

# **COMMERCIAL BUSINESS PACK INSURANCE POLICY WORDING**

1 JANUARY 2020

# CONTENTS

INTRODUCTION	1
IMPORTANT INFORMATION	3
GENERAL TERMS, GENERAL EXCLUSIONS & GENERAL CONDITIONS	7
MATERIAL LOSS OR DAMAGE POLICY	15
BUSINESS INTERRUPTION POLICY	28
BURGLARY POLICY	35
MONEY POLICY	40
BROADFORM LIABILITY INSURANCE POLICY	44
EMPLOYEE DISHONESTY (FIDELITY GUARANTEE) POLICY	55
ELECTRICAL & MECHANICAL BREAKDOWN POLICY	58
COMPUTER/ELECTRONIC EQUIPMENT BREAKDOWN POLICY	66
GENERAL PROPERTY (SPECIAL RISKS) POLICY	77

# Introduction

---

## Who is Marsh Advantage Insurance

Marsh Advantage Insurance Pty Ltd (ABN 31 081 358 303), Australian Financial Services Licence (AFSL) No 238369 (Marsh Advantage Insurance) will be providing the financial services on your behalf. Marsh Advantage Insurance is a subsidiary of Marsh Inc. Marsh Inc. is a world leader in delivering risk and insurance services and solutions to clients.

Global risk management consulting, insurance broking and insurance program management services are provided for businesses, professional services organisations and private clients under the Marsh Advantage Insurance name.

Marsh Advantage Insurance's ultimate parent is Marsh & McLennan Companies, Inc. (MMC) which is a public company listed on the New York, Chicago and London stock exchanges.

## About KEY

Key Underwriting Pty Ltd ABN 11 146 607 838 (KEY) is an underwriting agency and acts on behalf of QBE Insurance (Australia) Limited ABN 78 003 191 035 AFS Licence No 239545. KEY is an Authorised Representative (No. 403803) of Jardine Lloyd Thompson Australia Pty Limited ABN 24 005 279 890 (JLT). KEY is a wholly owned subsidiary of Marsh Pty Ltd (ABN 86 004 651 512 AFS Licence No. 238983).

KEY can be contacted at:

Phone – (02) 8864 7688

Address – One International Towers, 100 Barangaroo Avenue, Sydney NSW 2000

Post – PO Box H176, Australia Square NSW 1215

## The Insurer (QBE)

The insurer of this Policy is QBE (Australia) Limited, ABN 78 003 191 035, AFS Licence No. 239545, (QBE). In this Policy the insurer is called “We”, “Us” or “Our”.

## Echelon Australia (Echelon)

Echelon Australia Pty Ltd (Echelon) ABN 96 085 720 056 is a business of Marsh & McLennan Companies (MMC).

Claims are to be lodged via: [ecssa@echelonaustralia.com.au](mailto:ecssa@echelonaustralia.com.au)

Echelon Claims Services  
GPO Box 1693  
Adelaide SA 5001

## Policy Schedules

Policy Schedules are a record of Your specific insurance covers. When You receive them, please check the Policy Schedules carefully and inform Marsh immediately if You feel anything needs to be changed. In order that You always have a complete up-to-date record of Your cover, Marsh will send You a new set of Policy Schedules whenever Your insurance cover is renewed or changed in any way.

## Policy Wordings

The Policy Wording details all the terms and conditions of cover. In certain cases, Additional Benefits, Definitions, Exclusions and Conditions have been included or varied to suit the requirements of Your Business. In these cases Endorsements are included with the relevant Policy Wording and are shown on Your Policy Schedule.

### ***Important***

***You are only covered for those policies which are shown on the policy schedule or in respect of which a certificate of insurance has been issued.***

# Important Information

---

## Before you enter into a contract of insurance

### Duty of Disclosure – What you must tell us

Before you renew this contract of insurance, you have a duty to tell us anything that you know, or could reasonably be expected to know, may affect our decision to insure you and on what terms.

You have this duty until we agree to insure you.

You have the same duty before you renew, extend, vary or reinstate an insurance contract. You do not need to tell us anything that:

- reduces the risk we insure you for; or
- is common knowledge; or
- we know or should know as an insurer; or
- we waive your duty to tell us about.

### If you do not tell us something

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

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

## Privacy

KEY and QBE each have a privacy policy which sets out personal information they collect and how they collect, disclosure, store and use it.

### KEY

KEY is committed to the protection of Your privacy and is bound by the Australian Privacy Principles for the handling of Your information.

KEY's Privacy Policy can be examined by accessing our website (<https://www.marsh.com/au/privacy-policy.html>) or by obtaining a copy from the KEY Privacy Officer.

KEY CAN BE CONTACTED AT	
Phone:	(02) 8864 7688
Address:	One International Towers, 100 Barangaroo Avenue, Sydney NSW 2000
Post:	PO Box H176, Australia Square NSW 1215

When You give us personal or sensitive information about other individuals, we rely on You to have made or make them aware that You will or may provide that information to us, the purposes we may use it for, the types of third parties that we disclose it to and how they can access it. If it is sensitive information we rely on You to have obtained their consent on these matters. If You have not done either of these things, You must tell us before You provide the relevant information.

## QBE Australia

We'll collect personal information when You deal with Us, Our agents, other companies in the QBE group or suppliers acting on Our behalf. We use Your personal information so We can do business with You, which includes issuing and administering Our products and services and processing Claims. Sometimes we might send Your personal information overseas. The locations We send it to can vary but include the Philippines, India, Ireland, the UK, the US, China and countries within the European Union.

Our Privacy Policy describes in detail where and from whom We collect personal information, as well as where We store it and the full list of ways We could use it. To get a free copy of it please visit [qbe.com.au/privacy](http://qbe.com.au/privacy) or contact QBE Customer Care.

It's up to You to decide whether to give Us your personal information, but without it We might not be able to do business with You, including not paying Your Claim.

## The General Insurance Code of Practice

QBE Insurance (Australia) Limited is a signatory to the General Insurance Code of Practice. The Code aims to:

- commit us to high standards of service
- promote better, more informed relations between us and you
- maintain and promote trust and confidence in the general insurance industry
- provide fair and effective mechanisms for the resolution of complaints and disputes between us and you
- promote continuous improvement of the general insurance industry through education and training.

## Dispute Resolution

### Resolving complaints and disputes

We are committed to providing you with quality products and delivering the highest level of service.

We also do everything we can to safeguard your privacy and the confidentiality of your personal information.

### Something not right?

We know sometimes there might be something you're not totally happy about, whether it be about our staff, representatives, products, services or how we've handled your personal information.

### **Step 1 – Talk to us**

If there's something you'd like to talk to us about, or if you'd like to make a complaint, speak to one of our staff. When you make your complaint please provide as much information as possible. They're ready to help resolve your issue.

