

# Chubb Industrial Special Risks Insurance

## ISR Mark IV Modified Policy Wording

Policy Number: 02FX024710

01 November 2023 to 01 November 2024

CHUBB®

## Chubb Industrial Special Risks Insurance Policy

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This Policy incorporates the Schedule, Sections, Definitions, Conditions, Exclusions, Endorsements, Memoranda and Warranties (if any) and any other terms herein contained which are to be read together and any word or expression to which a specific meaning has been given in any part of this Policy shall bear this meaning wherever it may appear unless such meaning is inapplicable to the context in which the word or expression appears.

**Whereas** the Insured named in the Schedule has paid or agreed to pay to the Insurer(s) specified below the Premium shown on the Schedule, now the Insurer(s) agree(s), subject to the terms, Conditions, Exclusions, Memoranda, Warranties, limitations and other provisions contained herein or endorsed hereon, to indemnify the Insured as specified herein against loss arising from any insured events which occur during the Period of Insurance stated in the Schedule or any renewal thereof.

**Provided That** the total liability of the Insurer(s) at any one Situation shall not exceed the appropriate Limit or Sub-Limit(s) of Liability as stated in the Schedule or such amount(s) as may be substituted therefor by endorsement or memorandum hereon or attached hereto and that each Insurer specified below shall only be liable to contribute to any loss covered by this Policy that proportion of the loss as is specified beside its name.

Signed on Behalf of the Insurer(s)

<b>Insurer</b>	Chubb Insurance Australia Limited
<b>Policy No.</b>	02FX024710
<b>Proportion</b>	100.00%



**CHUBB**

**Declan Moloney**

Declan Moloney  
Deputy Segment Leader, Major Accounts Division  
Declan.Moloney@Chubb.com  
Chubb Insurance Australia Limited  
ABN 23 001 642 020 AFSL 239687

**Chubb. Insured.**

## Policy Schedule

<b>Insured</b>	<p>JLT (Sport AFL Asset Protect) Discretionary Trust (JDT) including affiliated clubs of AFL Victoria (excluding VAFA and EFL clubs), AFL NSW/ACT, AFL Tasmania, AFL Queensland and the Western Australian Football Commission.</p> <p>Including mortgagees, lessors and other interested parties for their respective rights and interests.</p>
<b>Business</b>	<p>Principally Administration, participation and promotion of Australian Football throughout Australia and all club related social and similar activities organised by the Insured including Property Owners/Occupiers and any other incidental occupations.</p>
<b>Situation</b>	<p>Anywhere in Australia where Property Insured may be located either permanently or temporarily.</p> <p><b>AUTOMATIC COVER</b></p> <p>AFL Victoria  Western Australian Football Commission  AFL Queensland  AFL NSW/ACT and  AFL Tasmania</p> <p><b>OPTIONAL COVER</b></p> <p>South Australian National Football League  AFL Northern Territory  VAFA</p>
<b>Jurisdiction</b>	Australia
<b>Governing Law</b>	Australia
<b>Period of Insurance</b>	From: 4.00pm on 01 November 2023, AEDT
	To: 4.00pm on 01 November 2024, AEDT
<b>Interest</b>	<p><b>Section 1 – Material Loss or Damage:</b></p> <p>All real and personal property of every kind and description (except as specifically excluded) belonging to the Insured or for which the Insured is responsible or has assumed responsibility prior to the occurrence of any damage, including all such property in which the Insured may acquire an insurable interest during the Period of Insurance.</p> <p><b>Section 2 – Consequential Loss:</b></p> <p>Item 1 Gross Profit  Item 2 Claims Preparation and Costs  Item 3 Pay-Roll (As Defined)  Item 4 Additional Expenditure</p>

<b>Declared Values</b> (In accordance with the Basis of Settlement)	<b>Section 1 – Material Damage</b>	
	The following Property Insured:	
	All Property Insured – Base level of \$20,000 per Club (AFL VIC, WAFC, AFL TAS, AFL NSW/ACT, AFL QLD)	\$32,380,000
	All Property Insured (SAFNL and AFL NT)	OPTIONAL
	All Property Insured – Upgrading cover above the base level of \$15,000 per Club (ALL STATES)	OPTIONAL
	<b>Total:</b>	<b>\$32,380,000</b>
	<b>Section 2</b>	
	Item 1 Gross Profit	Incl. in Section 1
	Item 2 Professional Fees	\$10,000
	Item 3 Pay-Roll	Included
Item 4 Additional Expenditure	\$10,000	
<b>Section 2 – Optional / Upgrades</b>		
Item 1 Gross Profit	As selected	
Item 2 Professional Fees	Auto cover to 25% of total amount selected under Section 1 or \$10,000 whichever is the greater up to a maximum of \$250,000	
Item 3 Pay-Roll	Included	
Item 4 Additional Expenditure	Auto cover to 25% of total amount selected under Section 1 or \$10,000 whichever is the greater up to a maximum of \$250,000	
<b>Limit(s) of Liability</b>	The amount(s) set out hereunder represent the Insurers maximum Limit(s) of Liability any one loss or series of losses arising out of any one event at any one situation subject to any lesser Limit(s) of Liability specified elsewhere in this Policy.	
	<b>Sections 1 and 2 Combined</b>	
	<b>Base Level Cover</b>	\$20,000 each and every loss or series of losses arising out of any one event subject to an Aggregate Limit of \$355,500  In the event the Aggregate is eroded, Chubb is liable for all losses of \$20,000 each and every loss or series of losses arising out of any one event.  <b>Acquired Companies (as defined)</b> 25% of Limit of Liability
<b>Scheme Cover Any One Event Limit(s): Insurance Council of Australia -</b>	Following application of the Individual Member's Deductible (as described in Individual Member's Deductible), the	

<b>Declared Significant Events and Insurance Catastrophes:</b>	Discretionary Trust is liable subject to the Trustee's discretion and limited to the next \$100,000 of each and every incident or series of incidents arising out of the one occurrence or the balance of the Discretionary Trust monies allocated to the Aggregate losses during the Fund period, whichever is the lesser.																														
<b>Upgrading Cover</b>	OPTIONAL as selected up to a maximum of \$5,000,000 each and every loss or series of losses arising out of any one event																														
<b>Sub-Limit(s) of Liability</b>	<p>The liability of the Insurer(s) shall be further limited in respect of any one claim or series of claims arising out of any one event at any one situation as set out hereunder subject to the following conditions:</p> <ol style="list-style-type: none"> <li>Such Sub-Limit(s) shall apply cumulatively to any one event at any one situation.</li> <li>The Sub-Limit(s) shall only apply to any direct loss or damage to the Property Insured and shall not include any subsequent, consequential or indirect losses which may result therefrom.</li> <li>It is understood and agreed that such Sub-Limit(s) shall not increase the liability of the Insurer(s) beyond the Limit(s) of Liability expressed above.</li> </ol> <p><b>BASE LEVEL OF COVER</b></p> <p><b>Section 1: Material Loss or Damage</b></p> <table border="1"> <tr> <td>Accidental Damage</td> <td>\$20,000</td> </tr> <tr> <td>Burglary and/or Theft (other than Money)</td> <td>\$20,000</td> </tr> <tr> <td>Burglary and/or Theft of Alcohol and/or Tobacco</td> <td>\$5,000</td> </tr> <tr> <td>Money (including whilst in transit, private residence or in locked safe both during and outside business hours)</td> <td>\$20,000</td> </tr> <tr> <td>Money (other than whilst in transit, private residence or in locked safe) on the Premises Outside Business Hours</td> <td>\$1,000</td> </tr> <tr> <td>Personal Property/Social Clubs (limit per person)</td> <td>\$5,000</td> </tr> <tr> <td>Glass</td> <td>Replacement Value</td> </tr> <tr> <td>Removal of Debris</td> <td>\$20,000</td> </tr> <tr> <td>Expediting Expenses</td> <td>\$10,000</td> </tr> <tr> <td>Loss of Land Value</td> <td>\$10,000</td> </tr> <tr> <td>Landscaping</td> <td>\$10,000</td> </tr> <tr> <td>Customs Duty</td> <td>\$10,000</td> </tr> <tr> <td>Temporary Accommodation Expense</td> <td>\$10,000</td> </tr> <tr> <td>Property In Transit</td> <td>\$10,000</td> </tr> <tr> <td>General Property except;</td> <td>\$20,000</td> </tr> </table>	Accidental Damage	\$20,000	Burglary and/or Theft (other than Money)	\$20,000	Burglary and/or Theft of Alcohol and/or Tobacco	\$5,000	Money (including whilst in transit, private residence or in locked safe both during and outside business hours)	\$20,000	Money (other than whilst in transit, private residence or in locked safe) on the Premises Outside Business Hours	\$1,000	Personal Property/Social Clubs (limit per person)	\$5,000	Glass	Replacement Value	Removal of Debris	\$20,000	Expediting Expenses	\$10,000	Loss of Land Value	\$10,000	Landscaping	\$10,000	Customs Duty	\$10,000	Temporary Accommodation Expense	\$10,000	Property In Transit	\$10,000	General Property except;	\$20,000
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Laptop Computers	\$2,000
Fidelity Guarantee/Employee Dishonesty	Not Insured
Spoilage	\$10,000
Machinery Breakdown	\$1,500
Data Processing Equipment and Media Breakdown (Computer and Electronic Equipment)	\$1,500
Pressure Vessel Explosion	\$10,000
Acquired Companies	\$10,000
Fine Arts	\$10,000
Damage to Property in the Open Air	\$10,000
Malicious Damage to Playing Surfaces	\$5,000
Exploratory Costs	\$10,000
Extinguishing/Prevention Costs	\$10,000
Cost of Clearing Blocked Drains, Pipes, Filters and Pumps	\$10,000
Customer Goods	\$10,000
Statutory Inquiries	\$10,000
Liability to Make Enquiries	\$10,000
Liability to Make Announcements	\$10,000
Clean Up and Authorities Costs	\$10,000
Security Systems and/or Alarms	\$10,000
Inventory/Unpacking Expenses	\$10,000
Rewriting of Records	\$10,000
Minimising Losses	\$10,000
Extra Costs of Reinstatement	\$10,000
<b>Section 2: Consequential Loss</b>	
Item 1 - Gross Profit	Up to \$20,000
Item 2 - Claims Preparation and Costs	\$10,000
Item 4 - Additional Expenditure	\$10,000
Unspecified Suppliers' and/or Customers Premises	\$10,000
Accounts Receivable	\$10,000

Rent Payable	\$10,000
Rent Receivable	\$10,000
Public/Private Utilities	\$10,000
Prevention of Access/Premises in the Vicinity	\$10,000
Fines or Damages	\$10,000
Human Infectious &/or Human Contagious Disease (in the annual aggregate)	Not Insured
<b>Section 1 &amp; 2 Combined</b>	
Flood	\$20,000
<b>UPGRADING COVER</b>	
<b>Section 1 – Material Loss or Damage</b>	
Accidental Damage	Automatic cover to the total amount selected under Section 1 up to a maximum of \$250,000
Burglary and/or Theft (other than Money)	As selected
Burglary and/or Theft of Alcohol and/or Tobacco	\$5,000
Money (including whilst in transit, private residence or in locked safe both during and outside business hours)	As selected
Money (other than whilst in transit, private residence or in locked safe) on the Premises Outside Business Hours	\$1,000
Personal Property/Social Clubs (limit per person)	\$5,000
Glass	Replacement Value
Removal of Debris	Auto cover to 25% of total amount selected under Section 1 or \$15,000 whichever is the greater up to a maximum of \$250,000
Expediting Costs	Auto cover to 25% of total amount selected under Section 1 or \$10,000 whichever is the greater up to a maximum of \$25,000
Loss of Land Value	Auto cover to 25% of total amount selected under Section 1 or \$10,000 whichever is the greater up to a maximum of \$100,000
Landscaping	\$10,000

Customs Duty	\$10,000
Temporary Accommodation Expense	Auto cover to \$25% of total amount selected under Section 1 or \$10,000 whichever is the greater up to a maximum of \$25,000
Property in Transit	Auto cover to 25% of total amount selected under Section 1 or \$10,000 whichever is the greater up to a maximum of \$25,000
General Property	As selected
Laptop Computers	\$2,000
Fidelity Guarantee/Employee Dishonesty	Not Insured
Spoilage	\$10,000
Machinery Breakdown	As selected
Data Processing Equipment and Media Breakdown (Computer and Electronic Equipment)	As selected
Pressure Vessel Explosion	\$10,000
Acquired Companies	\$10,000
Exploratory Costs	Auto cover to 25% of total amount selected under Section 1 or \$10,000 whichever is the greater up to a maximum of \$25,000
Extinguishing/Prevention Costs	Auto cover to 25% of total amount selected under Section 1 or \$10,000 whichever is the greater up to a maximum of \$25,000
Cost of Clearing Blocked Drains, Pipes, Filters and Pumps	Auto cover to 25% of total amount selected under Section 1 or \$10,000 whichever is the greater up to a maximum of \$25,000
Customers Goods	\$10,000
Statutory Inquiries	\$10,000
Liability to Make Enquiries	\$10,000
Liability to Make Announcements	\$10,000
Fine Arts	\$10,000
Damage to Property in the Open Air	\$10,000



Malicious Damage to Playing Surfaces	\$5,000
Clean Up and Authorities Costs	Auto cover to 25% of total amount selected under Section 1 or \$10,000 whichever is the greater up to a maximum of \$25,000
Security Systems and/or Alarms	Auto cover to 25% of total amount selected Under Section 1 or \$10,000 whichever is the greater up to a maximum of \$25,000
Inventory / Unpacking Expenses	\$10,000
Rewriting of records	Auto cover to 25% of total amount selected Under Section 1 or \$10,000 whichever is the greater up to a maximum of \$25,000
Minimising Losses	Auto cover to 25% of total amount selected Under Section 1 or \$10,000 whichever is the greater up to a maximum of \$25,000
Extra Costs of Reinstatement	Auto cover to 25% of total amount selected Under Section 1 or \$10,000 whichever is the greater up to a maximum of \$250,000
<b>Section 2: Consequential Loss</b>	
Item 1: Gross Profit	As selected
Item 2: Claims Preparation and Costs	Auto cover to 25% of total amount selected under Section 1 or \$10,000 whichever is the greater up to a maximum of \$250,000
Item 4: Additional Expenditure	Auto cover to 25% of total amount selected under Section 1 or \$10,000 whichever is the greater up to a maximum of \$250,000
Unspecified Suppliers' and/or Customers Premises	Auto cover to 25% of total amount selected under Section 1 or \$10,000 whichever is the greater up to a maximum of \$25,000
Accounts Receivable	\$10,000
Rent Payable	Auto cover to 25% of total amount selected under Section 1 or \$10,000 whichever is the

		greater up to a maximum of \$25,000
	Rent Receivable	Auto cover to 25% of total amount selected under Section 1 or \$10,000 whichever is the greater up to a maximum of \$25,000
	Public/Private Utilities	\$10,000
	Fines or Damages	Auto cover to 25% of total amount selected under Section 1 or \$10,000 whichever is the greater up to a maximum of \$25,000
	Prevention of Access/Premises in the Vicinity	\$10,000
<b>Section 1 &amp; 2 Combined</b>		
	Flood	To be referred to the Underwriter upon request for cover
<b>Indemnity Period</b>	All Other Losses	12 Months
<b>Pay-Roll Limits</b> As defined herein	Insured	
<b>Uninsured Working Expenses</b> (Applicable only to the definition of Gross Profit)	The words and expressions used herein shall have the meanings usually attached to them in the books and accounts of the Insured unless otherwise defined in this policy.  Nil declared	
<b>Deductibles</b>	The Insured shall bear the following amounts in respect of each loss or series of losses arising out of any one event:	
	<b>Section 1: Material Loss or Damage</b>	
	Earthquake, Subterranean Fire or Volcanic Eruption	a) \$20,000; or b) an amount equal to 1% of the total Declared Values for Property Insured at the Situation where the loss occurs; Whichever is the lesser.
	Glass	\$500
	General Property – Laptop Computers only	\$500
	Named Cyclone Damage/Flood	\$5,000
	All Other Losses	\$250
	<b>Section 2: Consequential Loss</b>	
	Public/Private Utilities	48 Hours

	Premises in the Vicinity/Prevention of Access	48 Hours
	Flood	48 Hours
<b>Section 1 &amp; 2 Combined</b>		
	Aggregate	\$355,500
	<p>All in line with the JLT (Sport Asset Protect) Discretionary Trust (JDT) Appendix A</p> <p>Should more than one deductible/excess appear under this Policy for any one loss or series of losses arising from the one event, such deductibles/excesses shall not be aggregated - the highest single level of deductible/excess only shall apply.</p> <p>The Aggregate has been predicted on existing levels of affiliated clubs / leagues of AFL Victoria (excluding the VAFA and EFL), AFL Queensland, Western Australian Football Commission, AFL NSW/ACT and AFL Tasmania. If there are less clubs / leagues included then the aggregated limit reduces and if there are more clubs / leagues then the Aggregate limit increases.</p>	
<b>ADDITIONAL INFORMATION</b>	<p>The Insurer is only on risk should the JLT (Sport AFL Asset Protect) Discretionary Trust (JDT) Aggregate of <b>\$355,500</b> be exhausted.</p> <p>The JLT (Sport AFL Asset Protect) Discretionary Trust Arrangement set up for the period 1 November 2022 to 1 November 2023 will close 9 months after the expiry date. All claims reported after the expiry of the 9 month period will then be the responsibility of the Insurer.</p>	
<b>SPECIAL CONDITIONS</b>	<ol style="list-style-type: none"> <li>1. Contents definition includes stock, plant, machinery, electronic equipment and sporting equipment.</li> <li>2. General property cover includes Accidental Damage.</li> <li>3. Cover will only be provided for AFL Football Clubs/Associations/Leagues, Sporting Clubs are not covered except the football components of the Sporting Club. No cover will be provided for combined sporting clubs involving other sports; except for combined Football Netball Clubs in Victoria. For these combined Clubs in Victoria, Netball specific equipment will also be covered.</li> <li>4. Underwriting information such as construction, security, claims information not required due to it being a Master Policy.</li> <li>5. Automatic Cover – AFL Victoria (including Victorian Metropolitan Leagues and the Victorian Country Football Leagues), Western Australian Football Commission, AFL NSW/ACT, AFL Queensland and AFL Tasmania.</li> <li>6. Optional Cover (Optional Upgrade) - South Australian National Football League and AFL Northern Territory.</li> <li>7. Maximum total coverage per claim is \$15,000</li> <li>8. The base level of cover of \$15,000 does not include Buildings</li> <li>9. Upgrade Referral Points: <ul style="list-style-type: none"> <li>• Any risk with more than 1 claim in past 12 months in excess of \$10,000</li> <li>• Any risk with claim payment/s in past 12 months in excess of \$20,000</li> <li>• Any risk with a building sum insured in excess of \$500,000</li> <li>• Any risk with a contents sum insured in excess of \$100,000</li> <li>• Any request for Flood cover</li> <li>• Any risk with poor construction/security/fire protection</li> </ul> </li> </ol>	

