately affected and shall not extend to damage to other property occasioned by a peril not otherwise excluded.

Business Hours means Your normal trading hours or whilst You or employees authorised by You, are on the Premises for the purposes of the Business.

Fire and Perils means

1. (a) fire resulting from explosion or otherwise, but excluding spontaneous combustion, fermentation, heating or any process involving the direct application of heat. This exclusion shall be limited to the item or items immediately affected and shall not extend to other property Damaged as a result of such spontaneous combustion, fermentation, heating or process involving the direct application of heat.
(b) lightning or thunderbolt.
(c) attempts by civil authorities to prevent the spread of fire.
2. Impact by aircraft or other aerial devices or articles dropped therefrom, sonic boom.
3. Earthquake, subterranean fire, volcanic eruption, tsunami.
4. Storm, tempest, rainwater, wind, hail but not Damage caused:
 - (a) by water from or action of the sea, tidal wave, storm surge, high water, Flood.
 - (b) to gates, fences, retaining walls, shadecloth, exterior textile awnings or blinds.
 - (c) to property in the open air unless such property is a permanent structure designed to function without the protection of walls or roof.
 - (d) by erosion, subsidence, landslide or any other movement of earth.
 - (e) from water seeping, percolating or otherwise penetrating into the building as a result of structural defects, faulty design or faulty workmanship in their construction.
 - (f) by water entering the buildings through an opening in the wall or roof made for the purpose of alterations, additions, renovations, or repair.
5. Water, liquids or substances discharged, overflowing or leaking from fixed apparatus, fixed appliances, fixed pipes or other systems.
6. Riots, civil commotions, strikes or locked out workers or persons taking part in labour disturbances or whereby Damage occurs as a result of vandalism by persons not being tenants (including Damage to, but not loss of property caused by Theft or any attempt thereat) or any lawfully constituted authority in connection with the foregoing acts but not by:
 - (a) Cessation of work whether total or partial;
 - (b) Cessation, interruption or retarding of any process or operation as a direct result of strikes, labour disturbances or locked out workers.
7. Explosion but not Damage to boilers (other than boilers used for domestic purposes only), economisers, vessels under pressure or their contents resulting from their own explosion.
8. Impact by:
 - (a) vehicles designed primarily for use on land.
 - (b) animals, but not Damage by eating, chewing, clawing or pecking by animals or birds.
 - (c) trees or branches of trees. This cover includes the reasonable costs associated with the removal and disposal of the tree or branches that caused the Damage.
 - (d) communication masts, towers, antennae or satellite dishes.
 - (e) Watercraft.
 - (f) Aircraft and other aerial devices.
 - (g) meteorites and other space debris.
 - (h) a falling building or other structure or part thereof.

Property Insured means the property shown in the Schedule under this Section.

Variations and Extensions

Cover only applies if shown in the Schedule

1. Worldwide Cover

Exclusion 3 is deleted.

2. Theft of property located in the open air

Exclusion 1 is deleted.

3. Theft without forcible or violent entry

Insurance under this Section in respect of property specified in the Schedule against which this Variation and Extension is shown to apply, is extended to include Theft without forcible or violent entry.

4. Accidental Damage due to Collision or Overturning

The Definition of Accidental Damage is restricted to destruction, loss or Damage resulting from collision or overturning of a vehicle in which the property is being conveyed.

Settlement of Claims

In the event of a claim, We will pay:

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

Conditions:

1. The work of replacing or repairing must be commenced and carried out with due diligence, failing which We will not be liable to pay more than the amount We would have been liable to pay had the work of replacing or repairing the property been carried out with such due diligence.
2. If the property is not replaced or repaired We will not pay more than the Indemnity Value of the property.
3. We will not be liable to make any payment beyond the Indemnity Value of the property concerned until the cost of replacement or repair is actually incurred.
4. Where property is Damaged in part only, Our liability will not exceed the sum representing the replacement cost which We would have been called upon to pay if the property had been wholly destroyed.