You can also contact our Customer Care Unit directly to make your complaint. Our aim is to resolve all complaints within 15 business days.

### **Step 2 – Escalate your complaint**

If we haven't responded to your complaint within 15 days, or if you're not happy with how we've tried to resolve it, you can ask for your complaint to be escalated for an Internal Dispute Resolution (IDR) review by a Dispute Resolution Specialist.

The Dispute Resolution Specialist will provide our final decision within 15 business days of your complaint being escalated, unless they've requested and you've agreed to give us more time.

### **Step 3 – Still not resolved?**

If you're not happy with the final decision, or if we've taken more than 45 days to respond to you from the date you first made your complaint, you can contact the Australian Financial Complaints Authority (AFCA). AFCA's role is to assist consumers and small business resolve disputes with their broker or their insurance company. Third party motor vehicle claimants who are uninsured can also access AFCA. If you have any query about whether your complaint can be handled within AFCA's rules or you wish to contact them, their contact details are:

HOW TO CONTACT AFCA	
Phone:	1800 931 678 (free call)
Email:	<a href="mailto:info@afca.org.au">info@afca.org.au</a>
Online:	<a href="http://www.afca.org.au">www.afca.org.au</a>
Post:	Australian Financial Complaints Authority, GPO Box 3, MELBOURNE VIC 3001

If your dispute doesn't fall within AFCA's guidelines and you're not satisfied with our decision then you may wish to seek independent legal advice.

### **Privacy complaints**

If you're not satisfied with our final decision and it relates to your privacy or how we've handled your personal information, you can contact the Office of the Australian Information Commissioner (OAIC).

HOW TO CONTACT QBE CUSTOMER CARE	
Phone	1300 650 503 (Monday to Friday from 9am to 5pm, Sydney time, except on public holidays). Calls from mobiles, public telephones or hotel rooms may attract additional charges.
Email	<a href="mailto:complaints@qbe.com">complaints@qbe.com</a> to make a complaint. <a href="mailto:privacy@qbe.com">privacy@qbe.com</a> to contact us about privacy or your personal information. <a href="mailto:customercare@qbe.com">customercare@qbe.com</a> to give feedback or pay a compliment.
Post	Customer Care, GPO Box 219, PARRAMATTA NSW 2124

## Financial claims scheme

Your Policy is a protected policy under the Financial Claims Scheme (FCS), which protects certain insureds and claimants in the event of an insurer becoming insolvent. In the unlikely event of QBE becoming insolvent you may be entitled to access the FCS, provided you meet the eligibility criteria.

More information may be obtained from the Australian Prudential Regulation Authority (APRA).

HOW TO CONTACT THE APRA	
Phone	1300 558 849 (Monday to Friday from 9am to 5pm, Sydney time, except on public holidays). Calls from mobiles, public telephones or hotel rooms may attract additional charges.
Online	<a href="http://www.apra.gov.au">www.apra.gov.au</a>

## Our Agreement With You

We will insure you for physical loss, damage or liability caused by any of the insured events as set out in this contract, occurring during the Period of Insurance. This is on the basis that you have paid, or agreed to pay us the premium for the cover(s) you have selected and which the current Policy Schedule indicates is/are in force.

## Money Back Promise

If you are not completely happy with this contract, we will try to help with your concerns, or you can return it with the Policy Schedule for a refund - we will refund the full amount of the premium if you do this within (30) days of cover starting and no event for which a claim could be made has occurred.

## Renewal Procedure

Before this contract expires, we will normally send a Renewal Notice or Expiry Notice advising the cover details, the sum insured and the amount of premium payable to renew this contract. It is important that you check all the details on the Policy Schedule including the sums insured before renewing the Contract to satisfy yourself they are the full replacement values.

## Who Is Insured Under This Policy

The "Insured", "you", "your", means the party or parties named as the Insured in this Policy Schedule.



# General Terms, General Exclusions & General Conditions

---

These General Terms, General Exclusions and General Conditions are applicable to all Policies under this Contract.

## General Terms

Whereas you the Insured named in the Policy Schedule, on paying us the premium stated in the Policy Schedule, we agree (subject to all terms, exclusions, provisions, precautions and qualifications contained in, endorsed on or attached to this Contract) to indemnify you or otherwise pay you in respect of the loss, damage, destruction or liability as provided for in each Policy you have selected and as evidenced by the issue of the Policy Schedule.

Any event giving rise to a claim under any of these Policies must occur during the Period of Insurance at any time before 4 o'clock in the afternoon of the last day as stated in the current Policy Schedule or any subsequent period in respect of which we offer renewal of this contract and you shall have paid the premium required for the renewal of this contract.

## Definitions

**Policy Schedule** means the schedule, insurance certificate, renewal invitation or revised policy schedule issued by us whichever is the most current.

**Period of Insurance** means the period of time commencing on the 'From' date stated in the current Policy Schedule and ending on the 'To' date stated in that Policy Schedule.

**Premises** means the building(s) at the location specified in the Policy Schedule, but shall not include any garden, yard, open veranda, open building(s) or other open area.

**Situations** means the Situation(s) or Location(s) shown in the Policy Schedule.

## General Exclusions

The General Exclusion for Electronic Data as shown below applies to all Policies under this Contract except for the Public/Products Liability Policy.

You are not insured under these Policies for any loss, damage, destruction or liability directly or indirectly caused by or arising from or in consequence of or contributed to by:

## War

war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, or requisition or destruction of or damage to property by or under the order of any Government or Public or Local Authority in preventing or attempting to prevent any such act or in minimising the consequences of any such act or confiscation or nationalisation.

## Terrorism

any act/s of terrorism for the purposes of this exclusion an act of terrorism means an act, which may include but is not limited to an act involving the use of force or violence and/or threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), which from its nature or context is done for, or in connection with, political, religious, ideological, or ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

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

## Electronic Data

in respect of any claim of whatsoever nature which consists of or arises directly or indirectly out of or in connection with:

- a) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data and/or Software,
  - b) error in creating, amending, entering, deleting or using Electronic Data and/or Software, or
  - c) total or partial inability or failure to receive, send, access or use Electronic Data and/or Software for any time or at all, from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.
1. However, for all sections of the Policy or policies except those dealing specifically with public liability and/or products liability and/or machinery, in the event that a peril listed below (being a peril insured by this Policy but for this exclusion) is caused by any of the matters described in paragraph (1) above, this Policy, subject to all its provisions, will insure:
- a) physical loss of or damage or destruction to property insured directly caused by such listed peril; and/or
  - b) consequential loss insured by this Policy.