<b>OPTIONAL UPGRADES</b>	<p>Optional Upgrades</p> <table border="0"> <tr> <td>1. Material Damage - Fire &amp; Perils</td> <td>0.156%</td> </tr> <tr> <td>2. Material Damage - Business Interruption Rate</td> <td>0.156%</td> </tr> <tr> <td>3. Material Damage - Burglary/Theft Rate</td> <td>1.237%</td> </tr> <tr> <td>4. Material Damage - Money Rate</td> <td>1.2375%</td> </tr> <tr> <td>5. Material Damage - General Property Rate</td> <td>1.65%</td> </tr> <tr> <td>6. Material Damage - Laptops</td> <td>3.09%</td> </tr> <tr> <td>7. Material Damage - Electronic Equipment Rate</td> <td>1.65%</td> </tr> <tr> <td>8. Material Damage - Machinery Breakdown Rate</td> <td>1.65%</td> </tr> </table> <p>This cover is an 'Optional Upgrade' that affiliated clubs, leagues or associations can elect to purchase above the base level of Asset Protect cover of \$15,000 for an additional premium.</p> <p>A club, league or association must go to our website <a href="http://afl.jltsport.com.au/asset_protect.aspx">http://afl.jltsport.com.au/asset_protect.aspx</a> and complete the Asset Protect Application Form.</p>	1. Material Damage - Fire & Perils	0.156%	2. Material Damage - Business Interruption Rate	0.156%	3. Material Damage - Burglary/Theft Rate	1.237%	4. Material Damage - Money Rate	1.2375%	5. Material Damage - General Property Rate	1.65%	6. Material Damage - Laptops	3.09%	7. Material Damage - Electronic Equipment Rate	1.65%	8. Material Damage - Machinery Breakdown Rate	1.65%
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8. Material Damage - Machinery Breakdown Rate	1.65%																
<b>Premium</b>	As agreed																

## SECTION 1 – MATERIAL LOSS OR DAMAGE

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### The Indemnity

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In the event of any physical loss, destruction or damage (hereinafter in Section 1 referred to as “damage” with “damage” having a corresponding meaning) not otherwise excluded happening during the period of insurance at the Situation to the Property Insured described in Section 1 the Insurer(s) will, subject to the provisions of this Policy including the limitation on the Insurer(s) liability, indemnify the Insured in accordance with the applicable Basis of Settlement.

Subject to the liability of the Insurer(s) not being increased beyond the Limit(s) of Liability already stated herein, the Insurer(s) will also indemnify the Insured for:

- (a) architects’, surveyors’, consulting engineers’, legal and other fees and clerks of works’ salaries for estimates, plans, specifications, quantities, tenders and supervision necessarily incurred in reinstatement consequent upon damage to property hereby insured but not such costs, fees and salary for preparing any claim hereunder;
- (b) any fee, contribution or other impost payable to any Government, Local Government or other Statutory Authority; where payment of such fee, contribution or impost is a condition precedent to the obtaining of consent to reinstate any building(s) insured hereunder; provided that the Insurer(s) shall not be liable for payment of any fines and/or penalties imposed upon the Insured by any such Authorities;
- (c) costs and expenses necessarily and reasonably incurred for the purpose of extinguishing fire at or in the vicinity of property hereby insured or threatening to involve such property or for the purpose of preventing or diminishing imminent damage to property hereby insured by any other peril insured against by this Policy, including damage to gain access and the cost of replenishment of fire fighting appliances and charges incurred for the purpose of shutting off the supply of water or other substance following accidental discharge from any fire protective equipment or otherwise escaping from intended confines;
- (d) costs and expenses necessarily and reasonably incurred for the temporary protection and safety of property hereby insured pending repair or replacement consequent upon damage recoverable hereunder;
- (e) cost of replacing locks and/or keys and/or combinations where if as a result of theft or any attempt thereat the keys and/or combinations are stolen or if there are reasonable grounds to believe the keys may have been duplicated; also the cost of opening safes and/or strongrooms as a result of theft of keys and/or combinations;
- (f) costs and expenses necessarily and reasonably incurred in respect of:
  - (i) the removal, storage and/or disposal of debris or the demolition, dismantling, shoring up, propping, underpinning or other temporary repairs consequent upon damage to property insured by this Policy and occasioned by a peril insured against;
  - (ii) the Insured’s legal liability in respect of removal, storage and/or disposal of debris, notwithstanding Excluded Peril 8 in relation to premises, roadways, services, railway or waterways of others, for such costs together with the cost of cleaning provided that such liability was not assumed by the Insured under an agreement entered into after the commencement of the Period of Insurance or any renewal thereof unless liability would have attached in the absence of such agreement.

Provided that the insurance under this section does not extend to any liability that the Insured may incur as a consequence of pollution of any kind.

- (iii) the demolition and removal of any property belonging to the Insured which is no longer useful for the purpose it was intended, providing such demolition and removal is necessary for the purpose of the reinstatement or replacement of Property Insured under this section and is consequent upon damage to the Property Insured by a peril hereby insured against.
- (g) damage to clothing and tools of trade belonging to directors and employees of the Insured whilst on the Premises.

Provided that the insurance under Clauses (b) to (g) inclusive above shall not be subject to application of any Co-insurance clause or memorandum contained in this Policy.

#### The Property Insured

All tangible property both real and personal of every kind and description (except as hereinafter excluded) belonging to the Insured or for which the Insured is responsible, or has assumed responsibility to insure prior to the occurrence of any damage, including all such property in which the Insured may acquire an insurable interest during the Period of Insurance.

It is understood and agreed that the terms “personal property” shall include Money (which shall mean current coin, bank notes, currency notes, cheques, credit card sales and/or discount house vouchers, postal orders, money orders, unused postage and revenue stamps and including the value of stamps contained in franking machines) whilst contained in the Situation and whilst in transit to and from the Situation anywhere in Australia, including whilst contained in the night safe of any bank or financial institution where the Insured transacts business, and in the personal custody of the Insured and/or persons authorised by the Insured whilst contained in their private residences.

#### Basis Of Settlement

For the purpose of ascertaining the classification under which any property is insured, the Insurer(s) agree(s) to accept the designation applied to such property by the Insured in its records, provided that such property is not specifically excluded by this Policy.

- (a) On buildings, machinery, plant and all other property and contents (other than those specified below);  
The cost of reinstatement, replacement or repair in accordance with the provisions of the Reinstatement and Replacement and Extra Cost of Reinstatement Memoranda as set out herein.
- (b) On raw materials, supplies and other merchandise not manufactured by the Insured:  
The replacement cost at the time and the place of replacement, provided that replacement shall have been carried out with reasonable despatch or, if such property is not replaced, the original cost to the Insured of such property or the indemnity value, whichever is the lesser. If such property is obsolete, the Basis of Settlement whether or not such property is replaced shall be the original cost to the Insured of such property or the indemnity value, whichever is the lesser.
- (c) On material in process of manufacture:  
The replacement cost of the raw materials and the cost of labour and other manufacturing costs expended thereon at the time and the place of the damage.
- (d) On finished goods manufactured by the Insured:  
The replacement cost of the raw materials and the cost of labour and other manufacturing costs expended thereon before any allowance for profit, calculated at the time and place of the damage or the cost of re-stocking such goods within a reasonable time, whichever is the lesser. If such goods are obsolete, the Basis of Settlement whether or not such goods are replaced shall be the original cost to the Insured of such goods or the indemnity value, whichever is the lesser.
- (e) On computer systems records, documents, manuscripts, securities, deeds, specifications, plans, drawings, designs, business books and other records of every description:

The cost of repairing, replacing, reproducing or restoring same, including information contained therein or thereon but excluding the value to the Insured of the said information or, if repair, replacement, reproduction or restoration is not carried out with reasonable despatch, the replacement cost of materials as blank stationary at the time and place of the damage.

- (f) On patterns, models, moulds, jigs, templets, dies or lasts:  
The cost of repair or replacement (if repaired or replaced with reasonable despatch) otherwise the value of such property to the Insured calculated at the time and place of the damage, but not exceeding the cost of replacement.
- (g) On glass:  
The cost incurred in repairing or replacing the broken glass including:
  - (i) temporary shuttering and/or hiring of security service pending replacement of broken glass.
  - (ii) signwriting or ornamentation on glass,
  - (iii) replacement burglar alarm tapes on glass,
  - (iv) removing and re-fixing of window and show-case frames and fittings,
  - (v) heat reflecting material or process on glass.
- (h) On directors' and employees' clothing and tools of trade:  
The replacement cost at the time of replacement, subject to due allowance for wear and tear, depreciation and betterment.
- (i) On empty premises awaiting demolition:  
The salvage value of the building materials and/or landlord's fixtures and fittings, net of demolition costs.

## MEMORANDA APPLICABLE TO SECTION 1

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Except to the extent that this Policy is hereby modified under the following Memoranda, the terms, Conditions and limitations of this Policy shall apply.

### Interests Of Other Parties

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The insurable interest of only those lessors, financiers, trustees, mortgagees, owners and all other parties specifically noted in the records of the Insured shall be automatically included without notification or specification; the nature and extent of such interest to be disclosed in event of damage.

Where the insurance covers the interest of more than one party, any act or neglect of an individual party will not prejudice the rights of the remaining party/parties; provided the remaining party/parties shall, immediately on becoming aware of any act or neglect whereby the risk of damage has increased, give notice in writing to the Insurer(s) and on demand pay such reasonable additional premium as the Insurer(s) may require.

Notwithstanding the foregoing paragraph it is understood and agreed that in the event of any of the parties referred to herein being entitled to the benefits of any "Concessions Agreement", which it may have entered into with the Insurer(s), the said "Concessions Agreement" will take precedence over the foregoing paragraph.

### Branded Goods

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Any salvage of branded goods and/or merchandise, the Insured's own or held by the Insured in trust or on commission, and/or goods sold but not delivered, shall not be disposed of by sale without the consent of the Insured. If such salvage is not disposed of by sale then the value of the salvage shall

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be deemed to be the market value of the goods after brands, labels or names have been removed by or on behalf of the Insured.

#### Declared Values

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The Schedule of Declared Values at each Situation (in accordance with the applicable Basis of Settlement) shall not include any allowance for Extra Cost of Reinstatement nor any of the costs and expenses referred to under clauses (b) to (g) of “The Indemnity”.

#### Reinstatement Or Replacement

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Applicable to buildings, machinery, plant and all other property and contents; other than those specified in items (b) to (i) under Basis of Settlement.

The basis upon which the amount payable is to be calculated shall be the cost of reinstatement of the damaged property insured at the time of its reinstatement, subject to the following Provisions and subject also to the terms, Conditions and Limit(s) or Sub-Limit(s) of Liability of this Policy.

For the purpose of the insurance under this memorandum “reinstatement” shall mean:

- (a) Where property is lost or destroyed:  
In the case of a building, the rebuilding thereof or in the case of property other than a building, the replacement thereof by similar property; in either case in a condition equal to, but not better or more extensive than, its condition when new.
- (b) Where property is damaged:  
The repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as, but not better or more extensive than, its condition when new.

#### Provisions

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- (i) The work of rebuilding, replacing, repairing or restoring as the case may be (which may be carried out upon any other site(s) and in any manner suitable to the requirements of the Insured, but subject to the liability of the Insurer(s) not being thereby increased), must be commenced and carried out with reasonable dispatch, failing which the Insurer(s) shall not be liable to make any payment greater than the indemnity value of the damaged property at the time of the happening of the damage.
- (ii) When any property insured to which this memorandum applies is damaged in part only, the liability of the Insurer(s) shall not exceed the sum representing the cost which the Insurer(s) could have been called upon to pay for reinstatement if such property had been wholly destroyed.
- (iii) Property insured under this memorandum is separately subject to the following Co-insurance clause:

In the event of damage to any property insured hereunder at any situation caused by any event hereby insured against, the Insurer(s) shall be liable for no greater proportion of such damage than the amount that the Insured’s declaration of value of property insured at such situation on the day of the commencement of the Period of Insurance bears to the sum representing eighty-five per cent (85%) of the cost that would have been incurred in reinstatement if the whole of such property had been destroyed on that day, but not exceeding the Limit of Liability expressed in the Schedule.

Provided that if the sum actually incurred or expended in rebuilding or replacing the damaged property, within the meaning of sub-paragraph (a) of the abovementioned definition of reinstatement, exceeds the amount that would have been payable under this Policy if this memorandum had not been incorporated herein, but is less than the cost of reinstatement as above defined, then the sum so actually incurred or expended shall, for all purposes of this memorandum, be deemed to be the cost of reinstatement of the property.



Provided further that the above clause shall not apply if the amount of the damage does not exceed five (5%) per cent of the amount of the Insured's declaration aforementioned.

- (iv) No payment beyond the amount that would have been payable under this Policy if this memorandum had not been incorporated herein shall be made until a sum equal to the cost of reinstatement shall have been actually incurred.

Provided that where the Insured reinstates or replaces any lost or destroyed property at a cost that is less than the cost of reinstatement (as defined) but greater than the value of such property at the time of the happening of its loss or destruction, then the cost so incurred shall be deemed to be the cost of reinstatement.

- (v) All other Industrial Special Risks and/or Fire and Named Perils insurances covering the property effected by or on behalf of the Insured shall be on a similar reinstatement basis.

#### Extra Cost Of Reinstatement

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Applicable to buildings, machinery, plant and all other property and contents; other than those specified in items (b) to (i) under Basis of Settlement.

This Policy extends to include the extra cost of reinstatement (including demolition or dismantling) of damaged property necessarily incurred to comply with the requirements of any Act of Parliament or Regulation made thereunder or any By-Law or Regulation of any Municipal or other Statutory Authority; subject to the following Provisions and subject also to the terms, Conditions and Limit(s) or Sub-Limits of Liability of this Policy.

#### *Provisions*

- (i) The work of reinstatement (which may be carried out wholly or partially upon any other site(s), if the requirements of the aforesaid Act, Regulation or By-Law so necessitate, subject to the liability of the Insurer(s) not being thereby increased), must be commenced and carried out with reasonable dispatch, failing which the Insurer(s) shall not be liable to make any payment beyond the amount which would have been payable under this Policy if this memorandum had not been incorporated herein.
- (ii) The amount recoverable shall not include the additional cost incurred in complying with any such Act, Regulation, By-Law or requirement with which the Insured had been required to comply prior to the happening of the damage.
- (iii) Co-insurance shall not be applied to the amount recoverable under this memorandum and any amount specified shall not be taken into account for Co-insurance purposes in terms set out in any clause contained in this Policy.
- (iv) All other Industrial Special Risks and/or Fire and Named Perils insurances covering the property effected by or on behalf of the Insured shall be on a similar basis.
- (v) If the cost of reinstatement of damaged property insured is less than fifty per cent (50%) of that which would have been the cost of reinstatement if such property had been destroyed, the amount recoverable hereunder shall be limited to:
  - (a) the extra cost necessarily incurred in reinstating only that portion damaged; or
  - (b) whilst applying to such property insured, the Sub Limit stated herein;

whichever is the greater. In the event of a Sub-Limit not being stated in this Policy the Insurer's liability shall be limited to the amount as described in sub-paragraph (a) of this provision.

#### Floor Space Ratio Index (Plot Ratio)

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Subject to the terms, Conditions and Limit(s) or Sub-Limit(s) of Liability of this Policy, in the event of any building(s) being damaged so as to constitute total loss or constructive total loss and, as a

result of the exercise of Statutory powers and/or authority by any Government Departments, Local Government or any other Statutory Authorities reinstatement of such building(s) as before is prohibited and reinstatement is only permissible subject to a reduced floor space ratio index; the Insurer(s) agree(s) to pay in addition to any amount payable on reinstatement of such building(s) the difference between:

- (a) The actual cost of reinstatement incurred in accordance with the reduced floor space ratio index.  
AND
- (b) The cost of reinstatement which would have been incurred had a reduced floor space ratio index not been applicable.

In arriving at the amount payable under (a) and (b) above, any payments made by the Insurer(s) shall include the extra cost of reinstatement, including demolition or dismantling of the insured property, necessarily incurred to comply with the requirements of any Act of Parliament or Regulation made thereunder or any By-law or Regulation of any Municipal or other Statutory Authority.

Any payment made for the difference between (a) and (b) above shall be made as soon as the said difference is ascertained upon completion of the rebuilding works and certified by the architect acting on behalf of the Insured in the reinstatement of the building(s).

#### Acquired Companies

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This Policy extends to include property located in Australia belonging to companies and other organisations, a controlling interest in which is acquired by the Insured during the currency of this Policy; subject to the Insured declaring details of such acquisition within a reasonable period following the date of acquisition. Provided the business of the new acquisition shall be similar to the Business as stated in the Schedule.

For the purposes of this memorandum, a controlling interest shall in the case of a company, mean the acquisition of shares carrying more than fifty per cent (50%) of votes capable of being cast at a general meeting of ordinary shareholders in such company.

#### Co-Insurance

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Unless otherwise stated herein to the contrary, this Policy is subject to the following Co-insurance memorandum:

In the event of damage to property insured hereunder at any situation caused by any peril hereby insured against, the Insurer(s) shall be liable for no greater proportion of such damage than the amount of the Insured's declaration of value of such property insured, at the situation where the damage occurred, on the day of the commencement of the Period of Insurance bears to the sum representing eighty-five percent (85%) of the actual value of property insured at such situation on the day of commencement of the Period of Insurance but not exceeding the Limit of Liability expressed in the Schedule.

Provided that this clause shall not apply if the amount of the damage does not exceed 5% of the amount of the Insured's declaration aforementioned.

It is expressly understood and agreed that the provisions of this Co-insurance Memorandum shall not apply in respect of that part of any claim which is made under the provisions of the Reinstatement and Replacement Memorandum.