Exclusions

We will not be liable for:

1. Theft of property:
 - (a) from a vehicle that is unlocked and unattended; or
 - (b) located in the open air.
2. destruction, loss or Damage due to, or sustained by or through Theft or any attempted Theft, or any act of fraud or dishonesty committed by any:
 - (a) members of Your family; or
 - (b) person or persons in Your service, other than loss or destruction or Damage due to, or sustained by, or through Theft or any attempted Theft following forcible and violent entry to the premises committed by any person or persons in Your service.
3. destruction, loss or Damage occurring outside Australia.
4. destruction, loss or Damage arising from detention, confiscation, destruction or requisition by any lawfully constituted authority other than as provided for in the definition of Fire and Perils.
5. destruction, loss or Damage arising from unexplained inventory shortages or disappearances resulting from clerical or accounting errors, or shortage in the supply or delivery of materials to or from You.
6. any consequential loss whatsoever.
7. destruction, loss or Damage as a result of trickery.
8. a claim where the Situation becomes unattended and remains so for any period of more than ninety (90) consecutive days, unless Our written agreement to continue cover has been obtained.
9. loss of or Damage to data, including operating systems or application programs, that is not accompanied by evidence of visible and identifiable physical destruction, loss or Damage to the data carrying media.
10. destruction, loss or damage caused by the gaining of access by any person other than You or Your employees to Your computer system via data communication media.
11. destruction, loss or Damage caused by Computer Virus.

Claims Procedure

Please refer to the Claims Procedure in the General Provisions of this Policy for details of Your obligations in the event of a claim.

Section 10 Taxation Investigation

Introduction

This Section forms part of the Policy only if shown in the Schedule and, if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the General Provisions of the Policy and in the Schedule.

Cover

If You or any person on Your behalf has during the Period of Insurance, first received notification from the Australian Taxation Office relating to:

1. the conduct of a taxation audit; or
2. a detailed and in depth investigation

relating to Your liability to pay income tax, fringe benefits tax, capital gains tax, A New Tax System (Goods and Services Tax), superannuation payments tax, termination payments tax, or sales tax (including the amount of any such tax), in respect of Your Business, We will indemnify You for the necessary Costs which You reasonably incur up to the completion of the audit or investigation.

Limitations

1. Our total liability in respect of any one audit or investigation will not exceed the Sum Insured shown in the Schedule.
2. Our total liability in respect of all audits or investigations for which notice was first received during the Period of Insurance will not exceed the Sum Insured shown in the Schedule.

Definitions

In this Section:

Accountant or Registered Tax Agent means a person recognised by either the Institute of Chartered Accountants or the Australian Society of Accountants, or any other person registered by the Australian Taxation Office as a tax agent, engaged by You for the purpose of preparing, or supervising the preparation of, or reviewing prior to dispatch, all returns and statements required by the Australian Taxation Office, in respect of Your liability to pay tax, but does not mean You, or a person working for You under a contract of employment.

Costs means fees, charges and disbursements of an Accountant or Registered Tax Agent or any other external professional person or consultant engaged by or replacing the Accountant or Registered Tax Agent, for work undertaken in connection with the audit or investigation.

Exclusions

We will not be liable for Costs:

1. in respect of, arising out of, or relating to:
 - (a) any improper, unwarranted or unjustified refusal or failure to comply with any request made by or on behalf of the Australian Taxation Office for the production of documents or the furnishing of information. Refusal or failure to comply will not be deemed to be improper, unwarranted or unjustified if You are presented with an authorisation in terms of Section 263 of the Income Tax Assessment Act 1936 or a notice in terms of Section 264 of the Income Tax Assessment Act 1936 or any other notice under any other relevant legislation, and acting upon the advice of the Accountant or Registered Tax Agent engaged by You, You refuse or fail to comply.
 - (b) inquiries from the Australian Taxation Office that are not related to an identified intention to conduct an audit or are not directed at obtaining information or data in respect of a likely future audit.
 - (c) matters arising under customs legislation.
 - (d) audits or investigations, notice of which or information as to their likely conduct, was received by You or by any person acting on Your behalf prior to the Period of Insurance. Receipt of such notice or information will have occurred where the Australian Taxation Office makes communication with You or with any person acting on Your behalf.
 - (e) any audit or investigation concerning income earned, or where the source of income is, outside Australia and its external territories, or where the services giving rise to the claim are performed by persons or firms ordinarily resident outside Australia.
 - (f) any fraudulent act or fraudulent omission committed by You, or on Your behalf, or any statement made by You, or on Your behalf that is false or misleading in a material particular and where the reason for such statement can be attributed to deliberate evasion, recklessness or carelessness by You or on Your behalf. This Exclusion will not apply where a false or misleading statement results from You being misled by the Australian Taxation Office, and where You did not and could not be expected to know that a statement was false or misleading.
 - (g) the imposition of or the seeking to impose any tax, penalty tax, costs, interest or any fine.
 - (h) a return of income that has not been prepared or reviewed prior to dispatch by the Accountant or Registered Tax Agent, but this exclusion does not apply to a return that is:
 - (1) a prescribed sales tax return.

- (2) in respect of income derived from:
 - (a) a contract of employment or service between You and a third party (not being income from a company employing You where You are a director of such company or have a financial interest in that company).
 - (b) any superannuation, pension or like benefit received by You.
 - (c) personal investments made by or for You and upon which You are not wholly or mainly dependent for support, being income supplementary to that referred to in 1(h)(2)(a) and 1(h)(2)(b) above.
 - (i) Your failure to pay all taxes by due date or within any extension of time granted by the Australian Taxation Office.
 - (j) in respect of any audit or investigation that results from You, or any person acting on Your behalf, becoming aware of any error or deficiency in any information, return of income or other documentation furnished to the Australian Taxation Office and choosing not to notify the Australian Taxation Office without delay.
2. any outside Accountant or Registered Tax Agent or any other outside professional person or consultant engaged by or replacing the Accountant or Registered Tax Agent engaged by You, unless We have given Our prior approval to the appointment of such person or consultant.
 3. which relate to any subsequent objection lodged with the Australian Taxation Office, the Administrative Appeals Tribunal, or the Federal or High Courts in respect of the audit.
 4. incurred after the audit or investigation has been completed.
 5. incurred as a result of Your delay in responding to the Australian Taxation Office.

Conditions

1. All taxation and other returns must be submitted within the time limits prescribed by all relevant statutes and regulations or as required by or on behalf of the Australian Taxation Office or within the extensions of time granted by the Australian Taxation Office.
2. You must make full and complete disclosure of all assessable income (including capital gains) as required by any relevant legislation and You must not omit from any such disclosure any matter or thing without which the disclosure is misleading in a material particular.
3. All taxes must be paid by the due date or within any extension granted by the Australian Taxation Office.
4. You must immediately notify Us in writing of any circumstances that give rise to, or are likely to give rise to, a claim immediately after You become aware of them.
5. All correspondence, requests and inquiries from the Australian Taxation Office must be dealt with within a reasonable time.

Claims Procedure

In the event of a claim arising:

1. You must at all times keep Us fully and continually informed of all material developments in relation to the claim and in relation to any investigation or audit and You must take all steps necessary and reasonable to minimise any delays and the amount of any Costs incurred, or likely to be incurred, in connection with any investigation or audit.
2. We or Our duly appointed agent may conduct Our own investigation into any matter that is or may be the subject of a claim under this Section.
3. We shall have direct access to Your Accountants or Registered Tax Agents or lawyers at all times and You and they must co-operate fully with Us in this regard.
4. at Our request You shall instruct all Accountants or Registered Tax Agents, lawyers, or other persons or organisations engaged by You, and all of Your employees, to produce to Us, without delay, any documents or information or advice in Your possessions or in their possession that We shall require in connection with any claim.
5. You and all Accountants, Registered Tax Agents or lawyers engaged by You shall assist Us with any matter that We wish to pursue directly with the Australian Taxation Office which is or may be the subject of a claim under this Section.
6. In addition to the Claims Procedure above, please refer to the Claims Procedure in the General Provisions of this Policy for further details of Your obligations in the event of a claim.