Further, this exclusion does not apply in the event that a peril listed below (being a peril insured by this Policy but for this exclusion) causes any of the matters described in paragraph 1: above-

fire, lightning, thunderbolt, aircraft or other aerial devices or articles dropped therefrom, earthquake, subterranean fire, volcanic eruption, storm, tempest, rainwater, snow, sleet, wind, hail, water, liquids or substances discharged, overflowing or leaking from fixed apparatus, fixed appliances, fixed pipes or other systems, riots, civil commotions, strikes or locked-out workers or persons taking part in labour disturbances, explosion, impact by vehicles, animals or trees or branches of trees, communication masts, towers, antennae, satellite dishes, watercraft, meteorites, or theft of Electronic Data and/ or Software solely where such theft is accompanied by theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing such Electronic Data and/or Software. However, this exclusion does not apply to any section of the Policy dealing specifically with glass.

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

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

## Nuclear

1. Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this Exclusion only, combustion shall include any self-sustaining process of nuclear fission.
2. nuclear weapons material.

## Date Recognition

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

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

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

- a) anything referred to in 1 or 2 recognising, using or adopting any date, day of the week or period of time, otherwise than as, or other than, the true or correct date, day of the week or period of time, or
- b) the operation of any command or logic which has been programmed or incorporated into anything referred to in 1 or 2 above.

However, this special exclusion will not exclude any claim for subsequent loss or destruction of or damage to any property or consequential loss which is solely and directly caused by a Defined Contingency (as defined hereunder), arising under any of the Policies listed hereunder, but only to the extent that such claim would otherwise be insured under those Policies.

- Material Loss or Damage
- Business Interruption
- Money
- General Property

This exclusion does not apply to the Burglary Policy.

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

### Sanction limitation and exclusion clause

You are not insured under any section of this policy where a claim payment breaches any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, the European Union, United Kingdom or United States of America.

## General Conditions

### Misrepresentation and Non-disclosure

If you:

1. failed to disclose any matter which you were under a duty to disclose to us; or
2. made a misrepresentation to us before these Policies of insurance were entered into; and

if we would not have entered into the Contract for the same premium and on the same terms and conditions expressed in these Policies but for the failure to disclose or the misrepresentation,

then:

- a) our liability in respect of any claim shall be reduced to an amount to place us in the same position in which we would have been placed if the failure to disclose had not occurred or the misrepresentation had not been made; or
- b) if the non-disclosure or misrepresentation was fraudulent, we may avoid this Contract.

### Alteration of Risk

If you fail to notify us after the commencement of this Contract:

1. of any alteration or change in the nature of your business, trade, profession or occupation as stated in the Policy Schedule or other circumstances which increases the risk of loss, destruction or damage to any Property Insured or liability to Third Parties; or
2. of any change in the ownership, directors or partners or changes in the address or location of your business; or
3. if the building insured or premises containing the property insured becomes unoccupied and remains so for a period of more than sixty (60) days; or
4. whereby your interest ceased except by will or operation of law;

then we may elect to cancel this Contract within the terms of the Cancellation Clause unless you give written notice to us of such alterations or changes and its being allowed by endorsement to this Contract.

## Cancellation

1. This Contract may be cancelled at any time at your request in writing, in which case we will retain the customary short-period rate for the time this Contract has been in force.
2. We may also cancel this Contract by giving you written notice where:
  - a) you or any person who was at any time the Insured failed to comply with the duty of utmost good faith;
  - b) the person who was the Insured at the time when the Contract was entered into failed to comply with the duty of disclosure;
  - c) the person who was the Insured at the time when the Contract was entered into made a misrepresentation to us during the negotiations for the Contract but before it was entered into;
  - d) you or any person who was at any time the Insured failed to comply with a provision of the Contract, including a provision with respect to the payment of the premium;
  - e) you made a fraudulent claim under this Contract or any other contract of insurance (whether with us or some other insurer) that provided insurance cover during any part of the period during which this Contract provided insurance cover;
  - f) you failed to notify us of any specific act or omission where such notification is required under the terms of this Contract; or
  - g) you acted in contravention of or omitted to act in compliance with any condition of this Contract which empowers us to refuse to pay, or reduce our liability in respect of a claim, in the event of such contravention or omission.
3. Our notice of cancellation takes effect at the earlier of the following times:
  - a) the time when another Contract of insurance between you and us or some other Insurer, being a Contract that is intended by you to replace this Contract, is entered into; or
  - b) 4.00 o'clock in the afternoon of the fourteenth business day after the day on which notice was given to you.
4. In the event that we cancel this Contract, we will repay on demand a rateable proportion of the premium for the unexpired Period of Insurance from the date of cancellation.

Notwithstanding the cancellation or termination of the Contract, you shall furnish such particulars as we may require for the adjustment of premium as aforesaid.

## Claims

If you suffer any loss, damage or destruction or incur any liability likely to give rise to a claim under any of these Policies you must:

1. take immediate steps to minimise the loss, damage or destruction and take all reasonable steps to prevent and take protective measures against further loss;
2. promptly notify us of the occurrence and if property is lost or if theft, malicious damage or any other crime is suspected, inform the police;
3. not carry out repairs (except as allowed in (1) above) until we have had the opportunity to examine the damage and have authorised such repairs;

4. within 60 days submit in writing full particulars of any claim and furnish all such information and documentation as we may reasonably require;
5. comply with the specific claims conditions contained in the particular Policy under which the claim is being made;
6. not without our consent repudiate liability negotiate or make any admission offer promise or payment in connection with any event or claim and we shall be entitled if we so desire to take over and conduct in your name the defence of any claim or to prosecute in your name at our own expense and benefit any claim for indemnity or damages or otherwise against any persons and shall have full discretion in the conduct of any proceedings and in the settlement of any claim and having taken over the defence of any claim may relinquish the same and you shall give all such information and assistance as we may require;
7. preserve any damaged property and make it available for inspection by our representative or agent (including a loss adjuster).

Unless the terms of this condition have been complied with, our liability in respect of any claim will be reduced by the amount that fairly represents the extent to which our interest has been prejudiced thereby.

### **Fraudulent Claims**

If any claim be in any respect fraudulent or if any fraudulent means or devices be used by you or anyone acting on behalf of any Insured party to obtain any benefit under this Contract or if any damage be occasioned by your wilful act or with your connivance, we, without prejudice to any other right we might have under this Contract, may be entitled to refuse to pay the claim.

### **Goods and Services Tax**

Where we make a payment under this Contract for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit that you are, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 in relation to that acquisition, whether or not that acquisition is actually made.

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

### **The Way We Handle Your Personal Information**

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

We may disclose information we hold about you to other insurers, an insurance reference service or as required by law. In the event of a claim, we may disclose information to and/ or collect additional information about you from investigators or legal advisers. If you wish to update or access information we hold about you, you may contact us.