## SECTION 2 – CONSEQUENTIAL LOSS

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### The Indemnity

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In the event of any building or any other property or any part thereof used by the Insured at the Premises for the purpose of the Business being physically lost, destroyed or damaged during the period of insurance by any cause or event not hereinafter excluded (loss, destruction or damage so caused being hereinafter termed “Damage”) and the Business carried on by the Insured being in consequence thereof interrupted or interfered with, the Insurer(s) will, subject to the provisions of this Policy including the limitation on the Insurer(s) liability, pay to the Insured the amount of loss resulting from such interruption or interference in accordance with the applicable Basis of Settlement.

Provided that the Insurer(s) will not be liable for any loss under this Section unless the Insured’s property lost, destroyed or damaged is insured against such Damage (loss arising out of destruction or damage by explosion of Boilers and/or Economisers excepted) and the insurer or insurers by which such property is insured shall have paid for, or admitted liability in respect of such Damage unless no such payment shall have been made or liability admitted therefor solely owing to the operation of a provision in such insurance excluding liability for loss below a specific amount.

### Basis Of Settlement

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#### *Item No. 1 - Loss Of Gross Profit*

The insurance under this item is limited to loss of Gross Profit due to: (a) Reduction in Turnover and (b) Increase in Cost of Working, and the amount payable as indemnity thereunder shall be:

- (a) In respect of Reduction in Turnover:  
The sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Turnover.
- (b) In respect of Increase in Cost of Working:  
The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided.

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

Provided that if the Declared Value of Gross Profit at the commencement of each Period of Insurance be less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover (or its proportionately increased multiple thereof, where the Indemnity Period exceeds 12 months), the amount payable hereunder shall be proportionately reduced.

#### *Item No. 2 - Claim Preparation Fees*

The insurance under this item is to cover such reasonable professional fees as may be payable by the Insured, and such other reasonable expenses necessarily incurred by the Insured and not otherwise recoverable, for preparation of claims under the Insured’s Material Damage and Consequential Loss insurance policies and the Insurer(s) shall indemnify the Insured for such reasonable fees and expenses.

#### *Item No. 3 - Pay-Roll*

The insurance under this item is limited to loss in respect of Pay-Roll and the amount payable as indemnity thereunder shall be:

- (a) In respect of Reduction of Turnover:

- (i) During the portion of the Indemnity Period beginning with the occurrence of the Damage and ending not later than the number of weeks thereafter specified in the Schedule: The sum produced by applying the Rate of Pay-Roll to the Shortage in Turnover during the said portion of the Indemnity Period, less any saving during the said portion of the Indemnity Period, through reduction in consequence of the Damage in the amount of Pay-Roll paid.
- (ii) During the remaining portion of the Indemnity Period: The sum produced by applying the Rate of Pay-Roll to the Shortage in Turnover during the said remaining portion of the Indemnity Period, less any saving during the said remaining portion of the Indemnity Period, through reduction in consequence of the Damage, in the amount of Pay-Roll paid; but not exceeding the sum produced by applying the percentage of the Rate of Pay-Roll specified in the Schedule to the Shortage in Turnover during the said remaining portion of the Indemnity Period, increased by such amount as is deducted for savings under the terms of Clause (a) (i).

**Note:** At the option of the Insured, the number of weeks referred to in clause (a)(i) above may be increased to the number of weeks specified in the Schedule under the heading “Consolidated Period” provided that the amount arrived at under the provisions of clause (a)(ii) shall not exceed such amount as is deducted under clause (a)(i) for savings effected during the said increased number of weeks.

- (b) In respect of Increase in Cost of Working:  
So much of the additional expenditure described in Clause (b) of Item 1 as exceeds the amount payable thereunder, but not more than the additional amount which would have been payable in respect of Shortage in Turnover under the provisions of clauses (a)(i) and (ii) of this item had such expenditure not been incurred.

Provided that if the Declared Value of Insured Pay-Roll at the commencement of each Period of Insurance be less than the sum produced by applying the Pay-Roll Limits to the sum produced by applying the Rate of Pay-Roll to the Annual Turnover (or its proportionately increased multiple thereof, where the Indemnity Period exceeds 12 months) the amount payable shall be proportionately reduced.

*Item No. 4 - (Additional) Increased Cost Of Working*

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

Definitions

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**Gross Profit:**

the amount by which:

- (a) the sum of the Turnover and the amount of the Closing Stock and Work in Progress shall exceed
- (b) the sum of the amount of the Opening Stock and Work in Progress and the amount of the Uninsured Working Expenses as set out in the Schedule

Note:

The amounts of the Opening and Closing Stocks and Work in Progress shall be arrived at in accordance with the Insured’s normal accountancy methods, due provision being made for depreciation.

**Turnover:**

the money (less discounts, if any allowed) paid or payable to the Insured for goods sold and delivered and for services rendered in course of the Business at the Premises.

**Indemnity Period:**

the period beginning with the occurrence of the Damage and ending not later than the number of

months specified in the Schedule thereafter during which the results of the Business shall be affected in consequence of the Damage.

**Pay-Roll:**

the remuneration (including but not limited to pay-roll tax, bonuses, holiday pay, workers' compensation insurance premiums and/or accident compensation levies, superannuation and pension fund contributions and the like) of all employees.

**Shortage In Turnover:**

the amount by which the Turnover during a period shall, in consequence of the Damage, fall short of the part of the Standard Turnover which relates to that period.

**Rate Of Gross Profit:**

The rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage.

**Annual Turnover:**

The Turnover during the 12 months immediately before the date of the Damage.

**Standard Turnover:**

The Turnover during the period in the 12 months immediately before the date of the damage which corresponds with the Indemnity Period.

**Rate of Gross Profit:** The rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage )  
)  
)  
)

**Annual Turnover:** The Turnover during the 12 months immediately before the date of the Damage )  
)  
)  
)

**Standard Turnover:** The Turnover during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period )  
)  
)  
)

**Rate of Pay-Roll:** The rate of Pay-Roll to Turnover during the financial year immediately before date of the Damage )  
)  
)  
)

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

## MEMORANDA APPLICABLE TO SECTION 2

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Except to the extent this Policy is hereby modified under the following Memoranda the terms, Conditions and limitations of this Policy shall apply.

### Turnover Elsewhere After Damage

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If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the Premises for the benefit of the Business either by the Insured or by the others on the Insured's behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

### Departmental Clause

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If the Business be conducted in departments of which the independent trading results of which are ascertainable, the provisions of clauses (a) and (b) of Item Nos. 1 and 3 shall apply separately to each department affected by the Damage.

### New Business

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In the event of Damage occurring at the Premises before the completion of the first year's trading of the Business the terms 'Rate of Gross Profit', 'Annual Turnover', 'Standard Turnover' and 'Rate of Pay-Roll' shall bear the following meanings and not as within stated:

**Rate of Gross Profit:** the rate of Gross Profit earned on the Turnover during the period between the date of the commencement of the Business and the date of the Damage

**Annual Turnover:** the proportional equivalent, during the period between the commencement of the Business and the date of the Damage

**Standard Turnover:** the proportional equivalent, for a period equal to the Indemnity Period, for the Turnover realised during period between the commencement of the Business and the date of the Damage

**Rate of Pay-Roll:** the rate of Pay-Roll to Turnover during the period between the date of the commencement of the Business and the date of the Damage

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

### Accumulated Stocks

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In adjusting any loss, account shall be taken and equitable allowance made if any Shortage in Turnover due to the Damage is postponed by reason of the Turnover being temporarily maintained from accumulated stocks of finished goods.

### Books Of Account

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Any particulars or details contained in the Insured's books of account or other business books or documents which may be required by the Insurer(s) for the purpose of investigating or verifying any claim hereunder may be produced and certified by the Insured's auditors and their certificate shall be prima facie evidence of the particulars and details to which such certificate relates.

The words and expressions used herein shall have the meanings usually attached to them in the books and accounts of the Insured unless otherwise defined in this Policy.

## Public Utilities Extension

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Notwithstanding Property Exclusions 16 and 17 and Perils Exclusions 3, 4, 5, 6 and 7 any loss resulting from interruption or interference with the Business in consequence of Damage to property within Australia at:

- (a) any generating station, sub station or supply line of the electric supply undertaking from which the Insured directly or indirectly obtains electricity;
- (b) any land based premises of the gas supply undertaking, or of any natural gas producer from which the Insured directly or indirectly obtains gas,
- (c) any waterworks, pumping station, dams, reservoirs and notwithstanding Property Exclusion 9, any supply pipe or channel, of the water supply undertaking from which the Insured obtains water;
- (d) any land based premises or pipeline of the sewerage undertaking linked to Premises used by the Insured;
- (e) any land based premises of a telecommunication network;

shall be deemed to be loss resulting from Damage to property used by the Insured at the Premises. For the purpose of this Memorandum the proviso in paragraph two of The Indemnity is waived.

## Turnover/Output Alternative

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At the option of the Insured the term 'Output' may be substituted for the term 'Turnover' and, for the purpose of this Policy, 'Output' shall mean the sale and/or invoice value of goods manufactured and/or processed by the Insured in course of the Business at the Premises. Provided that only one such meaning shall be operative in connection with any one event involving Damage.

If the meaning set out above be used, the memorandum 'Turnover Elsewhere After Damage' shall be altered to read as follows:

*"if during the Indemnity Period goods shall be manufactured and/or processed other than at the Premises for the benefit of the Business either by the Insured or by others on the Insured's behalf the sale and/or invoice value of the goods so manufactured and/or processed shall be brought into account in arriving at the Output during the Indemnity Period."*

## Computer

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This Policy extends to include loss (not otherwise recoverable) resulting from interruption of or interference with the Business occasioned by Damage to computer installations, including ancillary equipment and data processing media utilised by the Insured anywhere in Australia.

## Salvage Sale

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

- (i) Clause (a) of Item 1 of this Section shall, for the purpose of such claim, read as follows:

- (a) "In respect of Reduction in Turnover

*The sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period (less the Turnover for the period of the salvage sale) shall, in consequence of the Damage, fall short of the Standard Turnover, from which shall be deducted the Gross Profit actually earned during the period of the salvage sale."*

- (ii) The definition of Shortage in Turnover shall, for the purpose of such claim, read as follows:

"Shortage In Turnover

Shall mean: The amount by which the Turnover during a. period (less the Turnover for the period of the salvage sale) shall, in consequence of the Damage, fall short of the part of the

Standard Turnover which relates to that period, from which shall be deducted the Pay-Roll paid out of the proceeds of the salvage sale.”

#### Premises In The Vicinity (Prevention Of Access)

Loss as Insured by this Policy resulting from interruption of or interference with the Business in consequence of damage to property in the vicinity of the Premises caused by a peril, damage as a result of which is insured hereunder, which shall prevent or hinder the use thereof or access thereto, whether the Premises or property of the Insured therein shall be damaged or not, shall be deemed to be loss resulting from Damage to property used by the Insured at the Premises.

Loss as insured by this Policy resulting from interruption of or interference with the Business in consequence of damage to property in the vicinity of and forming part of or contained in the complex of which the Premises forms part caused by a peril, damage as a result of which is insured hereunder, which results in a cessation or diminution of trade due to temporary falling away of potential custom whether the Premises or property of the Insured therein shall be damaged or not shall be deemed to be loss resulting from Damage to property used by the Insured at the Premises.

#### Registered Vehicles &/Or Trailers

Notwithstanding the provisions of Property Exclusion 5, this Policy extends to include loss resulting from interruption of or interference with the Business occasioned by Damage to registered vehicles &/or trailers whilst such vehicles or trailers are at the Premises owned or occupied by the Insured; provided always that this Policy does not cover loss resulting from physical loss, destruction of or damage to such vehicles &/or trailers whilst they are being used on any public highway or thoroughfare.

## EXCLUSIONS APPLICABLE TO ALL SECTIONS

### Property Exclusions

This Policy does not cover physical loss, destruction of or damage to the following property or loss under Section 2 resulting therefrom:

- (1) Property (except money) whilst in transit other than during the incidental movement of such property within situations occupied by the Insured. This exclusion shall not apply during temporary removal of property (other than stock and/or merchandise) and unregistered motor vehicles to any situation in the Commonwealth of Australia but, whilst such property is in transit, cover is limited to physical loss, destruction or damage caused by fire, lightning, explosion, earthquake, aircraft, riot, strikes, malicious damage and storm and/or tempest.
- (2) Money:
  - (a) whilst being carried by professional money carriers, professional carriers or common carriers which is more specifically insured excepting the excess amount over and above such more specific insurance which excess is held to be covered hereunder. Provided that where in the ordinary course of business the Insured enters into an agreement with such carriers and such agreement provides that the Insured shall indemnify and/or hold harmless and/or release from liability such carriers in respect of loss, destruction or damage which may occur as a result of any event hereby insured against, this insurance shall operate as if this Property Exclusion 2(a) had been deleted.
  - (b) stolen from an unlocked and unattended vehicle;
  - (c) stolen from a safe or strongroom opened by a key or by use of details of a combination, either of which has been left at the Situation outside business hours, unless such key or combination details have been properly secured;
  - (d) where the loss is not discovered within five (5) working days of the event;



- (e) where the loss arises out of:
  - (i) kidnapping;
  - (ii) bomb threat;
  - (iii) hoax;
  - (iv) extortion;or any attempt threat.
- (3) Jewellery, furs, bullion, precious metals or precious stones other than as stock and/or merchandise of the Business.
- (4) (a) Any locomotive or rolling stock or watercraft other than as stock or merchandise of the Business; provided always that no cover shall apply hereunder whilst any watercraft is on water.  
  
(b) Any aircraft (including its accessories and/or spare parts) other than as stock or merchandise of the Business; provided always that no cover shall apply hereunder during taxiing, take-off, flight or landing.
- (5) Vehicles or trailers registered or licensed to travel on a public road, provided that this exclusion shall not apply to mobile plant and equipment (excluding cars, sedans, panel vans and trucks) not otherwise insured whilst on any premises occupied or used by the Insured.
- (6) Livestock, animals, birds or fish.
- (7) Standing timber, growing crops and pastures.
- (8) Land, unmined or unrecovered oil, gas and mineral deposits, provided that this exclusion shall not apply to structural improvements on or in the land if such structural improvements are not otherwise excluded in this Policy.
- (9) (a) Bridges, canals, roadways and tunnels, dams and reservoirs (other than tanks) and their contents.  
  
(b) Railway tracks (other than on the premises occupied or used by the Insured for the purpose of its business).
- (10) Docks, wharves and piers not forming part of any building.
- (11) Mining property located beneath the surface of the ground unless otherwise expressly stated in this Policy.
- (12) Property during the course of, and as a result of, its processing
- (13) (a) Gates fences, retaining walls, textile awnings and blinds;  
  
(b) Property in the open air unless such property comprises or forms part of a permanent structure designed to function without the protection of the walls or roof;  
  
caused by wind, rainwater or hail.
- (14) (a) Property included in a project of construction, erection, alteration or addition, including the partial dismantlement of existing structures, where the total contract value of all work to be carried out at any one situation during such activity exceeds 10% of the Limit of Liability or \$500,000, whichever is the lesser. Provided that this Exclusion 14(a) shall

apply only to the works comprising such construction, erection, alteration or addition and not to any original or existing structures.

(b) Empty premises upon which demolition work has commenced.

(15) Oil and gas drilling and/or production rigs whilst offshore.

(16) All Machinery (as defined in this exclusion), electronic data processing equipment or electronic control equipment occasioned by or happening through any mechanical, electrical, electro-mechanical, electronic or hydraulic malfunction, failure, derangement, breakdown or non-operation of whatsoever kind.

Provided that Property Exclusion 16 shall not apply to any subsequent loss, destruction of or damage to such Machinery, electronic data processing equipment or electronic control equipment occasioned by or happening through any cause or event not otherwise excluded herein which results from any of the events referred to in this exclusion.

For the purpose of Property Exclusion 16, Machinery means: any apparatus whether or not functioning independently or as any component part of a collection of apparatus which generates, contains, controls, transmits, receives, transforms or utilises any form or source of energy or power.

(17) Any boiler (other than a boiler used for domestic purposes) economiser or other pressure vessel, including pipes, valves and other apparatus thereof in respect of which a certificate is required to be issued under the terms of any statute or regulation occasioned by or arising from explosion, rupture, collapse, bursting cracking or overheating thereof provided that this exclusion shall be limited to the aforementioned items immediately affected and shall not extend to other property as a result of such loss or destruction or damage. This exclusion shall not apply to Section 2 as specifically stated therein.

#### Perils Exclusions

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The Insurer(s) shall not be liable under Sections 1 and/or 2 in respect of:

(1) Physical loss, destruction of or damage to the Property Insured:

(a) directly or indirectly occasioned by or happening through or connected with war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power.

(b) resulting from confiscation, nationalisation, requisition or damage to property by or under the order of any Government or Public or Local Authority.

Notwithstanding the provisions of Perils Exclusion 1(b) the Insurer(s) shall be liable for loss, destruction of or damage to, or the cost of removal of, sound property at the Premises for the purpose of preventing or diminishing imminent damage by, or inhibiting the spread of, fire or any other peril insured against under this Policy;

(2) (a) Physical loss, destruction of or damage to the Property Insured;

(b) any legal liability of whatsoever nature;

directly or indirectly caused by or contributed to, by or arising from:

(i) ionising radiations or contamination by radioactivity from any nuclear waste or from the combustion of nuclear fuel.

**Note:** For the purpose of this exclusion only, “combustion” shall include any self-sustaining process of nuclear fission;

(ii) nuclear weapons materials;

- (3) Physical loss, destruction or damage occasioned by or happening through:
- (a) flood, which shall mean the inundation of normally dry land by water escaping or released from the normal confines of any natural watercourse or lake (whether or not altered or modified), of reservoir, canal or dam;
  - (b) water from or action by the sea, tidal wave or high water.