### **Our Rights**

Our representatives and agents shall at all reasonable times have the right to inspect and examine any property insured under this Contract.

## Other Insurances

At the time of any claim, you shall give written notice to us of any insurance or insurances covering the property insured, whether in whole or in part and whether absolutely or contingently.

## Subrogation

1. Any claimant under this Contract shall at our request and expense do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by us for the purpose of enforcing any rights, remedies, or of obtaining relief or indemnity from other parties to which we shall be or would become entitled or subrogated upon paying for or making good any damage under this Contract.

If, without our prior written consent (which consent we shall be under no obligation to grant), you enter into an agreement made before or after the commencement hereof, with any third party whereby your rights to seek redress from such third party are, whether in whole or in part, excluded, waived, released, compromised or otherwise diminished in any way, we have no obligation to indemnify you under this Contract.

2. If we make any recovery as a result of such action, you may only recover from us any amount by which the amount recovered by us exceeded the amount paid to you by us in relation to the loss.

## Precautions to prevent Injury, Loss or Damage

You shall take all reasonable care to prevent injury, loss or damage and to maintain your premises, plant and everything used in the business in proper repair and to act in accordance with all statutory obligations and regulations, and in the event of any damage having occurred prior to commencement of the Insurance such damage not having been repaired or made good, we shall not be liable for such damage nor for damage occurring as a result thereof.

## Progress Payments

Provided that liability has been admitted, progress payments on account of any claim may be made to you 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 shall be deducted from the amount finally determined upon adjustment of the claim.

## Interpretation

This Contract, these Policies, the Definitions, Conditions, Exclusions and Endorsements, 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 these Policies shall bear this meaning wherever it may appear unless such meaning is inapplicable to the context in which the word or expression appears.

Only those Policies where a sum insured or limit of liability are indicated in the Policy Schedule are operative.

## Designation of Property Insured

For the purpose of determining, where necessary, the item under which any property or interest is insured, we agree to accept the designation under which such property or interest has been included in your records.

## Other Interests

The pecuniary or economic interest of any person, company or firm (other than your own) in all or any of the property insured under these Policies is automatically included without notification or specification, and the onus of declaring such interest at the time of loss or damage is on you.

## **Excess**

The word excess (if and as it appears on the Policy Schedule) means the amount which you shall first contribute towards each claim as finally determined.

Should more than one excess appear under these Policies for any claim or series of claims arising from the one event, such excesses shall not be aggregated and the highest single level of excess only shall apply.

Where a sum insured limit is provided under an additional benefit, the excess amount will be deducted from the claim before the sum insured limit is applied.

## **Observance of Terms and Conditions**

Your due observance and fulfilment of these Conditions and the other Terms of the Policies as far as they are capable of being complied with, are conditions precedent to our liability to make any payment under these Policies.

## **The Insured If More than One Party**

Where the Insured comprises of more than one party, the proposals of these insurances shall be deemed to have been furnished by and on behalf of all such parties and any information supplied to us or any omission or non-disclosure in relation to any subsequent period shall likewise be deemed to have been furnished, omitted or withheld (as the case may be) by and on behalf of all such parties.



# Material Loss or Damage Policy

---

The General Terms, General Exclusions and General Conditions apply to this policy Cover only applies where shown in the Policy Schedule

## Definitions

### Property Insured

as used in this Policy, shall mean:

1. Buildings including fixtures and fittings, walls, gates, fences, foundations, services (whether underground or not) which includes the supply of electricity, gas, water, communications, drainage, sewerage and other services, awnings, fixed coverings to walls, floors and ceilings but excluding fixed carpets other than landlords' fixed carpets, exterior lights and signs, storage tanks above and below ground, fixed fire fighting installations, paths, roadways, landscaping and all other improvements of a structural nature including alterations and/or additions to the building which do not exceed 20 per cent (20%) of the sum insured stated in the Policy Schedule or \$500,000, whichever is the lesser.
2. Machinery, plant, machinery foundations, settings and bedding thereof and all other contents (other than stock in trade and/or merchandise) not more specifically insured including:
  - a) Documents, manuscripts, specifications, plans, drawings, designs and business books, but only for the value of the materials as stationery together with cost of clerical labour and any computer time expended in reproducing the said property, or if such is not required the current replacement cost of materials as blank stationery.
  - b) Curios and works of art not exceeding \$10,000 any one item unless specified.
  - c) Jewellery, furs, stamp or coin collection not exceeding \$5,000 any one item, pair, set or collection unless specified.
  - d) Computers and other electronic equipment including computer systems records, but only for the value of the materials together with the cost of clerical labour and any time expended in reproducing the said records, or, if such is not required the current replacement cost of materials as blank records
  - e) Money, which shall mean current coin, bank notes, currency notes, cheques including non- negotiable cheques, credit card sales vouchers, cab charges, postal orders, money orders, unused postage and revenue stamps, franking machine contents, travellers cheques, securities and other negotiable instruments which does not exceed 10 per cent (10%) of the contents sum insured or \$50,000 whichever is the lesser, being your own property, or held by you in trust or on commission and for which you are responsible or assumed responsibility prior to any destruction loss or damage.
  - f) Tenants' improvements.



6. Costs and expenses necessarily and reasonably incurred in respect of:

- a) 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 hereby insured against. Your legal liability, notwithstanding perils Exclusions 2, is also covered in relation to premises, roadways, services, railways or waterways of others, for such costs together with the cost of cleaning provided that such liability is neither recoverable under any other policy of insurance nor was assumed by you 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.
- b) The demolition and removal of any Property Insured belonging to you 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 Policy and is consequent upon damage to the Property Insured by a peril hereby insured against.

Limit 20 per cent (20%) of the sum insured or \$100,000 whichever is the lesser.

7. The expenses necessarily and reasonably incurred in the clearance of blocked pipes, drains, gutters, sewers, filters, pumping equipment and the like following damage to the Property Insured during the Period of Insurance, including exploratory costs, at the premises used by you. Limit \$30,000 any one event.
8. Costs and expenses necessarily and reasonably incurred in respect of the replacement and/or reinstatement of damage to external and/or internal glass, advertising signs, fixtures, fittings and the like at the situation and for which you are responsible.
9. Costs and expenses necessarily and reasonably incurred by you as owner or landlord arising from loss or damage to the building, fixtures and fittings caused by theft or attempted theft. Limit \$5,000 any one Period of Insurance.
10. Costs and expenses reasonably and necessarily incurred in identifying and locating the source of damage for which a claim is payable where such damage is caused by the discharge, overflowing or leakage from fixed apparatus, fixed appliances, fixed pipes or other systems used to hold or carry liquid of any kind, but not the cost of repair or replacement of such defective apparatus, appliances, pipes or other systems which give rise to damage. Limit \$30,000 any one event.
11. a) Property lost, destroyed or damaged whilst temporarily removed to any situation in Australia - limited to 20 per cent (20%) of the sum insured stated in the Policy Schedule in respect of items 2 and 3 under Property Insured on page 14, but excluding:
  - i. stock on consignment;
  - ii. money;
  - iii. tools and effects of directors, owners, partners and employees and property of welfare and social clubs and visitors effects;
  - iv. property that has been removed in excess of 90 days without our written agreement.
- b) Property other than money owned by you lost, destroyed or damaged as a result of fire, earthquake, explosion, wind, flood, impact, collision or overturning of the carrying vehicle whilst in transit anywhere in Australia - limited to \$25,000 or 10 per cent (10%) of the sum insured stated in the Policy Schedule in respect of items 2 and 3 under Property Insured on page 14, whichever is the lesser.