Provided that Perils Exclusions 3(a) and 3(b) shall not apply if loss, destruction or damage is caused by or arises out of an earthquake or seismological disturbance;

- (4) Physical loss, destruction or damage occasioned by or happening through:
- (a) moths, termites or other insects, vermin, rust or oxidation, mildew, mould, contamination or pollution, wet or dry rot, corrosion, change of colour, dampness of atmosphere or other variations in temperature, evaporation, disease, inherent vice or latent defect, loss of weight, change in flavour texture or finish, smut or smoke from industrial operation (other than sudden and unforeseen damage resulting therefrom);
  - (b) wear and tear, fading, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good;
  - (c) error or omission in design, plan or specification or failure of design;
  - (d) normal settling, seepage, shrinkage or expansion in buildings or foundations, walls, pavements, roads and other structural improvements, creeping, heaving and vibration;
  - (e) faulty materials or faulty workmanship.
  - (f) Provided that this Exclusion 4(a) to (e) shall not apply to subsequent loss, destruction of or damage to the Property Insured occasioned by a peril (not otherwise excluded) resulting from any event or peril referred to in this exclusion;

- (5) Physical loss, destruction or damage occasioned by or happening through:
- (a) incorrect siting of buildings consequent upon:
    - (i) error in architectural design or specification;
    - (ii) faulty workmanship; or
    - (iii) non compliance by the Insured (or anyone acting on behalf of the Insured) with the necessary permits issued by Government, Public or Local Authorities;
  - (b) demolitions ordered by Government or Public or Local Authorities due to failure on the part of the Insured or their agents to obtain the necessary permits required;

- (6) Physical loss, destruction or damage occasioned by or happening through:
- (a) theft of property (other than Money in transit) in the open air;
  - (b) unexplained or inventory shortage, disappearance resulting from clerical or accounting errors, shortage in the supply or delivery of materials to or from the Insured;
  - (c)
    - (i) spontaneous combustion;
    - (ii) spontaneous fermentation or heating or any process involving the direct application of heat.

Provided that Perils Exclusion 6(c)(i) and 6(c)(ii) 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 or heating or process involving the direct application of heat;

- (7) Physical loss, destruction or damage occasioned by or happening through:
- (a) (i) fraudulent or dishonest acts, fraudulent misappropriation, embezzlement, forgery, counterfeiting, data corruption, unauthorised amendment of data and erasure by electronic or non-electronic means involving the Property Insured by the Insured or any employee(s) of the Insured acting alone or in collusion with any other person(s);
  - (ii) access by any person(s) other than the Insured or the Insured's employee(s) to the Insured's computer system via data communication media that terminate in the Insured's computer system.

Provided that this exclusion shall not apply to theft consequent upon forcible and violent entry upon premises or felonious concealment upon premises committed by an employee of the Insured;

- (b) (i) the cessation of work whether total or partial;
- (ii) the cessation, interruption or retarding of any process or operation; as a result of strikes, labour disturbances or locked out workers;

Provided that Perils Exclusions 7(b)(i) and 7(b) shall not apply in respect of physical loss, destruction or damage directly caused by strikers, locked out workers or similar persons;

- (a) erosion, subsidence, earth movement or collapse resulting therefrom;
- (b) kidnapping, bomb threat, threat of contamination, hoax, extortion or any attempt thereat;

Provided that this Exclusion 7(a) to (d) shall not apply to subsequent loss, destruction or damage to the Property Insured occasioned by a peril (not otherwise excluded) resulting from any event or peril referred to in this exclusion;

- (8) Any legal liability of whatsoever nature other than as herein provided;
- (9) Consequential loss of any kind including consequential loss due to delay, lack of performance, loss of contract or depreciation in the value of land or stock, except as herein provided in Section 2.
- (10) Notwithstanding anything to the contrary contained herein, this policy does not cover loss or destruction or damage resulting from pollution or contamination except (unless otherwise excluded) loss or destruction of or damage to property or any part thereof used by the Insured at the premises for the purpose of the business caused by:
- (a) Pollution or contamination at the premises which itself results from fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons, earthquake, storm, flood, bursting overflowing discharging or leaking of water tanks, apparatus or pipes, sprinkler leakage or impact by any road vehicle or animal.
  - (b) Any of the perils listed in (a) above which itself results from pollution or contamination.

## MEMORANDA APPLICABLE TO ALL SECTIONS

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Except to the extent that this Policy is hereby modified under the following Memoranda the terms, Conditions and limitations of this Policy shall apply.

### Amount Of Policy Not Reduced By Loss

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The insurance under each section and/or item of this Policy and the Indemnity Period shall be automatically reinstated in the event of any loss in consideration of the payment by the Insured of a pro-rata additional premium calculated on the amount of the loss settlement at the rate(s) agreed for the Period of Insurance.

### Event

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Only for the purpose of the application of any deductible: all loss destruction or damage resulting from earthquake occurring during each period of 72 consecutive hours shall be considered as one event whether such earthquake is continuous or sporadic in its sweep and/or scope and the loss, destruction or damage was due to the same seismological conditions. Each event shall be deemed to have commenced on the first happening of any such loss, destruction or damage not within the period of any previous event.

### Subrogation Waiver

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The Insurer(s) agree(s) to waive any rights and remedies or relief to which it/they may become entitled by subrogation against:

- (a) any corporation or organisation (including its directors, officers, employees or servants) owned or controlled by any Insured named herein or subsidiary to any Insured named herein or any co-owner of the property insured hereunder;
- (b) any Insured named or described by this Policy (including its directors, officers, employees or servants).

### Adjustment Of Premium

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- (a) The Premium shown is provisional and is calculated on the Declared Values of:
  - (i) Property Insured,
  - (ii) Gross Profit and Insured Pay-Roll,on the day of commencement of each Period of Insurance.
- (b) The Insured undertakes to declare the Insurer(s) within a reasonable time after the day of expiry of the Period of Insurance.
  - (i) the value of Property Insured on the day of expiry of the Period of Insurance. For the purpose of this declaration, stock-in-trade and/or merchandise shall be taken at its average value during the Period of Insurance.
  - (ii) the amount of the Gross Profit earned and Pay- Roll paid, in accordance with the cover afforded in the respective items of Section 2, in the course of the Business during the accounting period of 12 months most nearly concurrent with the Period of Insurance.
- (c) The provisional premium shall be adjusted by payment to the Insurer(s) of an additional premium or by allowance to the Insured of a return premium, as the case may be, calculated at the agreed rate on:

- (i) Fifty per cent (50%) of the difference between property declared in accordance with clauses (a)(i) and (b)(i).
  - (ii) The full agreed rate hereunder on the difference between the amounts declared under clauses (a)(ii) and (b)(ii).
- (d) It is agreed to make allowance for any abnormal fluctuation in values and to charge a premium commensurate with the risk, such premium to be agreed between the parties to this agreement.
- (e) The Declaration of Values at the expiry of the Period of Insurance declared in accordance with this memorandum shall not be reduced as the result of loss, destruction or damage in respect of which a claim has been paid or is payable under this Policy.

#### Definition of "Pollution" and "Contamination" and "Debris"

Where the words "pollution" or "contamination" are used as part of this policy or its endorsements or attachments they shall have the specific meaning given below:

Damage or loss arising out of the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon any property, land, atmosphere or any watercourse or body of water (including groundwater).

Where the word "debris" is used as a part of this policy or its endorsements or attachments it shall have the specific meaning given below:

- (a) the residue of damaged Insured Property; or
- (b) material deposited on the insured premises as a result of the operation of an insured peril, excluding any material which can cause pollution or contamination and which is deposited beyond the boundaries of the insured premises.

## CONDITIONS APPLICABLE TO ALL SECTIONS

### 1. Misrepresentation And Non-Disclosure

If the Insured -

- (i) failed to disclose any matter which the Insured was under a duty to disclose to the Insurer(s); or
- (ii) made a misrepresentation to the Insurer(s) before this Policy was entered into

and if the Insurer(s) would not have entered into this Policy for the same premium and on the same terms and Conditions expressed in this Policy but for the failure to disclose or the misrepresentation.

then -

- (a) the liability of the Insurer(s) in respect of any claim will be reduced to an amount to place the Insurer(s) in the same position in which the Insurer(s) would have been placed if such non-disclosure had not occurred or such misrepresentation had not been made; or
- (b) if the non-disclosure or misrepresentation was fraudulent, the Insurer(s) may avoid this Policy.

## 2. Alteration

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The Insurer(s) shall not be liable for loss, destruction of or damage to any property insured hereunder caused or contributed to by any alteration after the commencement of this Policy -

- (a) by removal of such property from the Premises other than as provided under the terms of Property Exclusion 1.
- (b) in the trade or processes of manufacture carried on at the Premises or whereby the nature of the occupation or other circumstances affecting the Premises and/ or the Insured's property therein contained shall be changed in such a way as to increase the risk of loss, destruction or damage;
- (c) whereby any premises containing any property insured hereunder shall become unoccupied, and so remain for a period of more than thirty days; or
- (d) whereby the Insured's interest ceases except by will or the operation of law,

Provided that any such alteration, upon coming to the knowledge of the Insured's officer responsible for insurance, shall be immediately notified to the Insurer(s) and, if agreed to by the Insurer(s) in writing, an appropriate additional premium paid if required.

## 3. Sprinkler Installations - Applicable To Owned Premises Or Installations For Which The Insured Is Responsible

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The Insured warrants that in such of the Premises as are protected or as are required by law to be protected by an approved installation of automatic sprinklers, automatic external alarm signal and automatic alarm signal connected with a fire brigade station, in or on the Premises, due diligence shall be used so that the same shall at all times be maintained in good working order.

The Insured further warrants that provision will be made for the regular maintenance of the installation in accordance with Australian Standard AS 1851 (part 3) Automatic Sprinkler Installation by the installing engineers or firm or, failing this, by a person or organisation who must be approved by the Insurer(s) to carry out such maintenance.

Notice of all alterations and additions to the automatic sprinkler installation shall be given by the Insured to the Insurer(s) as soon as reasonably practicable.

## 4. Other Insurance

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The Insured shall give written notice as soon as practicable to the Insurer(s) of any other insurance or insurances effected covering the Property Insured.

## 5. Cancellation

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- (a) This Policy may be cancelled at any time at the request of the Insured, in which case the Insurer(s) will retain the customary short-period rate for the time this Policy has been in force.
- (b) The Insurer(s) may also cancel this Policy by giving the Insured written notice to that effect where –
  - (i) the Insured or any person who was at any time the Insured failed to comply with the duty of utmost good faith;
  - (ii) the person who was the Insured at the time when this Policy was entered into failed to comply with the duty of disclosure;
  - (iii) the person who was the Insured at the time when this Policy was entered into made a misrepresentation to the Insurer(s) during the negotiations for this Policy but before it was entered into;

- (iv) the Insured or any person who was at any time the Insured failed to comply with a provision of this Policy, including a provision with respect to the payment of the Premium;
  - (v) the Insured has made a fraudulent claim under this Policy or any other policy of insurance (whether with the Insurer(s) or some other insurer) that provided insurance cover during any part of the period during which this Policy provides insurance cover;
  - (vi) the Insured failed to notify the Insurer(s) of any specific act or omission where such notification is required under the terms of this Policy; or
  - (vii) the Insured acted in contravention of or omitted to act in compliance with any condition of this Policy which empowers the Insurer(s) to refuse to pay, or reduce its/their liability in respect of, a claim in the event of such contravention or omission.
- (c) The Insurer(s) notice of cancellation takes effect at the earlier of the following times:
- (i) the time when another policy of insurance between the Insured and the Insurer(s) or some other insurer, being a policy that is intended by the Insured to replace this Policy, is entered into; or
  - (ii) 4.00 p.m. on the thirtieth business day after the day on which notice as given to the Insured.

In the event that the Insurer(s) cancel(s) this Policy, the Insurer(s) will repay to the Insured a rateable proportion of the Premium for the unexpired Period of Insurance from the date of cancellation.

## 6. Notification Of Claims

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On the happening of any loss, destruction or damage, the Insured shall forthwith give notice thereof in writing to the Insurer(s) and shall (within thirty (30) days after such loss, destruction or damage or such further time as the Insurer(s) may in writing allow), at the Insured's own expense, deliver to the Insurer(s) a claim, in writing containing as particular an account as may be reasonably practicable of the several articles or portions of property loss, destroyed or damaged and of the amount of loss, destruction or damage thereto, having regard to their value at the time of the loss, destruction or damage, together with details of any other insurances on any property hereby insured.

The Insured shall use due diligence and do and concur in doing all things reasonably practicable to minimise any interruption of or interference with the Business to avoid or diminish the loss and shall also deliver to the Insurer(s) a statement in writing of any claim certified by the Insured's auditor, with all particulars and details reasonably practicable of the loss and shall produce and furnish all books of accounts and other business books, invoices, vouchers and all other documents, proofs, information, explanations and other evidence and facilities as may reasonably be required for investigation and verification of the claim together with (if demanded) a statutory declaration of the truth of the claim and of any matters connected therewith.

No claim under this Policy shall be payable unless the Insured has complied with the terms of this condition.

## 7. Fraud

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If any claim be in any respect fraudulent or if any fraudulent means or devices be used by the Insured or anyone acting on the Insured's behalf to obtain any benefit under this Policy, or if any destruction or damage be occasioned by the wilful act or with the connivance of the Insured, the Insurer(s), without prejudice to any other right(s) the Insurer(s) might have under this Policy, shall be entitled to refuse to pay such claim.



## 8. Reinstatement

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If the Insurer(s) elect(s) or become(s) bound to reinstate or replace any property, the Insured shall at the Insured's own expense produce and deliver to the Insurer(s) all such plans, documents and information as the Insurer(s) may reasonably require. The Insurer(s) shall not be bound to reinstate exactly or completely, but only as circumstances permit and in reasonably sufficient manner and shall not in any case be bound to expend more than the applicable Limit of Liability.

## 9. Insurer(S) Rights

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On the happening of any loss, destruction or damage in respect of which a claim is or may be made under this Policy the Insurer(s) and every person authorised by the Insurer(s) may, without thereby incurring any liability, and without diminishing the right of the Insurer(s) to rely upon any Conditions of this Policy, enter, take or keep possession of any building or premises where the loss, destruction or damage has happened and may take possession of or require to be delivered to the Insurer(s) any of the property hereby insured and may keep possession of and deal with such property for all reasonable purposes and in any reasonable manner.

This condition shall be evidence of the leave and licence of the Insured to the Insurer(s) so to do. If the Insured or any one acting on the Insured's behalf shall not comply with the requirements of the Insurer(s) or shall hinder or obstruct the Insurer(s) in doing any of the abovementioned acts, then all benefits under this Policy shall be forfeited. The Insured shall not in any case be entitled to abandon any property to the Insurer(s) whether taken possession of by the Insurer(s) or not.

## 10. Subrogation

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- (a) Any person claiming under this Policy shall at the request and at the expense of the Insurer(s) do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Insurer(s) for the purpose of enforcing any rights and remedies, or of obtaining relief or indemnity from other parties to which the Insurer(s) shall be or would become entitled or subrogated upon the Insurer(s) paying for or making good any destruction or damage under this Policy.
- (b) If the Insurer(s) make(s) any recovery as a result of such action, the Insured may only recover from the Insurer(s) any amount by which the amount recovered by the Insurer(s) exceeded the amount paid to the Insured by the Insurer(s) in relation to the loss.

## 11. Precautions To Prevent Loss

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The Insured shall take all reasonable precautions to prevent loss, destruction or damage to the property insured by this Policy.

## 12. Insured's Action After Theft Or Damage

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The Insured shall, upon becoming aware of any loss by theft or of any wilful or malicious damage which may give rise to a claim under this Policy, take all practicable steps to trace and recover any missing property and to discover by whom the property was stolen or damaged.

## 13. Termination Of Cover Under Section 2

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Notwithstanding anything contained herein to the contrary, if during any period in respect of which this Policy is in force:

- (a) the Insured ceases to carry on the Business or any part of the Business is disposed of, permanently discontinued or the Insured's interest in the Business or such part thereof ceases otherwise than by death; or
- (b) the Insured (being a corporation) is placed in liquidation (or provisional liquidation), is placed under Official Management, enters into a Scheme of Arrangement, has Receivers and/or Managers appointed over its assets or undertaking(s); or
- (c) the Insured (being a natural person) becomes a bankrupt or enters into a scheme of arrangement or compromise or composition with creditors;

then the insurance cover provided under Section 2 of this Policy in respect of such Business or Insured shall automatically and forthwith cease.

In the event of the Indemnity period having begun to run in respect of any claim relating to such Business or part thereof, the Indemnity Period shall thereupon be at an end, unless its continuance be admitted by memorandum signed for or on behalf of the Insurer(s).

#### 14. Observance Of Terms And Conditions

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The due observance and fulfilment of these Conditions and the other terms of this Policy by the Insured, insofar as the same are capable of being construed as such, are conditions precedent to any liability of the Insurer(s) to make any payment under this Policy.

#### 15. Progress Payment

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Provided that liability has been admitted progress payments on account of any claim may be made to the Insured at such intervals and for such amounts as may be agreed upon production of a report by the Loss Adjuster (if appointed) provided such payment(s) shall be deducted from the amount finally determined upon adjustment of the claim.

#### 16. Headings

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Headings have been included for ease of reference and it is understood and agreed that the terms and Conditions of this Policy are not to be construed or interpreted by reference to such headings.

## ENDORSEMENTS

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### ATTACHING TO AND FORMING PART OF POLICY NUMBER 02FX024710

Except to the extent provision is already made, or more extensive cover is already provided by the policy wording, it is agreed that the following clauses are incorporated in the Policy.

Should any ambiguities exist in the clauses they will be interpreted in favor of the Insured.

Headings have been included for ease of reference and it is agreed that the Terms, Conditions and Exclusions of the Policy are not to be interpreted by reference to such headings.

#### The Schedule

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### DEFINITIONS

Accidental Damage (loss or damage caused other than from fire, lightning, thunderbolt, explosion, implosion, smoke and/or steam, earthquake, subterranean fire, volcanic eruption, impact, aircraft and/or other aerial devices and/or articles dropped therefrom, sonic boom, breakage of glass, the acts of persons taking part in riots or civil commotions or of strikers or locked-out workers or of persons taking part in labour disturbances or of malicious persons or the acts of any lawfully constituted authority in connection with the foregoing acts or in connection with any conflagration or other catastrophe, storm and/or tempest and/or flood (as defined in the policy) and/or rainwater and/or wind and/or hail, water or other liquids or substances discharged, overflowing or leaking from apparatus, appliances, pipes or any other system at the premises or elsewhere or any other peril specifically described, insured or excluded by this Policy)

## SECTION 1 – MATERIAL LOSS OR DAMAGE

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#### The Indemnity

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### EXTINGUISHING/PREVENTION COSTS

The words "for the purpose of preventing or diminishing imminent damage to property" in THE INDEMNITY Clause (c) - Section 1 are replaced by "for the purpose of preventing imminent damage or minimising damage to Property Insured".

### SECURITY SYSTEMS AND/OR ALARMS

THE INDEMNITY Clause (c) – Section 1 is extended to provide indemnity for costs and expenses necessarily and reasonably incurred for the purpose of switching off and resetting alarms following an occurrence caused by an insured peril.