12. Seasonal increase: The sum insured for stock will automatically be increased by 50 per cent (50%) during the following periods:
- a) Sixty (60) days before New Year's Day and for sixteen (16) days following New Year's Day.
  - b) Thirty (30) days before Good Friday and for ten (10) days following Good Friday.
  - c) Gazetted Public Holidays and Bank Holidays.

Or any other period as shown in the Policy Schedule.

13. Temporary stock transfer: Where more than one situation is specified in the schedule and a sum insured for stock at the situations has been separately declared, the policy will allow for the temporary transfer of stock between the situations provided that:
- a) The sum of all Stock sums insured at all locations under the Policy is not thereby increased.
  - b) The temporary increase in cover shall continue for a maximum period of ninety (90) days in total during the Period of Insurance, unless our prior written consent is obtained.

Provided that the insurance under Clauses 2 to 13 inclusive above shall not be subject to application of any average/underinsurance clause in the Policy.

## Property Exclusions

This Policy does not cover loss, destruction or damage directly or indirectly to:

1. Property Insured whilst in transit other than the incidental movement of such property within situations occupied by you and as shown under Additional Benefits Item 11(b).
2. Jewellery, furs, bullion, precious metals or stones other than as stock and/or merchandise of the Business except as otherwise provided under Item 2(c) of the Property Insured.
3. 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 loss, destruction or damage. The Exclusion shall not apply to the Business Interruption Policy as specifically stated therein.
4. Any watercraft or aircraft other than as stock and/or merchandise of the business.
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 at Situations occupied or used by you.
6. Livestock, animals, birds or fish other than as stock and/or merchandise of the business.
7. Land provided that this Exclusion shall not apply to structural improvements on or in the land if such structural improvements are not otherwise excluded in the Policy.
8. Bridges, canals, roadways and tunnels, railway tracks (other than at the Situation occupied or used by you) and their contents.

9. Property during the course of and as a result of its normal processing unless fire or explosion ensues and then only for the damage caused by such fire or explosion.
10. Building undergoing construction, erection, alteration or addition when the value of work exceeds 20 per cent (20%) of the sum insured stated herein or \$500,000 whichever is the lesser.
11. a) Gates, fences, retaining walls, textile awnings and blinds which exceed \$20,000 in respect of any one loss
  - 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.

## Perils Exclusions

We shall not be liable under this Policy in respect of:

1. Any legal liability of whatsoever nature other than as herein provided.
2. 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.
3. Physical loss, destruction or damage directly or indirectly caused by or arising from or in consequence of or contributed to by:
  - a) incorrect siting of buildings.
  - b) demolitions ordered by Government or Public or Local Authorities due to failure on the part of you or your agents to obtain the necessary permits required.
4. Physical loss, destruction or damage directly or indirectly caused by or arising out of:
  - a) burglary and/or theft except as otherwise provided under Additional Benefits (9).
  - b) unexplained inventory shortage or disappearance resulting from clerical or accounting errors, shortage in the supply or delivery of materials to or from you.
  - c) spontaneous combustion, fermentation or heating or any process involving the direct application of heat, provided that this Exclusion shall be limited to the item or items immediately affected and shall not extend to other property damaged as a result of such spontaneous combustion, fermentation, heating or process involving the direct application of heat.
  - d) flood, unless shown in the Policy Schedule and an additional premium paid.

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

- i. a lake (whether or not it has been altered or modified);
- ii. a river (whether or not it has been altered or modified);
- iii. a creek (whether or not it has been altered or modified);
- iv. another natural watercourse (whether or not it has been altered or modified);

- v. a reservoir;
  - vi. a canal;
  - vii. a dam.
- e) water from or action by the sea, tidal wave or high water.

Provided that Perils Exclusion 4(a) shall not apply to malicious damage caused by burglars and Perils Exclusions 4(d) and 4(e) shall not apply if loss, destruction or damage is caused by or arises out of an earthquake or seismological disturbance.

5. Physical loss, destruction or damage directly or indirectly caused by or arising out of:
- a) mechanical, hydraulic, electrical or electronic breakdown, failure, malfunction or derangement of any machine or electrical and/or electronic device and/or damage to goods maintained in a temperature controlled environment where such loss, destruction or damage arises directly out of mechanical, hydraulic, electrical or electronic breakdown to the temperature controlling equipment.
  - b) data processing or media failure or breakdown or malfunction of the processing system including operator error or omission.

Provided that this Exclusion 5(a) and (b) shall be limited to the items immediately affected and shall not extend to damage to other property occasioned by a peril not otherwise excluded or caused by any of the circumstances referred to in this exclusion.

6. Physical loss, destruction or damage directly or indirectly caused by or arising out of:
- 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 operations (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 of buildings or foundations, walls, pavements, roads and other structural improvements, creeping or heaving or vibration.
  - e) faulty materials or faulty workmanship.
  - f) fraud or dishonest acts involving the Property Insured on the part of you or any of your employees acting alone or in collusion with any other person or persons, embezzlement including forgery, erasure and counterfeiting including fraudulent misappropriation by electronic means.
  - g) total or partial cessation of work or the retarding or interruption of work or the retarding or interruption or cessation of any process or operation as the direct result of strikes, labour disturbances or locked-out workers. (This Exclusion shall not apply to the interruption or cessation or partial cessation of any work, process or operation resulting from damage to Property Insured at the Situation caused by strikes, people involved in labour disturbances or locked-out workers.)

- h) erosion, subsidence, earth movement or collapse resulting therefrom.
- i) kidnapping, bomb threat, hoax, extortion or any attempt thereat.
- j) computer virus.

Provided that this Exclusion 6(a) to (j) shall not apply to subsequent loss, destruction or damage to Property Insured by this Policy occasioned by a peril (not otherwise excluded) resulting from any event, occurrence or Peril referred to in this Exclusion.