### PERSONAL PROPERTY/SOCIAL CLUBS

THE INDEMNITY Clause (g) – Section 1 is deleted and replaced by the following:

- (i) damage to personal property belonging to directors and employees of the Insured and property of welfare, sport and social clubs of the Insured damaged whilst anywhere in Australia including whilst in transit (Property Exclusion 1 shall not apply to this Clause (g) (i));
- (ii) damage to personal property belonging to visitors whilst at Premises occupied or used by the Insured.
- (iii) damage to property not otherwise insured in the possession of any welfare, sport or social club of the Insured including whilst in transit (Property Exclusion 1 shall not apply to this Clause (g) (iii)).

## **GENERAL PROPERTY**

The following clause is added to THE INDEMNITY – Section 1:

damage to general property including mobile phones, portable computers and other portable equipment whilst anywhere in Australia including whilst in transit (Property Exclusion 1 and Perils Exclusion 6 (a) shall not apply to this Clause).

Excluding always property stolen from an unlocked and unattended vehicle.

Limited to the Sub-Limit of Liability stated in the Schedule against General Property.

## **INVENTORY / UNPACKING EXPENSES**

The following clause is added to THE INDEMNITY – Section 1:

costs and expenses reasonably incurred in taking inventory (including unpacking, repacking and re-stacking) to identify, quantify and value any property that may be damaged including examination of property not belonging to but in the care, custody or control of the Insured.

## **LANDSCAPING**

The following clause is added to THE INDEMNITY – Section 1:

damage to landscaping which term shall mean lawns, gardens, plants, shrubs, trees, rock work, ornamentation, paving and the like.

Property Exclusions 7, 8, 13 and Perils Exclusion 6(a), shall not apply to this clause.

## **CUSTOMS DUTY**

The following clause is added to THE INDEMNITY – Section 1:

costs incurred for customs, excise and other duties which are required to be paid following damage to any Property Insured.

## **TEMPORARY ACCOMMODATION EXPENSES**

The following clause is added to THE INDEMNITY – Section 1:

where Property Insured includes the building and/or contents of a private dwelling and such dwelling becomes uninhabitable as a consequence of a peril insured by this Policy, the Insurer(s) will also indemnify the Insured for:

- (i) loss of rent, where the building is insured but is not occupied by the Insured; or
- (ii) the rentable value, where the building is insured and is occupied by the Insured; or
- (iii) where the contents are insured, the reasonable and necessary additional costs of alternative accommodation incurred by the Insured during the period, not exceeding 12 months, in which the dwelling is uninhabitable.

The indemnity under this clause is limited to ten percent of the reinstatement value of:

- (i) or (ii) the dwelling; or
- (iii) the contents.

and is payable in addition to any other indemnity payable under this Policy.

## **EXPEDITING COSTS**

The following clause is added to THE INDEMNITY – Section 1:

costs and expenses reasonably incurred to expedite repair or reinstatement of the Property Insured.

## **LOSS OF LAND VALUE**

The following clause is added to THE INDEMNITY – Section 1:

In the event of the refusal by the competent local or government authority to allow the reconstruction of the Premises, either fully or partially, following damage, the Insurer(s) shall pay by way of indemnity the difference between the Land Value before and after the damage

less any sum paid by way of compensation by such authority arising out of the actions referred to above.

The liability of the Insurer(s) shall be limited to the Sub-Limit of Liability stated in the Schedule against "Loss of Land Value" for any one claim or series of claims arising out of any one original source or cause at any one Situation.

"Land Value" means the amount certified by the Valuer General or other competent person or authority agreed between the Insured and the Insurer(s), as being the value of the land so described in the Insured's declaration after due allowance has been made for variations in or other circumstances affecting such value either before or after the damage or which would have affected the value had the damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the true Land Values pertaining both before and after the damage.

### **Special Conditions**

- (a) Settlement shall be made following the ruling of the competent local or government authority resulting in the loss of Land Value. Should settlement have been made however and subsequently the ruling of the competent local or government authority be changed prior to completion of the reconstruction resulting in an increase in the Land Value, that part of the claim paid in excess of the revised Land Value shall be refunded to the Insurer(s).
- (b) All differences relating to the Land Value arising out of this Policy shall forthwith be referred to the decision of two registered valuers; one to be appointed by each of the parties and in case the two registered valuers do not agree, of a third valuer, appointed by the President of the Australian Institute of Valuers (or by the equivalent office-bearer, if the damage occurs outside Australia) as an expert, whose decision shall be binding.

Property Exclusion 8, Perils Exclusion 9 and Co-insurance shall not apply to this clause.

## **STATUTORY INQUIRIES**

The following clause is added to THE INDEMNITY – Section 1:

costs and expenses incurred by the Insured in connection with Statutory Inquiries or where there is a legal requirement for the Insured to undertake inquiries or make announcements following damage to Property Insured. The term "Statutory Inquiries" shall mean any judicial, coronial or other form of inquiry or hearing established by or at the direction of any government, semi-government, local or planning authority.

Perils Exclusion 2 (b) shall not apply to this clause.

## **LIABILITY TO MAKE ENQUIRIES**

The following clause is added:

costs and expenses incurred by the Insured in respect of any legal liability to make enquiries consequent upon damage during the Period of Insurance to Property Insured.

#### **LIABILITY TO MAKE ANNOUNCEMENTS**

The following clause is added to THE INDEMNITY – Section 1:

costs and expenses incurred by the Insured in respect of any legal liability to make an announcement consequent upon damage during the Period of Insurance to Property Insured.

Perils Exclusion 2(b) shall not apply to this clause.

#### **CLEAN UP AND AUTHORITIES COSTS**

The following clause is added to THE INDEMNITY – Section 1:

- a) the cost of cleaning up at the Situation, including the removal and disposal of water and/or other substances used to extinguish or suppress fire or to otherwise minimise the damage.
- b) all costs levied by any recognised emergency service or any statutory authority including but not limited to police, ambulance, fire services and environmental protection services.

#### **ADJOINING PREMISES**

The following clause is added to THE INDEMNITY – Section 1:

the shoring up, propping or underpinning of adjoining premises as a result of the damage to Property Insured.

Perils Exclusion 8 shall not apply to this clause.

#### **MINIMISING LOSSES**

The following clause is added to THE INDEMNITY – Section 1:

the costs incurred, including travel expenses for, in and about averting or minimising losses including the protection safeguard and recovery of Property Insured.

#### **COST OF CLEARING BLOCKED DRAINS, PIPES, FILTERS AND PUMPS**

The following clause is added to THE INDEMNITY – Section 1:

the expenses reasonably incurred in the clearance of blocked pipes, drains, gutters, sewers, filters, pumping equipment and the like, including exploratory costs, at or in the vicinity of premises used by the Insured, whether or not there has been damage.

#### **PROPERTY IN TRANSIT**

The following clause is added to THE INDEMNITY – Section 1: Damage to the Property Insured whilst in transit.

Such cover is limited to the Sub-Limit of Liability stated in the Schedule against Property in Transit.

In addition this Policy will include any General Average and Salvage Charges where such maritime conditions apply, when the Property Insured has been transported within Australian waters.

Property Exclusions 1 and 13(b) and Perils Exclusions 3(a), 3(b) and 6(a) shall not apply to this clause. Perils Exclusion 4(b) is amended by deleting the words “scratching or marring”.

## **EXPLORATORY COSTS**

The following clause is added to THE INDEMNITY – Section 1:

On bursting, leaking, discharging or overflowing of any tanks, apparatus or pipes; the exploratory costs reasonably incurred in locating the source of damage and the reasonable costs to repair the exploratory work but not the cost of repair or replacement of the defective part or parts of such tanks, apparatus or pipes.

## **THE PROPERTY INSURED**

The definition of THE PROPERTY INSURED is deleted and replaced by the following:

### **THE PROPERTY INSURED**

All real and personal property of every kind and description (except as hereinafter excluded) belonging to the Insured or for which the Insured is responsible or has assumed responsibility prior to the occurrence of any damage, including all such property in which the Insured may acquire an insurable interest during the Period of Insurance.

It is understood and agreed that the term "personal property" shall include Money (which shall mean current coin, bank notes, currency notes, cash boxes, alarm bags, and any other portable containers used to convey money, cheques, travellers cheques, securities, credit cards sales and/or discount

house vouchers, postal orders, money orders, unused postage and revenue stamps and including the value of stamps contained in franking machines) and other negotiable instruments whilst contained in the Situation and whilst in transit anywhere in Australia.

Basis of Settlement

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## **STATUTORY REQUIREMENTS - REPLACEMENT GLASS**

BASIS OF SETTLEMENT - Section 1 - clause (g) is amended by:

(a) deleting the first line and inserting the following:

On glass; the cost of repairing or replacing the broken glass with the quality, size or make necessary to comply with the minimum requirements of any Statutory authority, including:

(b) including the words “protective film on glass” at the end of the clause.

## **PRIVATE PROPERTY / SOCIAL CLUBS**

BASIS OF SETTLEMENT - Section 1 - clause (h) is deleted and replaced by the following:

On directors', employees' and visitors' personal property and property of welfare, sport and social clubs; the cost of repair or if replaced, the replacement cost at the time and place of replacement.

Provided that in the case of personal property comprising a pair or set, whether or not every component part of the pair or set is damaged, the Basis of Settlement shall be increased to include the difference between the market value or replacement value (whichever is greater) before the damage and the market value or replacement value (whichever is greater) after the damage.

## **HERITAGE PROTECTION**

The following clause is added to the BASIS OF SETTLEMENT – Section 1:

In the case of a building with architectural features and/or structural materials possessing an ornamental or historical character or for which the original materials are not available, BASIS OF SETTLEMENT - Section 1 - clause (a) shall be deemed to be amended to read

REINSTATEMENT VALUE is the cost necessary to replace, repair, rebuild or restore the building

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to a reasonably equivalent appearance and capacity, using the original design and suitably equivalent materials.

Co-insurance shall not apply to this clause.

#### **NOTABLE OLD BUILDINGS WITHOUT LEGAL PROTECTION**

The following clause is added to the BASIS OF SETTLEMENT – Section 1:

In the case of a building with architectural features and/or structural materials possessing an ornamental or historical character or for which the original materials are not available, but which is not legally protected for preservation by national, state or local legislation or regulation, BASIS OF SETTLEMENT - Section 1 - clause (a) shall be deemed to be amended to read as follows in relation to that building -

If the building is damaged, REINSTATEMENT VALUE is the cost, up to but not exceeding the Reinstatement Value if destroyed, necessary to repair the damage and restore the damaged portion to a condition substantially the same as, but not better or more extensive than, its condition when new. If the cost of repairing the damage and restoring the damaged portion exceeds the Reinstatement Value of the building if destroyed, the building may, at the Insured's option, be deemed to be destroyed. If the building is destroyed, or deemed to be destroyed, REINSTATEMENT VALUE is the cost necessary to replace the building with one that is no more extensive but of equivalent or improved utility, using current design techniques and modern materials.

Co-insurance shall not apply to this clause.

#### **ART WORKS / CURIOS**

The following clause is added to the BASIS OF SETTLEMENT – Section 1:

In the case of Property Insured being works of art, antiques and curios, the BASIS OF SETTLEMENT shall be the cost of restoring and repairing to a condition substantially the same as before the damage plus any reduction in market value caused by the damage. When restoration or repair is not possible, the BASIS OF SETTLEMENT shall be the market value immediately before the damage.

#### **OUTPUT REPLACEMENT**

The following clause is added to the BASIS OF SETTLEMENT – Section 1:

On damaged property which has a measurable function, capability or output and which at the option of the insured is to be replaced with a new item or items which perform a similar function or functions the BASIS OF SETTLEMENT shall be as follows:

- (i) If property damaged is to be replaced by an item or items which have the same or a lesser total function, capability or output, then the BASIS OF SETTLEMENT is the new installed cost of such replacement item or items as would give the same total function, capability or output as the property damaged.
- (ii) If property damaged is to be replaced by an item or items which have a greater total function, capability or output and the new installed cost of such replacement item or items is no greater than the replacement value of the property damaged then the BASIS OF SETTLEMENT is the new installed cost of such replacement item or items and there shall be no deduction for betterment.
- (iii) If the property damaged is to be replaced by an item or items which have a greater total function, capability or output and the new installed cost of such replacement item or items is greater than the replacement value of the property damaged then the BASIS OF SETTLEMENT is that proportion of the new installed cost of the replacement item or items as the total function, capability or output of the property damaged bears to the total function, capability or output of the replacement item or items. Provided that the amount payable is



not to be of lesser value than the replacement cost of the property damaged.

Provided that in the event of partial damage the BASIS OF SETTLEMENT shall be in accordance with the Reinstatement and Replacement memorandum of this Policy.

## **SECURITIES**

The following clause is added to the BASIS OF SETTLEMENT – Section 1:

On securities (which shall mean certificates of stock, bonds, coupons and all other types of securities);

- (i) if the securities can with the approval of the Insurer(s) be replaced, the BASIS OF SETTLEMENT shall be the cost of replacement paid or payable by the Insured or
- (ii) if the securities cannot or are not to be replaced by the Insured, the BASIS OF SETTLEMENT shall be the greater of -
  - (a) the price for which the Insured purchased them; or
  - (b) the closing market value on the last business day prior to the date of discovery by the Insured of the loss or destruction of the securities, or if the time of discovery by the Insured is after the close of the market, their closing market value on the day of discovery by the Insured of the loss or destruction of the securities, such valuation being in the currency in which the loss was sustained. Losses sustained in currencies other than Australian dollars shall be settled by converting the amount of loss to Australian dollars at the market rate at the time of settlement of the loss or such other rates as may have been expressly agreed with the Insurer(s).

If there is no market price or value on the relevant day stated herein, then the value shall be agreed between the Insured and the Insurer(s), or in default thereof, the Insured and the Insurer(s) shall submit to arbitration and be bound by the decision of an Umpire.

## **REINSTATEMENT OF DAMAGE BY THE INSURED**

The following clause is added to the BASIS OF SETTLEMENT – Section 1:

If the Insured shall, after obtaining the consent of the Insurer(s), reinstate damaged Property Insured, the Insurer(s) shall pay the cost of such reinstatement including the value of labour and other overhead charges expended thereon together with a reasonable margin for profit. The liability of the Insurer(s) shall not exceed the amount which would otherwise have been payable hereunder had such reinstatement been carried out by outside contractors.

## **PROPERTY NOT MANUFACTURED BY INSURED**

BASIS OF SETTLEMENT - Section 1 - Clause (b) is deleted and replaced by the following:

- (b) On raw materials, supplies and other merchandise not manufactured by the Insured, the cost of repair or reinstatement or if repair or reinstatement is not possible:
  - (i) Unsold – the replacement cost at the time and the place of replacement or, if such property is not replaced, the value thereof at the time and place of the damage;
  - (ii) Sold but not delivered – the selling price of the goods

In the event that repair or reinstatement is carried out resulting in the values described in (i) or (ii) above being reduced, the Indemnity provided will include, under this Basis of Settlement, the value of such difference in addition to the repair or reinstatement costs.

## **MATERIALS IN PROCESS OF MANUFACTURE**

BASIS OF SETTLEMENT - Section 1 - Clause (c) is deleted and replaced by the following:

- (c) On material in process of manufacture, the cost of repair or reinstatement or if replaced, the replacement value of the raw materials and the value of labour and other overhead charges expended thereon at the time and the place of damage.

## **FINISHED GOODS**

BASIS OF SETTLEMENT - Section 1 - Clause (d) is deleted and replaced by the following:

- (d) On finished goods the cost of repair or reinstatement or if replaced:
  - (i) unsold – either the replacement cost of the raw materials and the cost of labour and other overhead charges expended without any allowance for profit calculated at the time and place of the damage or the cost of restocking such goods within a reasonable time, whichever is the lesser;
  - (ii) sold but not delivered for which the insured is responsible and with regard to which, under the conditions of sale, the sale contract is by reason of the damage cancelled either wholly or to the extent of the damage: the contract price.

In the event that repair or replacement is carried out resulting in the values described in (i) or (ii) above being reduced, then the Indemnity provided will include, under this Basis of Settlement, the value of such difference in addition to the repair or reinstatement costs.

## **JIGS AND TEMPLATES**

BASIS OF SETTLEMENT – Section 1 – clause (f) is extended to include jigs and templates.

## **PLAYING SURFACES (MATERIAL DAMAGE ONLY)**

Notwithstanding Property Exclusions 8 and 13(b), this Policy is extended to include Damage to playing surfaces situated at the Insured's Premises when damage results from malicious damage and is not otherwise insured

This policy excludes Damage caused;

- (a) by in the ordinary course of the Insured's business by employees of the Insured; or
- (b) by any tenant of the Insured's Premises where the playing surfaces are situated or to
- (c) vehicles owned and/or operated by the employees of the insured or by any tenant of the Insured's Premises.

Definitions applicable to this Memorandum:

Playing Surfaces means an area of short grass and amending soil which is a functional part of a playing surfaces which is used for sporting events.

For the purposes of the above definition, fill material and sub-soil shall be not be considered as an insurable part of any playing surfaces.

This is not to be misconstrued with the current Landscaping sub limit which doesn't cover playing surfaces.

## MEMORANDA APPLICABLE TO SECTION 1

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### **BRANDED GOODS**

Memoranda to Section 1 - BRANDED GOODS is deleted and replaced by the following:

Any salvage of branded goods and/or merchandise, the Insured's own or held by the Insured in trust or on commission, and/or goods sold but not delivered, shall not be disposed of by sale without the consent of the Insured. If such salvage is not disposed of by sale, then the damage will be assessed at the value agreed between the Insured and the Insurer(s) after brands, labels or names have been removed at the expense of the Insurer(s).

### **DECLARED VALUES**

Memorandum to Section 1 - DECLARED VALUES, is amended to read:

- (a) DECLARED VALUES are the values of Property Insured at each Situation declared by the Insured and calculated as applicable in accordance with the Basis of Settlement clauses. The Insured shall complete a statement of Declared Values at the commencement of the Period of Insurance. These Declared Values are only for the purposes of testing the application of Co-insurance
- (b) Where average annual stock values are used for premium calculation and adjustment purposes, they shall also be used to test the application of Co-insurance.
  - (i) Where asset movements between Situations used by the Insured have resulted in an under declaration of values at a Situation(s) and an offsetting over declaration of equivalent values at another Situation(s) then such factors shall form part of the calculation to test the application of Co-insurance.

## **PERIOD OF INSURANCE**

Memorandum to Section 1 - The Period of Insurance stated in the Schedule is amended by deleting the words "4.00 PM on" after the word "from".

## **REINSTATEMENT OR REPLACEMENT MEMORANDUM**

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### **BASIS OF SETTLEMENT**

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The REINSTATEMENT or REPLACEMENT Memorandum is amended by deleting the words "other than those specified in items (b) to (i)" and substituting the words "insured under item (a) only" in paragraph one and by inserting the words "wholly or partially" after the words "which may be carried out" in provision (i).

### **REPLACEMENT WITH DIFFERENT PROPERTY**

The following additional paragraph is added to Provision (i) of the Memorandum to Section 1 - REINSTATEMENT or REPLACEMENT:

Notwithstanding the provisions of REINSTATEMENT or REPLACEMENT clause (a), if the Insured elects to reinstate destroyed Property Insured with:

- (a) dissimilar or modernised property, or
- (b) the purchase of an alternative existing building, or
- (c) the purchase of second hand plant or equipment

whether or not to be used for a similar purpose as the destroyed Property Insured then such replacement or purchase shall be deemed to constitute reinstatement. Provided that the liability of the Insurer(s) is not hereby increased.

Provisions (iii) and (iv) of the REINSTATEMENT or REPLACEMENT Memorandum do not apply to this clause.

### **EXTRA COST OF REINSTATEMENT MEMORANDUM EXTRA COST OF REINSTATEMENT**

The EXTRA COST OF REINSTATEMENT Memorandum is deleted and replaced with the following:

**EXTRA COST OF REINSTATEMENT:** (Applicable to buildings, machinery, plant and all other property and contents and glass as detailed in item (a) under Basis of Settlement).

This Policy extends to include the extra cost of reinstatement (including demolition or dismantling) of the property insured, including undamaged property, necessarily incurred to comply with the requirements of any statute or regulation or of any Municipal or other Statutory Authority; subject to the following Provisions and subject also to the terms, Conditions and Limit(s) or Sub Limits of Liability of this Policy.

#### Provisions

- (i) The work of reinstatement (which may be carried out wholly or partially upon another site or sites subject to the liability of the Insurer(s) not being thereby increased) must be commenced and carried out with reasonable dispatch, failing which the Insurer(s) shall not be liable to make any payment beyond the amount which would have been payable under the Policy if this Memorandum had not been incorporated therein.

- (ii) The amount recoverable shall not include the additional cost incurred in complying with any such requirements with which the Insured has been duly notified to comply prior to the happening of the damage;
- (iii) The amount recoverable shall not be subject to the Co-insurance Memorandum contained in Section 1 of the Policy.
- (iv) All other Industrial Special Risks and/or Fire and Named Perils insurances covering the property effected by or on behalf of the Insured shall be on a similar basis.
- (v) If the cost of reinstatement of such property insured is less than fifty per cent (50%) of that which would have been the cost of reinstatement if such property had been destroyed, the amount recoverable hereunder shall be limited to:
  - (a) the extra cost necessarily incurred in reinstating only that portion damaged; or
  - (b) whilst applying to such property insured the Sub Limit stated herein in respect of each and every loss or series of losses at any one situation arising out of any one Event

whichever is the greater. In the event of a Sub Limit not being stated in this Policy the Insurer(s) liability shall be limited to the amount as described in sub-paragraph (a) of this provision.

- (vi) The value of any undamaged portion of any building including foundations insured by this Policy which are required to be abandoned shall be included in the indemnity under this Policy; provided that if such undamaged portions building including foundations add resale value to the site, then such added value shall be considered as salvage and, when realised, shall be reimbursed to the Insurer(s) or shall be deducted from the final amount of any moneys payable by the Insurer(s) under this Policy, whichever shall occur later.
- (vii) Where equipment, plant or machinery is damaged, the value of any undamaged equipment, plant or machinery which is rendered redundant or can no longer be used for the purpose for which it was intended due to such damage, shall be included in the indemnity under this Policy;
 

Provided that such undamaged equipment, plant or machinery shall be considered as salvage and when realised shall be reimbursed to the Insurer(s) or shall be deducted from the final amount of any moneys payable by the Insurer(s) under this Policy, whichever shall occur later.
- (viii) Where any Property Insured is damaged and as a consequence the Premises become unfit or unsuitable for the Insured's business or the Insured is not permitted to rebuild or repair at the site, the value of any undamaged property shall be included in the indemnity under this Policy; provided that such undamaged property shall be considered as salvage and when realised shall be reimbursed to the Insurer(s) or shall be deducted from the final amount of any moneys payable by the Insurer(s) under this Policy, whichever shall occur later.

### **FLOOR SPACE RATIO INDEX (PLOT RATIO)**

Memorandum to Section 1 - FLOOR SPACE RATIO INDEX (PLOT RATIO) is amended to read:

If Property Insured is damaged and the cost of reinstatement is more than 50% of the cost of reinstatement if the Property Insured had been totally destroyed and reinstatement is only permissible by reason of any requirement of any law or local government or other statutory authority subject to a reduced floor space ratio index or land usage requirement, the Insurer(s) will pay in addition to any other amount payable on reinstatement of the Property Insured the difference between the actual cost of reinstatement incurred in accordance with the reduced floor space ratio index or land usage requirement and the cost of reinstatement which would have been incurred had a reduced floor space ratio index or land usage requirement not been applicable. In

calculating the amount payable under this Memorandum, any payment made by the Insurer(s) shall include the extra cost payable under the EXTRA COST OF REINSTATEMENT

## **MEMORANDA APPLICABLE TO SECTION 1**

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Any amount payable under this Memorandum shall be paid upon completion of the reinstatement of the Property Insured as certified by the architect, engineer or other consultant employed by the Insured for such work.

### **ACQUIRED COMPANIES/ACQUIRED PROPERTY AND DECLARED VALUES**

The ACQUIRED COMPANIES Memorandum is deleted and replaced by the following:

This Policy extends to include property located in Australia belonging to companies or other organisations, including property for which the companies or organisations are legally responsible or for which they have assumed responsibility prior to the damage, in which the Insured acquires an interest during the currency of this Policy subject to the Insured declaring details of such acquisition within a reasonable period following the date of acquisition.

The statement of Declared Values on acquisition of Property Insured shall be in accordance with paragraph one of this Memorandum and shall be limited to such acquired property insurable under Section 1 and the additional indemnity insurable under Section 2 of this Policy. No declaration on acquisition of Property Insured shall be required if the value of such acquired property does not exceed the limit stated in the Schedule.

### **CO-INSURANCE DELETED**

The CO-INSURANCE clause and Provision (iii) of the REINSTATEMENT and REPLACEMENT Memorandum to Section 1 are deleted from this Policy.

## **ADDITIONAL MEMORANDA APPLICABLE TO SECTION 1**

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### **DAMAGE BY BURGLARS**

For the purpose of the indemnity under this Policy, where damage is occasioned by burglars, it is deemed to be damage caused by the acts of malicious persons.

### **SPOILAGE**

Notwithstanding Perils Exclusion 4 and Property Exclusion 16 this Policy extends to include loss sustained by the Insured as a result of damage to stock and/or merchandise caused by deterioration, putrefaction, contamination or changes in temperature or humidity arising from any cause insured by this Policy or caused by mechanical, hydraulic, electrical or electronic breakdown other than work bans, shortage of fuel or the deliberate withholding of electricity supply.

### **DESIGNATION OF PROPERTY**

For the purpose of determining where necessary the heading under which any property is insured, the Insurer(s) agrees to accept the designation under which such property has been entered in the Insured's books.

### **PROPERTY OF GUESTS AND LODGERS**

Property Exclusion 3 and Perils Exclusion 8 shall not apply to Damage to property, owned by guests or lodgers, whilst at the Insured's premises.

## **DELAYED UNPACKING**

Where consignments and/or packages of raw materials, supplies, merchandise, plant and/or equipment are not opened for inspection on arrival at the Insured's store and/or premises, any concealed damage by any cause not otherwise excluded, discovered when the consignments and/or packages are unpacked, shall be damage recoverable under this Policy and the amount recoverable as indemnity shall be determined in accordance with the provisions of Basis of Settlement (b) - Section 1.

Provided always that

- (i) the damage shall be discovered not later than three months after receipt of the consignments/packages by the Insured,
- (ii) consignments and/or packages bearing visible signs of damage at the time of their arrival shall be inspected as soon as practicable; appropriate claim(s) shall be made against the carriers and the Insured shall forward copies of such claim(s) and any replies received from carriers to the Insurer(s) as soon as practicable.
- (iii) where separate Marine Insurance has been effected, it is agreed that in the event of damage to the Property Insured due to a peril not otherwise excluded being discovered after the risk has terminated under the Marine Insurance and, if after proper investigation it is not possible to ascertain whether the cause of such damage happened prior to the termination of the marine venture or subsequently, it is understood and agreed that the Insurer(s) hereon shall contribute 50% of the properly adjusted claim provided the Marine Insurer(s) also agrees to contribute 50% of the claim, such contribution to be without prejudice to subsequent final apportionment of the claim as may be agreed between the Insurer(s) hereon and the Marine Insurer(s) in the light of the terms and conditions of the respective Policies.

It is further agreed that in the event of the excess under this Policy being different from the excess under the Marine Insurance Policy in settling claims as described above, each Insurer(s) shall deduct 50% of its appropriate excess from its 50% share of the adjusted claim.

## **FAILURE OF PUBLIC SUPPLIES**

This Policy is extended to include physical damage to Property Insured arising from a failure of public electricity, gas or water supply from any damage except the perils or circumstances more specifically excluded by Perils Exclusions 1 and 2 of this Policy.

## **CONTRACTUAL LIABILITY FOR DEBRIS REMOVAL**

In the event of any conflict between Section 1, The Indemnity (f) (ii) and the "Contractual Agreements" clause in the Memoranda applicable to All Sections, then the latter shall prevail.

## SECTION 2 -CONSEQUENTIAL LOSS

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### The Indemnity

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#### **STORAGE PREMISES**

The words "or any premises where the Insured has property" are inserted in the first paragraph of THE INDEMNITY – Section 2, second line after the words "at the Premises".

The proviso to THE INDEMNITY – Section 2 shall not apply to this extension.

#### **PRESSURE VESSELS**

The following words in the provision of THE INDEMNITY – Section 2 are deleted "(loss arising out of destruction or damage by explosion of Boilers and/or Economisers excepted)" and replaced by the words "(loss arising out of Damage to any boiler, economiser, pressure vessel and any respective ancillary equipment excepted)".

#### **GOODS IN TRANSIT**

Notwithstanding Property Exclusion 1, this Policy is extended by including the words:

“or while such property is in transit between a port or ports or a place or places in Australia, including whilst being loaded on to or unloaded from the conveyance” after the words “at the premises” in the second line of THE INDEMNITY – Section 2.

### Basis of Settlement

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#### **DELETION OF AVERAGE - SECTION 2**

The final paragraph in Item No. 1 and Item No. 3 is deleted.

#### **PAYROLL: AMENDED DEFINITION**

Only operative when Payroll is insured 100%. The Definitions of Payroll and Rate of Payroll and reference to Payroll in the Adjustment of Premium Memorandum are deleted.

#### **PAYROLL: AMENDED DEFINITION**

Only operative where Payroll is insured dual Basis Definition. “Payroll” is amended to read: PAYROLL means the remuneration paid to all employees of the Insured (including but not limited to holiday pay, sick pay, long service leave pay, commission, bonus and overtime) plus payments for payroll tax, fringe benefits tax, superannuation and pension fund contributions, workers’ compensation insurance premiums, accident compensation levies and the like.

#### **CONSOLIDATION PERIOD**

The following is included in Definitions – Section 2 – Consequential Loss:

CONSOLIDATED PERIOD means the sum of the number of weeks, specified in the Schedule, applicable to Item 3 (a) (i) and the percentage specified in the Schedule of the remaining portion of the Indemnity Period applicable to Item 3 (a) (ii).

#### **ACCOUNTS RECEIVABLE**

Notwithstanding Perils Exclusions 7 (a) (I) and 7 (a) (ii), the insurance under this item is to cover any loss sustained by the Insured in respect of all outstanding debit balances if the Insured is unable to effect collection thereof as a result of Damage to records of accounts receivable or the associated equipment. The Insurer(s) will also pay:

- (a) interest charges at ruling bank rates on any loan required in consequence of such impaired collections;
- (b) interest lost by the Insured in consequence of such impaired collections;



- (c) additional expenditure necessarily and reasonably incurred in tracing and establishing the amounts of accounts receivable;
- (d) collection expenses in excess of normal collection costs, incurred in consequence of the damage. Where there is proof that a loss covered by this Policy has occurred, but the Insured cannot accurately establish the total amount of accounts receivable outstanding at the date of damage, such amount shall be computed as follows:
  - (i) Determine the total amount of accounts receivable outstanding on the last working day of the fiscal month which ended twelve months before the beginning of the month in which the Damage occurred;
  - (ii) Calculate the average increase or decrease in the monthly total amounts of accounts receivable outstanding on the last working day of each of the twelve months immediately preceding the month in which the Damage occurred;
  - (iii) The amount determined under paragraph (i), increased or decreased by the percentage calculated in accordance with paragraph (ii) shall be deemed to be the total amount of accounts receivable outstanding at the time and date of the Damage;
  - (iv) The amount determined under paragraph (iii) shall be adjusted as may be necessary to provide for any demonstrable variance from the amount so determined occurring before, but during the month in which the Damage occurs; due consideration also being given to normal monthly trends in receipts.

There shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records not Damaged, or otherwise established or collected by the Insured, and an equitable amount to provide for doubtful debts.

#### **CLAIMS PREPARATION AND PROVING COSTS**

Item No. 2 of BASIS OF SETTLEMENT - Section 2 is amended to read:

The insurance under this item is to cover such reasonable professional fees payable by the Insured to their financial advisers (including but not limited to fees of accountants, loss adjusters, valuers and other consultants appointed by the Insured) and such other reasonable expenses necessarily incurred by the Insured and not otherwise recoverable, for preparation of claims, proving and settling the loss under Sections 1 and 2 of this Policy and, provided that any loss is claimable under Section 2 of this Policy, including such fees and expenses for preparation and proving any claim under another property damage policy, suppliers guarantee or maintenance contract.

The liability of the Insurer(s) shall be limited to the Sub-Limit of Liability stated in the Schedule against "Claims Preparation and Proving Costs" for any one loss or series of losses arising out of any one event at any one situation.

#### **ADDITIONAL EXPENDITURE**

Item No 4 of the BASIS OF SETTLEMENT – Section 2 is amended by deleting the words "necessarily and".

#### **STANDARD TURNOVER**

The definition of STANDARD TURNOVER in Section 2, is amended by the addition of the following words at the end:

“appropriately adjusted where the Maximum Indemnity Period exceeds 12 months”.

## **CURRENT COST ACCOUNTING**

The following clause is included under the heading DEFINITIONS as the first paragraph.

For the purpose of the following definitions, any adjustment brought about by the implementation of current cost accounting shall be disregarded.

## **GOODS AND SERVICES TAX**

To the extent that the Insured is accountable to the Australian Taxation Office for Goods and Services Tax, it is agreed that both the Definitions and Declared Values applicable to Section 2 shall be deemed to exclude the amount of such tax.

## **VALUE ADDED TAX**

Both the Definitions and Declared Values applicable to Section 2 are deemed to exclude any amounts for which the Insured is accountable to taxation authorities for Value Added Tax or similar local tax.

## **GOVERNMENT INCENTIVES**

The definition of TURNOVER is extended to include financial incentives or concessions granted to the Insured by any Australian or State government department in recognition of specific performance including but not limited to the development of market opportunities or employment of disadvantaged persons.

## **RENT RECEIVABLE**

The BASIS OF SETTLEMENT - Section 2 is extended to include the following Item: Rent Receivable.

The Insurance under this Item is limited to the loss of rent receivable (including amounts due for services rendered and recoverable expenses) and the amount payable as indemnity hereunder shall be the amount by which rent (including amounts for services rendered and recoverable expenses) received or receivable during the Indemnity Period shall fall short of the amount which it may be reasonably estimated would have been received during that period had the Damage not occurred, including the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of rent (including amounts for services rendered and recoverable expenses), less any sum saved during that period in respect of the charges or expenses payable out of rent as may cease or be reduced in consequence of the Damage.

The cover hereby granted shall be subject to the Sub-Limit of Liability stated in the Schedule of this Policy against "Rent Receivable" for any one loss or series of losses arising from any one event at any one situation.

## **RENT PAYABLE**

The BASIS OF SETTLEMENT - Section 2 is extended to include the following Item: Rent Payable  
The Insurance under this Item is in respect of rent and other expenses payable by the Insured in accordance with the terms of any lease agreement and the amount payable as indemnity hereunder shall be such sum as the Insured shall be legally liable to pay under the terms of the lease during the Indemnity Period in consequence of the Damage. The cover hereby granted shall be subject to the Sub-Limit of Liability stated in the Schedule of this Policy against "Rent Payable".

For the purpose of this Item, "Indemnity Period" means:

the period beginning with the date of the Damage and ending not later than the period recorded in the Schedule under the heading Maximum Indemnity Period during which the results of the Business shall be affected in consequence of the Damage.

## **SALVAGE SALE**

The Definition of "Shortage in Turnover" Basis of Settlement – Section 2 is hereby replaced and shall read as follows:

Shortage in Turnover means the amounts by which the Turnover during a period (less the Turnover for the period of the salvage sale) shall, in consequence of the damage, fall short of the part of the Standard Turnover which relates to that period, from which shall be deducted the amount of any portion of the Pay-Roll actually paid out of the proceeds of the salvage sale.

## **MEMORANDA APPLICABLE TO SECTION 2**

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### **PUBLIC/PRIVATE UTILITIES EXTENSION**

Notwithstanding Property Exclusions 16 and 17 and Perils Exclusions 3, 4, 5, 6 and 7 any loss resulting from interruption or interference with the Business in consequence of Damage to property within Australia at:

- (a) any generating station, sub-station or supply line of the electric supply undertaking from which the Insured directly or indirectly obtains electricity;
- (b) any land based premises of the gas supply undertaking, or of any natural gas producer from which the Insured directly or indirectly obtains gas,
- (c) any waterworks, pumping station, dams, reservoirs and notwithstanding Property Exclusion 9, any supply pipe or channel, of the water supply undertaking from which the Insured obtains water;
- (d) any land based premises or pipeline of the sewerage undertaking linked to Premises used by the Insured;
- (e) any land based premises of a telecommunication network;

shall be deemed to be loss resulting from Damage to property used by the Insured at the Premises. For the purpose of this Memorandum the proviso in paragraph two of The Indemnity is waived.