## Limit(s) of Liability

The amount(s) set out in the Policy Schedule represent our maximum liability in respect of any one loss or series of losses arising out of the one event at any one situation subject to any lesser limit(s) of liability specified elsewhere in the Policy. This does not apply to any amounts provided for under Additional Benefits section of the Policy.

Accidental physical loss or damage which shall mean physical loss or damage to the property insured at the situation by any cause other than fire, lightning, explosion, implosion, earthquake, impact by vehicles or animals, aircraft and other aerial devices and/or articles dropped therefrom, riots or civil commotions, malicious damage, storm wind or rainwater, flooding or liquid discharged or leaking from any pipe or water system limited to an amount of \$250,000 or the sum insured shown in the Policy Schedule, whichever is lesser.

## Flood Cover Option

If shown in the Policy Schedule this Policy is extended to include loss destruction or damage caused by flood and perils Exclusion 4(d) is deleted.

## Basis of Settlement

In the event of the Property Insured being destroyed or damaged the basis upon which the amount payable is calculated shall be:

1. On buildings, machinery and plant and all other property and contents (other than those specified below):

We may at our option and in accordance with the Reinstatement or Replacement and Extra Cost of Reinstatement Extensions set out herein, reinstate, replace or repair any damaged item or pay the cost of such reinstatement, replacement or repair.

2. On stock in trade and/or merchandise: The cost of restocking such goods.
3. On computer systems records, documents, manuscripts, securities, deeds, specifications, plans, drawings, designs, business books and other records of every description:

The cost of reinstating, replacing, reproducing or restoring same, including information contained therein or thereon but not for the value to you of the said information; or if such is not required, the current replacement cost of materials as blank stationery.

4. On directors', owners', partners' and employees' personal property tools and effects, welfare and social club property and visitors' effects:

The current replacement cost.

5. On glass:

The cost of repairing or replacing the broken or damaged glass (which includes, wash basins, sinks, toilet pans, cisterns and mirrors) with the quality, size or manufacture as is necessary to comply with the minimum requirements of any Statutory Authority including all associated costs in connection therewith.

## Excess

You shall bear the following amount(s) in respect of each loss or series of losses arising out of the one event.

Earthquake, Tsunami, Subterranean Fire or volcanic eruption \$20,000 or an amount equal to one per cent (1%) of the total sum insured whichever is the lesser.

All other claims as indicated in the Policy Schedule.

## Automatic Extensions

Except to the extent that the Policy is hereby modified under the following Extensions the terms, conditions and limitations of the Policy shall apply.

### Branded Goods

Any salvage of branded goods and/or merchandise, your own or held by you in trust or on commission, and/or goods sold but not delivered, shall not be disposed of by sale without your consent.

If such salvage is not disposed of by sale then the damage will be assessed at the value agreed between you and us after brands, labels or names have been removed by you or on your behalf.

### Hazardous Goods

Unless otherwise specifically provided in this Policy, hazardous goods usual to the occupation of the property as described in the Policy Schedule are allowed to be stored in quantities and manner as permitted by Law, By-Law or Municipal Regulation.

### Reinstatement of Sum Insured

In the event of damage to Property Insured under this Policy, and in the absence of written notice from us, or by you, to the contrary, the amount of the sum insured expended by a particular loss is automatically reinstated for any future loss as from the date of replacement or repair of the damaged property.

Provided that:

1. You pay such additional premium as may be required for this reinstatement.
2. The Period of Insurance during which the damage occurred has not been completed or the Policy otherwise cancelled.



### Tenants/Owner Omission

Our liability to you shall not be affected by any act or omission on the part of any owner of a building or any tenant (other than you) without your knowledge.

Provided that:

1. you shall advise us in writing as soon as any such act or omission which is a contravention of any of the terms, exclusions or conditions of this Policy becomes known to you; and;
2. you agree to pay such additional premium as may be required.

### Undamaged Foundations

In the event of any Government or Local Government Department or Statutory Authority exercising Statutory powers or authority resulting in the reinstatement of any building damaged by any insured peril, being carried out on another site, then the abandonment of any undamaged foundations of the building so damaged will be considered as having been destroyed.

Provided that any increase in the resale value of the original building site resulting from the presence of the abandoned foundations shall be regarded as salvage and shall be payable by you to us.

### Alteration and Misdescription

Notwithstanding General Condition - Alteration of Risk 1 the insurance under this Policy shall not be prejudiced by any alteration or misdescription of occupancy, whether due to transfer of processes or machinery or by virtue of acquisition of additional premises, structural alterations or repairs to buildings, machinery or plant.

Provided that:

1. you shall give written notice to us as soon as practicable after such event; and we agree to endorse the Policy to reflect the alterations; and
2. you agree to pay such additional premium as may be required.

### Reinstatement or Replacement

(Applicable to buildings, machinery, plant and all other property and contents, other than those specified in Items 2 to 5 under Basis of Settlement).

The basis upon which the amount payable is to be calculated shall be the cost of reinstatement of the property damaged at the time of its reinstatement, subject to the following provisions and subject also to the terms, conditions and sums insured of this Policy.

For the purpose of the insurance under this Extension, "reinstatement" shall mean:

1. 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.
2. 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

- a) The work of rebuilding, replacing or restoring as the case may be (which may be carried out upon any other site(s) and in any manner suitable to your requirements, but subject to

our liability not being thereby increased), must be commenced and carried out with reasonable dispatch, failing which we shall not be liable to make any payment beyond the amount which would have been payable under this Policy if this Extension had not been incorporated therein.

- b) When any Property Insured to which this Extension applies is damaged in part only, our liability shall not exceed the sum representing the cost which we could have been called upon to pay for reinstatement if such property had been wholly damaged.
- c) Property Insured under this Extension is separately subject to the following:

In the event of damage to Property Insured hereunder caused by any peril hereby insured against, we shall be liable for no greater proportion of such damage than the amount of the sum insured on such property on the day of the commencement of the Period of Insurance bears to the sum representing 80 per cent (80%) of the cost which would have been incurred in reinstatement if the whole of the Property Insured hereunder had been damaged on that day, but not exceeding the sum insured expressed in the Policy Schedule.

Provided that if the sum actually incurred or expended in rebuilding or replacing the property damaged within the meaning of sub-paragraph 1 of the above mentioned definition of reinstatement, exceeds the amount which would have been payable under this Policy if this Extension had not been incorporated therein, 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 Extension, 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 ten per cent (10%) of the sum insured on such property.

- d) No payment beyond the amount which would have been payable under this Policy if this Extension had not been incorporated therein shall be made until a sum equal to the cost of reinstatement shall have been actually incurred.
- e) All other insurances covering the property affected by you or on your behalf shall be on a similar reinstatement basis.
- f) For the purpose of these provisions the amount which would have been payable under this Policy had this extension not been incorporated therein shall be, notwithstanding anything contained in this Extension or in Basis of Settlement (a) to the contrary, the value of the Property Insured at the time of the happening of the damage.