### **PREMISES IN THE VICINITY (PREVENTION OF ACCESS)**

The PREMISES IN THE VICINITY (PREVENTION OF ACCESS) Memorandum is amended by adding the words "or the threat of such Damage, including intervention by a lawful authority" after the words "vicinity of the Premises" in paragraph one and after the words "complex of which the Premises forms part" in paragraph two.

For the purpose of this extension the proviso in paragraph two of THE INDEMNITY is waived.

### **ACCUMULATED STOCKS**

The Accumulated Stocks memorandum is amended by deletion of the words "of finished goods".

## **ADDITIONAL MEMORANDA APPLICABLE TO SECTION 2**

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### **UNSPECIFIED SUPPLIERS' AND/OR CUSTOMERS' PREMISES**

Any loss resulting from interruption of or interference with the Business in consequence of Damage to property at the premises of any supplier or customer (or in the vicinity of such premises which prevents or hinders the use of or access to such premises), shall be deemed to be Damage to property used by the Insured at the Premises.

For the purposes of this memorandum, the term "premises of a supplier" refers to premises at which any of the property (including any constituents of such property) or services used by the

Insured including equipment and plant are produced, assembled or stored. The term "premises of a customer" refers to premises to which the Insured provides goods or services and to premises to which such goods are on-sold.

For the purpose of this extension the proviso in paragraph two of THE INDEMNITY is waived.

### **FINES OR DAMAGES**

Notwithstanding Perils Exclusions 8. and 9., Section 2 of this Policy extends to include fines or damages for breach of contract and the amount payable as indemnity shall be such sum as the Insured shall be legally liable to pay and shall pay in discharge of fines or damages incurred solely in consequence of Damage, for non-completion or late completion of orders, inability to meet contract specifications (including purchases) or cancellation of orders.

### **REDUCED MARGIN**

The following Memorandum is added to Section 2:

If, in consequence of Damage giving rise to a claim under this Policy, Turnover is maintained at a reduced Rate of Gross Profit, an equitable allowance shall be made in the calculation of the resulting loss of Gross Profit.

### **OTHER CONTRIBUTING PROPERTIES**

Any loss resulting from interruption of or interference with the Business in consequence of Damage to any other property (not more specifically mentioned in this Policy) at any situation in Australia not owned or operated by the Insured but which wholly or partly prevents delivery of materials, goods or services to the Insured and/or the Insured's customers shall be deemed to be loss resulting from Damage to property used by the Insured at the Premises.

For the purpose of this extension the proviso in paragraph two of THE INDEMNITY is waived.

### **DEDUCTIBLE – TIME – OPTION A**

Wherever a deductible or excess (Deductible), contained in this Policy, is described as a period of time, such Deductible shall be subject to the following conditions:

1. The Deductible will only apply to the loss in respect of (The Gross Profit and if applicable to the Payroll items).
2. The Deductible will not apply to (Any other Section Two sub limits).
3. In respect of a loss as described under 1 above, the monetary value of the Deductible shall be calculated in accordance with the following formula:

$$\frac{D \times L}{IP}$$

Where

**D** = The period of the Deductible expressed in days\*

**L** = The total value of the loss to which the Deductible applies

**IP** = The indemnity period in days applicable to the loss

\* If the deductible is expressed in hours then the day equivalent will be that number of hours divided by 24.

## EXCLUSIONS APPLICABLE TO ALL SECTIONS

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### Property Exclusions

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#### **BUSINESS HOURS**

Property Exclusion 2(c) is amended by deleting the words "outside business hours" and substituting the words "when unattended".

#### **MONEY LOSS DISCOVERY DATE**

Property Exclusion 2(d) is amended by adding the words "or next immediate cash balancing date, whichever is the later".

#### **HOLD-UP**

Property Exclusion 2(e) is amended by adding the words "Provided that this exclusion shall not apply to hold-up or theft or any attempt thereat".

#### **JEWELLERY AND FURS OF EMPLOYEES AND OTHERS**

Property Exclusion 3 shall not apply to personal property belonging to directors or employees of the Insured or to personal property belonging to visitors.

#### **LAND**

Property Exclusion 8 is amended to read:

8. land, provided that this Exclusion shall not apply to:  
structural improvements on or in the land if they are not otherwise excluded in this Policy and cleanup costs of land following damage to the Property Insured by a peril, damage as a result of which is insured by this Policy.

The provisions of the Co- Insurance Memorandum to Section 1 do not apply to clause (b) of this exclusion.

#### **PROPERTY IN OPEN AIR**

Property Exclusion 13 is deleted and replaced by the following:

13. gates, fences, retaining walls, textile awnings and blinds
  - (a) property in the open air unless such property is designed to function without the protection of walls or roof  
  
caused by wind, rainwater or hail

## **CONSTRUCTION**

Property Exclusion 14 is deleted and replaced by the following: 14.

- (a) property undergoing construction, erection, alteration or addition including the partial demolition of existing structures, when the total cost of such works at the site at the time of damage exceeds \$500,000. Provided that this exclusion shall not apply to any existing property insured by this Policy.
- (b) empty premises undergoing demolition, provided that this exclusion shall not apply to the Insured's interest in any material in or on the Premises.

## **MACHINERY BREAKDOWN EXTENSION**

Property Exclusion 16 is deleted and this Policy extends to indemnify the Insured for damage to Machinery occasioned by or happening through any mechanical, electrical, electro-mechanical, electronic or hydraulic malfunction, failure, derangement, breakdown or non-operation of any kind (hereafter termed Breakdown) except as otherwise specifically excluded.

For the purpose of this extension:-

- (a) "Machinery" means any apparatus, including electronic control equipment, whether functioning independently or as part of a collection of apparatus which generates, contains, controls, transmits, receives, transforms or utilises any form or source of energy or power.
- (b) The following specific exclusions shall apply to this extension and in the event of any ambiguity with other Policy Exclusions, the wording of the specific exclusions applying to this extension shall prevail:
  - 1. The cost of replacement of expendable or consumable parts including:
    - (i) belts, ropes, wires, chains, links, felts, sieves, fabrics, joining, and packings all unless necessary as a result of Breakdown;
    - (ii) electric heating elements, electric contacts, fuses, filaments, glass, porcelain or ceramic components other than when used as electrical insulation;
    - (iii) cutting edges, tyres, rails, wear plates, dies, engraved cylinders, moulds, patterns and exchangeable tools;
    - (iv) concrete, brickwork or refractories unless as a result of Breakdown.
  - 2. The cost of rectifying wear and tear which means wasting or wearing out of any part of insured Machinery caused by or naturally resulting from ordinary use or working or gradual deterioration including:
    - (i) erosion, corrosion, rust, oxidation, or damage due to cavitation;
    - (ii) tightening of loose components, recalibration or adjustments unless necessary as a result of Breakdown;
    - (iii) slowly developing deformation or distortion, any crack, blister, flaw or grooving which has not penetrated the entire thickness of the material of the insured item of Machinery notwithstanding that repair or replacement may be necessary at some time in the future; but Breakdown arising from any such defect is not excluded hereby.
  - 3. Damage to insured Machinery subject to tests involving abnormal stresses or arising out of Machinery being intentionally overloaded except where agreed by the Insurer.

4. Consequential Loss other than that provided in terms of Section 2 of this policy.
- (c) It is agreed that the indemnity granted by this Extension includes loss or damage due to or arising out of a lack of skill or carelessness of persons whether in the employ of the Insured or not.
- (d) Perils Exclusions 4 shall not apply to the cover granted by this extension.
- (e) The liability of the Insurer(s) shall not exceed the amount of the Sub-Limit of Liability stated in the Schedule of this Policy for any one loss or series of losses arising out of any one event at any one situation.

#### **DATA PROCESSING EQUIPMENT AND MEDIA BREAKDOWN**

Notwithstanding Property Exclusion 16, – This Policy is extended to cover electronic data processing systems including peripheral and ancillary equipment and media, including the erasure or corruption of data contained therein, against any sudden and unforeseen damage whilst such property is within the precincts of the Situation and/or Premises and working or at rest or being dismantled, moved, reassembled or reinstated for the purpose of cleaning, adjustment, inspection, repair, overhaul or relocation but only after successful commissioning at the Situation.

Perils Exclusions 4(a), 4(c), 4(e) and 6(c) shall not apply to the cover granted by this extension.

The liability of the Insurer(s) shall not exceed the Sub-Limit of Liability stated in the Schedule against "Data Processing Equipment and Media Breakdown" for any one loss or series of losses arising out of any one event at any one situation.

#### **PRESSURE VESSEL EXPLOSION**

Property Exclusion 17 is deleted and this Policy is extended to include damage to boilers and pressure vessel plant caused by their own Explosion or Collapse.

Explosion shall mean the sudden and violent rending of the permanent structure of the plant by force of internal steam or fluid pressure or bodily displacement of any part of such structure together with forcible ejection of its contents. Except in the case of a steam test at a pressure not exceeding the maximum pressure permitted by the inspecting authority, the term Explosion shall not mean failure under any test.

Collapse shall mean the sudden and dangerous distortion of any part of the permanent structure of plant by bending or crushing caused by force of steam or fluid pressure whether attended by rupture or not. Except that in the case of a steam test at a pressure not exceeding the maximum pressure permitted by the inspecting authority, the term collapse shall not mean failure under any test.

The following defects do not constitute Explosion or Collapse even though repair or replacement may be necessary -

- (a) wearing away or wasting of the material of the plant whether by leakage, corrosion or by the action of the fuel or otherwise;
- (b) slowly developing deformation or distortion of any part of the plant;
- (c) cracks, fractures, blisters, laminations, flaws or grooving even when accompanied by leakage or damage to tubes, headers or other parts of the plant caused by over-heating or leakage at seams, tubes or other parts of the plant;
- (d) failure of joints;

but Explosion or Collapse arising from any such defect is insured by this extension.

The term Boiler and Pressure Vessel Plant includes, but is not limited to, any connected super-heaters, economisers, mountings, fittings, valves and steam piping.

The following specific exclusions shall apply to this extension and in the event of any ambiguity with other Policy Exclusions, the wording of the specific exclusions applying to this extension shall prevail: Damage arising during the application of hydraulic test of the plant and occasioned thereby.

If at the time of Explosion or Collapse or other Damage insured by this extension -

- (a) the load on the safety valve or safety valves upon the particular item of plant was in excess of that permitted by the latest certificate issued in accordance with Boiler Inspection Regulations applicable thereto, or,
- (b) any safety valve limiting the pressure is removed or rendered inoperative, or, then the Insured shall not be entitled to any indemnity under this extension.

Provided that these specific exclusions shall not apply to damage to the Property Insured occasioned by a circumstance, not otherwise excluded by "Perils Exclusions" of this Policy, resulting from or in any peril referred to in these specific exclusions.

Property Exclusion 16 and Perils Exclusions 4(c) and 4(e) shall not apply to the cover granted by this clause.

The Words "(loss arising out of destruction or damage by explosion of Boilers and/or Economisers excepted)" in paragraph two of "The Indemnity" - Section 2 of this Policy are deleted.

Provided always that the indemnity granted by this Extension includes:

1. loss or damage due to or arising out of a lack of skill or carelessness of persons whether in the employ of the Insured or not.
2. damage by sudden cracking or fracturing in the course of ordinary working so as to permit leakage of the contents or which prevents or makes unsafe the continued use of any Boiler, Economiser, Steam or Water Heating System, Pressure Vessel or Pipe System.
3. damage arising as a direct consequence of the explosion of flue gases in the furnace or flue of the Boiler and/or Economiser.
4. the cost of making good joints between the sections of any insured heating or hot water supply boiler which prevents the boiler working satisfactorily.
5. sudden and accidental damage to insured Boilers, Super heaters, Economisers or other vessels caused by overheating consequent upon general deficiency of water therein.

The liability of the Insurer(s) shall not exceed the amount of the Sub-Limit of Liability stated in the Schedule of this Policy for any one loss or series of losses arising out of any one event at any one situation.

## Perils Exclusions

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### **DAMAGE BY SABOTEURS, VANDALS ETC**

Notwithstanding the provisions of terrorism exclusion and provided that a "terrorist act" has not been formally declared, this Policy is deemed to cover malicious damage and sabotage to Property Insured caused by saboteurs, vandals or other persons acting maliciously or by way of protest, but excluding damage caused directly by war or civil war, seizure, confiscation by authorities, nuclear contamination and consequential loss of any kind except as provided for in Section 2 of this Policy.

### **THEFT OF PROPERTY IN OPEN AIR**

Perils Exclusion 6(a) is deleted and replaced by the following:

- (a) theft of property (other than Money in Transit) in the open air except from an area protected by a perimeter fence, wall or other security arrangement.



## **HOLD-UP/THEFT**

Perils Exclusion 7 (d) is amended by adding the words "provided that this exclusion shall not apply to loss caused by hold-up and/or theft or any attempt thereat".

## **CONSEQUENTIAL DAMAGE**

The Proviso to Perils Exclusion 7 is deleted and replaced by the following:

Provided that Perils Exclusion 7(a) to 7(d) shall not apply to damage to the Property Insured occasioned by a peril (not otherwise excluded) resulting from any event or peril referred to in this exclusion.

## **NUCLEAR EXEMPT EQUIPMENT**

The following provision is added to Perils Exclusion 2:

Exclusion 2(i) does not apply to ionising radiations or contaminations by radioactivity emitted by spectrometers, x-ray units, diathermy machines, equipment used for radio or television broadcasting, telecommunications equipment, radar installations or industrial and commercial appliances used for sealing plastics, welding, heating, drying or cooking.

## **UNEXPLAINED SHORTAGES**

Perils Exclusion 6(b) is amended to read:

unexplained disappearance or unexplained inventory shortage, whether resulting from clerical or accounting errors or shortages in supply or delivery of materials to or by the Insured.

## **ACTS CONSEQUENT UPON FORCIBLE ENTRY**

The Proviso to Perils Exclusion 7 (a) is amended by deleting the words "theft consequent" and substituting the words "any act consequent".

## **POLLUTION**

Perils Exclusion 10 is deleted and replaced by the following:

Notwithstanding anything to the contrary contained herein, this Policy does not cover damage resulting from pollution or contamination except (unless otherwise excluded) to the Property Insured or any part thereof at the Premises for the purpose of the Business caused by pollution or contamination which itself results from any peril insured by this Policy or any insured peril which itself results from pollution or contamination.

## **EVENT MEMORANDUM**

The EVENT Memorandum is deleted and replaced with:

Only for the purpose of the application of any Deductible the term 'any one loss' shall mean and be limited to any happening or proximate series of happenings arising from earthquake, volcanic eruption, subterranean fire, strike, riot, civil commotion, labour disturbances, bushfire or atmospheric disturbance commencing during the Period of Insurance and during any one period of seventy-two (72) consecutive hours producing damage for which payment is due under this Policy. The Insured may select the time from which any such period shall commence provided such selected periods do not overlap.

## **ADJUSTMENT OF PREMIUM**

Memorandum (a) (ii) is amended to read:

(ii) Gross Profit and Pay-roll.

## **ADDITIONAL MEMORANDA APPLICABLE TO ALL SECTIONS**

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### **CONTRACTUAL AGREEMENTS**

Notwithstanding clause f(ii) of The Indemnity, Section 1, where in the ordinary course of business the Insured enters into an agreement with another party and where such agreement provides in substance that the Insured shall indemnify and/or hold harmless and/or release from liability such other party in respect of loss destruction or damage which may occur as a result of any peril or eventuality hereby insured against it is understood and agreed that this insurance shall not be prejudiced by the Insured agreeing to such provision. The Insurer(s) agree to waive all rights of subrogation against such other party.

### **MISDESCRIPTION, NON-DISCLOSURE AND ALTERATION**

The Insured shall not be prejudiced by any unintended or inadvertent error, omission or misdescription of the risk, interest or Property Insured under this Policy, failure to advise the Insurer(s) of any change of risk, interest or Property Insured, failure to comply with any statutory requirement or failure to advise any acquisition of interest, risk or property, provided that the Insured's officer responsible for insurance shall, upon becoming aware of any such unintended or inadvertent act, error or omission, inform the Insurer(s) as soon as reasonably practicable and that the Insured shall, upon request, pay any reasonable extra premium to the Insurer(s) from the date of the increase in risk.

### **RENEWAL**

The Insurer(s) agrees to hold covered pending renewal for sixty days from expiry of each Period of Insurance, unless the Insured notifies in writing that such is not required.

### **LIMITS OF LIABILITY/DEDUCTIBLES**

The amounts set out in the Policy represent the Insurer(s) maximum Limit(s) of Liability any one loss or series of losses arising out of any one event at any one situation subject to any lesser Limit(s) of Liability specified elsewhere in the Policy, but the Limit(s) or any lesser Limit(s) of Liability shall only be applied in excess of the relevant deductible.

## **MEMORANDA APPLICABLE TO ALL SECTIONS**

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### **AMOUNT OF POLICY NOT REDUCED BY LOSS**

The Memorandum AMOUNT OF POLICY NOT REDUCED BY LOSS is deleted.

## **CONDITIONS APPLICABLE TO ALL SECTIONS**

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### **ALTERATION**

Condition 2 ALTERATION is amended by commencing the preamble with the following: "Subject to Section 54 of the Insurance Contracts Act 1984..."

### **ALTERATIONS TO SPRINKLER INSTALLATIONS**

Condition 3, Paragraph 3 Sprinkler Installations is deleted.

### **OTHER INSURANCE**

Condition 4 OTHER INSURANCE is deleted.

### **CANCELLATION**

Condition 5 is amended to read:

Cancellation may be effected at any time by mutual agreement between the Insured and the Insurer(s).

In the absence of mutual agreement, this Policy may be cancelled at the request of the Insured, in which

event the Insurer(s) shall be entitled to retain the customary short- period rate for the time this Policy has been in force.

Subject to Section 60 of the Insurance Contracts Act 1984, the Insurer(s) may effect cancellation of this Policy by delivering to the Insured or their brokers ninety (90) days' notice of cancellation in writing. The effective time of cancellation shall be 4.00 p.m. on the ninetieth day after the notice is received by the Insured or their brokers. Upon cancellation by the Insurer(s), a refund will be made to the Insured of the proportionate part of any premium received, in respect of the unexpired period of this Policy.