### **Extra Cost of Reinstatement**

(Applicable to buildings, machinery, plant and all other property and contents; other than those specified in Items 2 to 5 under Basis of Settlement.)

This Policy extends to include the extra cost of reinstatement (including demolition or dismantling) of the damaged Property Insured 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 sums insured of this Policy.

## Provisions

1. 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 our liability not being thereby increased), must be commenced and carried out with reasonable dispatch, failing which we shall not be liable to make any payment beyond the amount which would have been payable under this Policy if this Extension had not been incorporated therein.
2. The amount recoverable shall not include the additional cost incurred in complying with any such Act, Regulation or By-Law or requirement with which you had been required to comply prior to the happening of the damage.
3. Average/Underinsurance shall not be applied to the amount recoverable under this Extension and any amount specified shall not be taken into account for Average/ Underinsurance purposes in terms set out in any clause contained in this Policy.
4. All other Insurances covering the property affected by you or on your behalf shall be on a similar basis.
5. If the cost of reinstatement of the damage directly caused by any of the perils insured against is less than 50 per cent (50%) of what would have been the cost of reinstatement of the Property Insured had such property been destroyed, the amount recoverable shall be limited to the extra cost necessarily incurred in reinstating only that portion damaged.
6. The total amount recoverable under this Extension shall not exceed the sum insured specified in the Policy Schedule, or, if no separate sum insured has been specified, shall not exceed 20 per cent (20%) of the sum insured on building(s) provided that the sum insured on that item is not otherwise exhausted.

## Government Fees

Any fee, contribution or other impost payable to any government, local government or other statutory authority, incurred by you because payment of such fee, contribution or impost is a condition precedent to the obtaining of consent to repair or replace any Buildings Insured, limited to \$15,000 any one event. We shall not be liable for payment of any fine or penalty imposed by such authorities.

## Floor Space Ratio Index (Plot Ratio)

In the event of the building 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 the building as before is prohibited and reinstatement is only permissible subject to a reduced Floor Space Ratio Index and the payment of certain fees and contributions as pre-requisites for consent to reinstatement.

We agree to pay in addition to any amount payable on reinstatement of the building:

1. 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.
2. Any fee, contribution or other impost payable to any Government, Local Government or other Statutory Authority where such fee, contribution or impost is a condition precedent to the obtaining of consent to reinstate the said building.

In arriving at the amount payable under 1 (a) and (b) above, any payments made by us shall include the extra cost of reinstatement, including demolition or dismantling of the Property Insured, 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 payments made under this Extension shall be subject to the following provisos:

- i. Any payments made for the difference between (1) (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 your behalf in the reinstatement of the building.
- ii. Any payment made under 2 above shall be in accordance with the fee, contribution or impost payable to the said Government, Local Government or other Statutory Authority pursuant to consent to reinstate the said building.
- iii. The total amount recoverable under the Policy in respect of any one loss or series of losses arising out of one occurrence shall not exceed the sum insured.

### Loss of Land Value

In the event of damage to property insured the requirements of any statute or regulation or any municipal or statutory authority do not allow rebuilding, or only allow partial rebuilding at the Situation, we will also pay the difference between:

1. the land value after such rebuilding; or
2. the land value after it has been determined that rebuilding is not possible,

and the land value before the Damage less any compensation paid by an authority.

Limited to 10 per cent (10%) of the Sum Insured for buildings or \$100,000 whichever is the lesser.

### Additional Premises

In the event of you acquiring additional premises within Australia after the commencement of the period of insurance, we will cover you for a maximum of 30 days at these premises, from the time of such acquisition (unless the Period of Insurance ends sooner or the premises ceases to be yours, whichever shall first occur), provided:

1. the nature of the business is similar to that described in the schedule, and
2. the property is of a similar nature to property specified in the schedule.

Limit 10 per cent (10%) of the highest sum insured shown in the schedule in relation to each item of Property Insured.

Full details of any additional premises are to be supplied to us within 30 days of your commencement of the use of the premises and any additional premium required by us paid.

# Conditions

## Average/Underinsurance

1. Unless otherwise stated to the contrary this Policy is subject to the following Average/Underinsurance Clause:

In the event of loss or damage hereby insured against we shall be liable for no greater proportion of the loss or damage than the sum insured bears to 80 per cent (80%) of the value of the Property Insured at the commencement of the Period of Insurance, limited however in all cases to the sum insured.

Provided that the above Condition shall not apply if the amount of any loss or damage does not exceed 10 per cent (10%) of the sum insured.

## Event

2. It is agreed and declared that any loss or damage arising in any consecutive period of 72 hours, commencing from the time of the actual loss or damage and caused directly or indirectly by any of the categories of Perils as follows:
  - a) Storm and tempest, rainwater, flood, cyclone, bushfire; or
  - b) Earthquake, tsunami, subterranean fire or volcanic eruption, shall be deemed to be the one event and the appropriate sum insured and excess shall apply accordingly.

# Business Interruption Policy

---

The General Terms, General Exclusions and General Conditions apply to this Policy Cover only applies where shown in the Current Policy Schedule

## Definitions

### Gross Profit

means the amount by which:

1. the sum of the turnover and the amount of the closing stock shall exceed,
2. the sum of the amount of the opening stock and the amount of working expenses.

Note: The amount of the opening and closing stock shall be arrived at in accordance with your normal accountancy methods, due provision being made for depreciation.

### Turnover

means the money (less discounts, if any, allowed) paid or payable to you for goods sold and delivered and for services rendered in course of the business at the premises.

### Payroll

means all gross remuneration including but not limited to salaries, wages, directors' fees, 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 any other payments shown in the Insured's books as "payroll" or "payroll on-costs".

### Working Expenses

means those expenses of the business that reduce as a consequence of a reduction in turnover but only to the extent that such expenses are in fact reduced.

### Rent Receivable

means the amount of the rent received or receivable including variable outgoings from the letting of the property shown as the situation on the Policy Schedule.

### Indemnity Period

means the period beginning with the occurrence of the damage and ending not later than the number of months specified in the Policy Schedule thereafter during which the results of the business shall be affected in consequence of the Damage.

Rate of Gross Profit

means the rate of gross profit earned on the turnover during the financial year immediately before the date of the Damage.

Rate of Payroll

means the proportion that the payroll bears to the Turnover during the financial year immediately before the

date of the Damage.

Annual Turnover

means the actual Turnover during the 12 months immediately before the date of the Damage

Standard Turnover

means the Turnover during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period.

Standard Rent Receivable

means the Rent Receivable during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period.