## **NOTIFICATION OF CLAIMS**

Condition 6 NOTIFICATION OF CLAIMS is amended by substituting the words "On the discovery" for the words "On the happening" and by deleting the word "forthwith" and deleting the words "within thirty (30) days or such further time as the Insurer(s) may in writing allow" and substituting the words "as soon as practicable" in paragraph one. In addition the words "at the Insured's own expense" are deleted.

## **MITIGATION OF LOSS**

Paragraphs 2 and 3 of Condition 6 are amended to read:

The Insured shall use due diligence and do and concur in doing all things reasonably practicable to minimise any interruption of or interference with the Business to avoid or diminish the loss and shall also deliver to the Insurer(s) a statement in writing of any claim certified by the Insured's auditors or accountants with all particulars and details reasonably practicable as to the loss and shall produce and furnish all books of account and other business books, invoices, vouchers and all other documents, proofs, information, explanations and other evidence and facilities as may reasonably be required to enable the Insurer(s) to investigate and verify the claim and such information or documentation shall be verified on oath if required by the Insurer(s).

## **REINSTATEMENT**

Condition 8 - REINSTATEMENT – the first sentence is amended to read:

If the Insurer(s) elects or becomes bound to replace, repair or rebuild any item of property, the Insured shall deliver to the Insurer(s) all such plans, documents and information as the Insurer(s) may reasonably require.

## **TERMINATION OF COVER UNDER SECTION 2**

Condition 13 TERMINATION OF COVER UNDER SECTION 2 is deleted and replaced by the following:

If at any time after the commencement of the Period of Insurance:

the Business is disposed of, permanently discontinued or the Insured ceases to have a proprietary interest in the Business otherwise than by death;

the Insured (being a corporation) is placed in liquidation or provisional liquidation or under official management or a receiver is appointed over all of the assets of the Business; or

the Insured (being a natural person) becomes a bankrupt or enters into a deed of assignment, deed of arrangement or composition with creditors or a receiver is appointed by the bankruptcy court over all of the assets of the Business;

then the insurance cover provided under Section 2 of this Policy shall automatically and forthwith cease unless its continuance be agreed in writing by the Insurer(s).

## **SUBROGATION – SHARING OF BENEFITS**

Condition 10 Subrogation is amended by including the following proviso to point (b):

Provided that where the Insured contributes to any loss arising from the application of Co-insurance (average) and/or the application of any deductible (excess), then any recovery shall be shared proportionately

## CHUBB SPECIFIC ENDORSEMENTS

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Notwithstanding anything contained herein to the contrary, it is hereby declared and agreed that the following endorsements are made to the policy:

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### **CHUBB AMTPLOS**

#### Chubb Amount of Policy Not Reduced by Loss

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The Memorandum "Amount of Policy Not Reduced by Loss" is amended by adding the words "if required" after the word "payment".

Any clause in the policy which gives Automatic reinstatement shall not apply in respect of limits stated to be in the annual aggregate during any one period of insurance.

### **CHUBB LMA 5400**

#### Chubb LMA 5400 Property Cyber and Data Exclusion

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- 1 Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:
  - 1.1 Cyber Loss, unless subject to the provisions of paragraph 2;
  - 1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data, unless subject to the provisions of paragraph 3;
  - regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- 2 Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, this Policy covers physical loss or physical damage to property insured under this Policy caused by any ensuing fire or explosion which directly results from a Cyber Incident, unless that Cyber Incident is caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act.
- 3 Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, should Data Processing Media owned or operated by the Insured suffer physical loss or physical damage insured by this Policy, then this Policy will cover the cost to repair or replace the Data Processing Media itself plus the costs of copying the Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the Data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Processing Media. However, this Policy excludes any amount pertaining to the value of such Data, to the Insured or any other party, even if such Data cannot be recreated, gathered or assembled.
- 4 In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- 5 This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss, Data or Data Processing Media, replaces that wording.

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## Definitions

- 6 Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
- 7 Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
- 8 Cyber Incident means:
- 8.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
- 8.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
- 9 Computer System means:
- 9.1 any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.
- 10 Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

Data Processing Media means any property insured by this Policy on which Data can be stored but not the Data itself.

## CHUBB ELCEQP

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### Chubb Electronic Equipment and/or Device Endorsement

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This policy does not insure against any loss, damage, cost, claim or expense, directly or indirectly, proximately or remotely, whether in whole or in part caused by, resulting from, contributed to, aggravated by or consisting of any malfunction, derangement or inability of

- a) the failure of any Electronic Equipment and/or Device to recognise, interpret, calculate, compare, differentiate, sequence or process data consisting of, dependent on or deduced from one or more dates or time or,
- b) Any change, repair, alteration, correction or modification of any part or parts of any Electronic Equipment and/or Device to correct or prevent any anticipated or actual condition or circumstances stated in (a.) above.

***Electronic Equipment and/or Device*** includes but is not limited to computers, computer equipment, coding, programs, instructions or any software stored on electronic, electromechanical, electromagnetic data processing or electronically controlled equipment and media:

1. computer hardware, including microprocessors;

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2. computer application software;
  3. computer operating systems and related software;
  4. computer networks;
  5. microprocessors (computer chips) not part of any computer system;
  6. any other computerized or electronic equipment or components;
  7. whether the property of the Insured or not.

**CHUBB  
LMA 5393**

**Chubb Communicable Disease Exclusion**

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1. Notwithstanding and superseding any other provision of this policy to the contrary, this policy does not insure any loss, damage, claim, cost, expense or other sum whatsoever, directly or indirectly arising out of, or in any way attributable or related to, connected with or occurring concurrently or in any sequence with:
  - 1.1 a Communicable Disease; or
  - 1.2 the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this endorsement, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
  - 2.1 for a Communicable Disease, or
  - 2.2 any property insured hereunder that is or may be affected by a Communicable Disease.
3. As used herein, a Communicable Disease means any:
  - 3.1 physical distress, illness, or disease caused or transmitted directly or indirectly by any virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and regardless of the means of transmission; or
  - 3.1 any virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, which is capable of causing physical distress, illness or disease.
4. This endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

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

**CHUBB  
SANCTIONS**

**Chubb Sanctions Endorsement**

The Insurer(s) shall not be deemed to provide cover and the Insurer(s) shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Insurer(s) to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America or the Commonwealth of Australia.

**CHUBB**

**Chubb Terrorism Exclusion**

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## TERROR

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

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), which from its nature or context is done for, or in connection with, political, religious, ideological 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.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

## CHUBB TRANDIST

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### Chubb Transmission & Distribution Lines Endorsement

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Notwithstanding any provision to the contrary in the Policy or any endorsement thereto, it is understood and agreed that this Policy does not cover losses in respect of all overhead transmission and distribution lines including wire, cables, poles, pylons, standards, towers, or other supporting structures which may be attendant to the transmission or distribution of electrical power, telecommunications, or any other communications signals.

This exclusion applies to the aforementioned equipment which is located beyond a radius of 300 metres (or 1000 feet) of an insured location.

It is understood and agreed that utility service interruption and/or suppliers extension and/or contingent business interruption coverages are not subject to this exclusion, provided that these are not part of a transmitters or distributors Policy.

## CHUBB MK IV

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### Chubb Basis Of Settlement

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Basis of Settlement clause (e) is amended to read:

- (e) On ~~computer systems records~~, **physical** documents, **including but not limited to** manuscripts, securities, deeds, specifications, plans, drawings, designs, **and** business books, ~~and other records of every description~~; the cost of reinstating, replacing, reproducing or restoring same, including information contained therein or thereon but excluding the value to the Insured of the said information; or, if such is not required, the replacement cost of materials as blank stationery at the time and place of the damage.

## CHUBB

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### Chubb Property Exclusions: Blockchain-Based Digital Assets

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The following exclusion clause is added to Property Exclusions:

All blockchain-based digital assets such as cryptocurrency(ies), cryptoassets, cryptographic tokens and non-fungible tokens.

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This endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).



## Privacy Statement

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In this Statement “We”, “Our” and “Us” means Chubb Insurance Australia Limited (**Chubb**). “You” and “Your” refers to Our customers and prospective customers as well as those who use Our Website.

This Statement is a summary of Our Privacy Policy and provides an overview of how We collect, disclose and handle Your Personal Information. Our Privacy Policy may change from time to time and where this occurs, the updated Privacy Policy will be posted to Our [website](#).

### Why We collect Your Personal Information

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The primary purpose for Our collection and use of Your Personal Information is to enable Us to provide insurance services to You. Sometimes, We may use Your Personal Information for Our marketing campaigns, in relation to new products, services or information that may be of interest to You. If You wish to opt out of Our marketing campaigns You can contact Our customer relations team on 1800 815 675 or email CustomerService.AUNZ@chubb.com.

### How We obtain Your Personal Information

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We collect Your Personal Information (which may include sensitive information) at various points including but not limited to when You are applying for, changing or renewing an insurance policy with Us or when We are processing a claim. Personal Information is usually obtained directly from You but sometimes via a third party such as an insurance intermediary or Your employer (e.g. in the case of a group insurance policy). Please refer to Our Privacy Policy for further details.

When information is provided to Us via a third party We use that information on the basis that You have consented or would reasonably expect Us to collect Your Personal Information in this way. We take reasonable steps to ensure that You have been made aware of how We handle Your Personal Information.

### When do We disclose Your Personal Information?

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We may disclose the information We collect to third parties, including service providers engaged by Us to carry out certain business activities on Our behalf (such as claims assessors and call centres in Australia). In some circumstances, in order to provide Our services to You, We may need to transfer Your Personal Information to other entities within the Chubb group of companies such as the regional head offices of Chubb located in Singapore, UK or USA (Chubb Group of Companies), or third parties with whom We (or the Chubb Group of Companies) have sub-contracted to provide a specific service for Us, which may be located outside of Australia (such as in the Philippines or USA). These entities and their locations may change from time to time. Please contact us, if you would like a full list of the countries in which these third parties are located.

Where access to Our products has been facilitated through a third party (for example: insurance broker, online marketing agency etc) We may also share Your information with that third party.

In the circumstances where We disclose Personal Information to the Chubb Group of Companies, third parties or third parties outside Australia We take steps to protect Personal Information against unauthorised disclosure, misuse or loss.

### Your Consent

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In dealing with Us, You agree to Us using and disclosing Your Personal Information as set out in this Privacy Statement and Our Privacy Policy. This consent remains valid unless You tell Us otherwise. If You wish to withdraw Your consent, including for things such as receiving information on products and offers by Us or persons We have an association with, please contact Our Privacy Officer.

## Access to and correction of Your Personal Information

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If you'd like a copy of your Personal Information or wish to correct or update it, want to withdraw Your consent to receiving offers of products or services from Us or persons We have an association with, or You would like a copy of Our Privacy Policy, please contact Our customer relations team on 1800 815 675 or email [CustomerService.AUNZ@chubb.com](mailto:CustomerService.AUNZ@chubb.com).

To request access to, update or correct your personal information held by Chubb, please complete Our Personal Information Request Form online or download it from [www.chubb.com/au-en/footer/privacy.aspx](http://www.chubb.com/au-en/footer/privacy.aspx) and return to:

Email: [CustomerService.AUNZ@chubb.com](mailto:CustomerService.AUNZ@chubb.com)

Fax: + 61 2 9335 3467

Address: GPO Box 4907 Sydney NSW 2001

## How to Make a Complaint

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If You have a complaint or would like more information about how We manage Your Personal Information, please review Our Privacy Policy for more details, or contact:

Privacy Officer

Chubb Insurance Australia Limited

GPO Box 4907 Sydney NSW 2001

+61 2 9335 3200

[Privacy.AU@chubb.com](mailto:Privacy.AU@chubb.com)

## General Insurance Code of Practice

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We are a signatory to the General Insurance Code of Practice (the Code). The objectives of the Code are to further raise standards of service and promote consumer confidence in the general insurance industry. Further information about the Code and your rights under it is available at [www.codeofpractice.com.au](http://www.codeofpractice.com.au) and on request.

## Complaints and Dispute Resolution

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We take the concerns of our customers very seriously and have detailed complaint handling and internal dispute resolution procedures that you can access. Please note that if we have resolved your initial complaint to your satisfaction by the end of the 5th business day after we have received it, and you have not requested that we provide you a response in writing, the following complaint handling and internal dispute resolution process does not apply. This exemption to the complaints process does not apply to complaints regarding a declined claim, the value of a claim, or about financial hardship.

### Stage 1 – Complaint Handling Procedure

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If you are dissatisfied with any aspect of your relationship with Chubb including our products or services and wish to make a complaint, please contact us at:

The Complaints Officer

Chubb Insurance Australia Limited

GPO Box 4065

Sydney NSW 2001

O 1800 815 675

E [Complaints.AU@chubb.com](mailto:Complaints.AU@chubb.com)

The members of our complaint handling team are trained to handle complaints fairly and efficiently. Please provide us with your claim or policy number (if applicable) and as much information as you can about the reason for your complaint.

We will investigate your complaint and keep you informed of the progress of our investigation. We will respond to your complaint in writing within fifteen (15) business days provided we have all necessary information and have completed any investigation required. In cases where further information or investigation is required, we will work with you to agree reasonable alternative time frames and, if We cannot agree, you may request that your complaint is taken to Stage 2 and referred to Our internal

dispute resolution team. We will otherwise keep you informed about the progress of our response at least every ten (10) business days, unless you agree otherwise.

Please note if your complaint relates to Wholesale Insurance (as defined in the General Insurance Code of Practice), we may elect to refer it straight to Stage 2 for review by our Internal Dispute Resolution team.

## Stage 2 – Internal Dispute Resolution Procedure

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If you advise us that you wish to take your complaint to Stage 2, your complaint will be reviewed by members of our internal dispute resolution team, who are independent to our complaint handling team and are committed to reviewing disputes objectively, fairly and efficiently.

You may contact our internal dispute resolution team by phone, fax or post (as below), or email at:

Internal Dispute Resolution Service

Chubb Insurance Australia Limited

GPO Box 4065

Sydney NSW 2001

O +61 2 9335 3200

F +61 2 9335 3411

E [DisputeResolution.AU@chubb.com](mailto:DisputeResolution.AU@chubb.com)

Please provide us with your claim or policy number (if applicable) and as much information as you can about the reason for your dispute.

We will keep you informed of the progress of our review of your dispute at least every ten (10) business days and will respond to your dispute in writing within fifteen (15) business days, provided we have all necessary information and have completed any investigation required. In cases where further information or investigation is required, we will work with you to agree reasonable alternative time frames. If we cannot agree, you may refer your dispute to the Australian Financial Complaints Authority (AFCA) as detailed under Stage 3 below, subject to its Rules. If your complaint or dispute falls outside the AFCA Rules, you can seek independent legal advice or access any other external dispute resolution options that may be available to you.

## Stage 3 – External Dispute Resolution

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If you are dissatisfied with our internal dispute determination, or we are unable to resolve your complaint or dispute to your satisfaction within forty-five (45) days, you may refer your complaint or dispute to AFCA, subject to its Rules.

AFCA is an independent external dispute resolution scheme approved by the Australian Securities and Investments Commission. We are a member of this scheme and we agree to be bound by its determinations about a dispute. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

You may contact AFCA at any time at:

Australian Financial Complaints Authority

GPO Box 3

Melbourne VIC 3001

O 1800 931 678 (free call)

F +61 3 9613 6399

E [info@afca.org.au](mailto:info@afca.org.au)

W [www.afca.org.au](http://www.afca.org.au)

Time limits may apply to complain to AFCA and so you should act promptly or otherwise consult the AFCA website to find out if or when the time limit relevant to your circumstances expires.

## Insurance Council of Australia

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Where we cannot provide you with insurance cover, we will refer you to the Insurance Council of Australia (the ICA) for information about alternative insurance options (unless you already have someone acting on your behalf). The ICA has established a referral service called 'Find an Insurer'. Information on finding alternative insurers can be found at [www.findaninsurer.com.au](http://www.findaninsurer.com.au).

## Financial Claims Scheme

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We are an insurance company authorised under the Insurance Act 1973 (Cth) (Insurance Act) to carry on general insurance business in Australia by the Australian Prudential Regulation Authority (APRA) and are subject to the prudential requirements of the Insurance Act.

The Insurance Act is designed to ensure that, under all reasonable circumstances, financial promises made by Us are met within a stable, efficient and competitive financial system.

Because of this We are exempted from the requirement to meet the compensation arrangements Australian financial services licensees must have in place to compensate retail clients for loss or damage suffered because of breaches by the licensee or its representatives of Chapter 7 of the Corporations Act 2001 (Cth). We have compensation arrangements in place that are in accordance with the Insurance Act.

In the unlikely event that We were to become insolvent and were unable to meet Our obligations under the Policy, a person entitled to claim may be entitled to payment under the Financial Claims Scheme. Access to the Scheme is subject to eligibility criteria. Please refer to <https://www.fcs.gov.au> for more information.

The Policy is issued by Chubb Insurance Australia Limited ABN 23 001 642 020 AFSL 239687.

Our website can be visited at [www.chubb.com/au](http://www.chubb.com/au).

June 2020

## About Chubb in Australia

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Chubb is the world's largest publicly traded property and casualty insurance company. With operations in 54 countries, Chubb provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to a diverse group of clients. As an underwriting company, we assess, assume and manage risk with insight and discipline. We service and pay our claims fairly and promptly. The company is also defined by its extensive product and service offerings, broad distribution capabilities, exceptional financial strength and local operations globally. Parent company Chubb Limited is listed on the New York Stock Exchange (NYSE: CB) and is a component of the S&P 500 index. Chubb maintains executive offices in Zurich, New York, London and other locations, and employs approximately 31,000 people worldwide.

Chubb, via acquisitions by its predecessor companies, has been present in Australia for over 50 years. Its operation in Australia (Chubb Insurance Australia Limited) provides specialised and customised coverages, including Marine, Property, Liability, Energy, Professional Indemnity, Directors & Officers, Financial Lines, Utilities, as well as Accident & Health insurance, to a broad client base. Chubb is a major insurer of many of the country's largest companies. With five branches and over 500 staff in Australia, it has a wealth of local expertise backed by its global reach and breadth of resources.

More information can be found at [www.chubb.com/au](http://www.chubb.com/au)

## Contact Us

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Chubb Insurance Australia Limited  
ABN: 23 001 642 020 AFSL: 239687

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Level 38, 225 George Street  
Sydney NSW 2000  
O +61 2 9335 3200  
F +61 2 9335 3411  
[www.chubb.com/au](http://www.chubb.com/au)

**Chubb. Insured.<sup>SM</sup>**