Annual Rent Receivable

means the Rent Receivable during the 12 months immediately before 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 special 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.

## The Indemnity

In the event of property insured by us or any other Insurer under a Material Loss or Damage, Burglary, Money, or General Property Policy being physically lost, destroyed or damaged by any of the perils insured against under the respective Policies (loss, destruction or damage so caused being hereinafter termed "Damage") and the business carried on by you being in consequence thereof interrupted or interfered with, we will, subject to the terms, conditions, exclusions of the Policy and the Extensions applicable to this Policy pay to you the amount of loss resulting from such interruption or interference in accordance with the provisions of the respective Items hereinafter set forth.

Provided that we will not be liable for any loss under this Policy unless property which is owned by you and which is 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 we or any other Insurer shall have paid for, or admitted liability in respect of, such Damage, unless no such payment shall have been made or liability shall not have been admitted solely owing to the operation of a provision in such insurance excluding liability for loss below a specific amount and that our liability shall in no case exceed the sum insured as stated in the Policy Schedule.

a) Option to consolidate

At your option, the initial period may be increased to the period shown in the schedule as the consolidated period. This means that the cover for the rest of the remaining period will be restricted to the amount of Payroll saved during the consolidation period.

2. Increase in cost working

The additional expenditure necessarily and reasonably incurred by you for the sole purpose of minimising the loss of payroll during the Indemnity period but not exceeding the loss of payroll there by avoided.

**A. Additional Professional Fees**

(If included as an item in the Policy Schedule.)

Such further additional expenditure beyond that recoverable under the Gross Profit Item as described above, necessarily and reasonably incurred by you in respect of professional fees for preparation of claims under your Material Damage or Business Interruption Policies, but not exceeding the sum insured under this Item.

**B. Additional Increased Cost of Working**

(If included as an item in the Policy Schedule.)

Such further additional expenditure beyond that recoverable under Clause 2 of the Gross Profit Item as described in the Basis of Settlement of this Policy, necessarily and reasonably incurred by you during the Indemnity Period in consequence of the Damage for the purpose of maintaining the business, but not exceeding the sum insured under this Additional Increased Cost of Working Item.

**C. Rent Receivable**

(If included as an item in the Policy Schedule.) The Insurance under this item is limited to:

1. Loss of Rent Receivable, and
2. Additional expenditure,

and the amount payable as Indemnity thereunder shall be:

1. In respect of Loss of Rent Receivable:

the amount by which the Rent Receivable during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Rent Receivable.

2. In respect of Additional expenditure:

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Rent Receivable which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the amount of the reduction in Rent Receivable thereby avoided;



less any sum saved during the Indemnity Period in respect of such of the charges and expenses payable out of Rent Receivable as may cease or be reduced in consequence of the damage.

**Rate of Gross Profit**

means 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**

means the proportional equivalent, for a period of 12 months, of the Turnover realised during the period between the commencement of the Business and the date of the Damage.

**Standard Turnover**

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

**Rate of Payroll**

means the proportional equivalent, that the payroll bears to the Turnover during the period between 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 special 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**

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**

Any particulars or details contained in your books of account or other business books or documents which may be required by us for the purpose of investigating or verifying any claim hereunder may be produced and certified by your 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 your books and accounts unless otherwise defined in this Policy.

### **Essential Services Extension**

It is agreed and declared that loss as insured by this Policy resulting from interruption of or interference with the business in consequence of Damage (as within defined) to property either at or away from the premises belonging to or under the control of suppliers of electric power, land based telecommunication or computer services, gas, steam, water or sewerage reticulation control systems shall be deemed to be loss resulting from Damage to property used by you at the situation.

For the purpose of this extension, the proviso in paragraph two of "the indemnity" is waived.

Limit 20 per cent (20%) of the sum insured.

For the purpose of this extension, the proviso in paragraph two of "the indemnity" is waived.

### **Storage Sites**

Loss (not otherwise recoverable) resulting from interruption to or interference with the business as a consequence of damage to your property by any of the perils insured against while it is stored or being processed at any premises in Australia not occupied by you shall be deemed to be loss resulting from Damage to property used by you at the situation.

Limit 20 per cent (20%) of the sum insured for Gross Profit and Payroll.

### **Transit**

Loss (not otherwise recoverable) resulting from interruption to or interference with the business occasioned by Damage resulting from any perils hereby insured against to property while in transit by road, rail, sea or air within Australia and outside of the situation occupied by you shall be deemed to be loss resulting from Damage to property used by you at the situation.

Limit 10 per cent (10%) of the sum insured for Gross Profit and Payroll.

### **Documents**

Loss (not otherwise recoverable) resulting from interruption to or interference with the business occasioned by Damage resulting from any perils hereby insured against to documents or electronic data files owned by you, or held in trust by you, while they are in transit or at premises not occupied by you shall be deemed to be loss resulting from Damage to property used by you at the situation.

### **Motor Vehicles**

Loss (not otherwise recoverable) resulting from interruption to or interference with the business occasioned by Damage resulting from any perils hereby insured against to any registered vehicles or trailers owned or operated by you, but not while such vehicles are on a public thoroughfare shall be deemed to be loss resulting from Damage to property used by you at the situation.

### **Computer**

Loss (not otherwise recoverable) resulting from interruption to or interference with the business occasioned by Damage resulting from any perils hereby insured against to computer installations including ancillary equipment and data processing media utilised by you anywhere in Australia, shall be deemed to be loss resulting from Damage to property used by you at the situation.

Provided that liability for such Damage to the computer installation including ancillary equipment and data processing media being utilised would have been admitted by us.

### Intervention of Authorities

Interruption to or interference with the business arising from the intervention of any lawfully constituted authority resulting from actual damage and/or threat of damage to premises in the vicinity shall be deemed to be loss resulting from Damage to property used by you at the situation.

For the purpose of this extension the proviso in paragraph two of “the indemnity” is waived.

## Optional Cover For Outstanding Debit Balances (Book Debts)

**Only applicable if selected by you and shown as operative in the policy schedule.**

### Definitions

#### Outstanding Debit Balances

shall mean the total amount owed to the business by customers shown in your last profit and loss statement for the business adjusted for:

1. bad debts;
2. amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the damage) to Customers' Accounts in the period between the date to which said last statement relates and the date of the damage, and
3. any abnormal condition of trade which had or could have had a material effect on the business,

so that the figures thus adjusted shall represent as nearly as reasonably practicable those which would have been obtained at the date of the damage had the damage not occurred.

#### Customers' Accounts

shall mean your accounts of all customers who are trading with you on a credit or hire purchase basis.

## The Indemnity

Loss as a result of loss or damage (by any event not otherwise excluded in the Material Loss or Damage Policy) to your books of account or other business books or records at your premises or whilst temporarily removed to any premises and whilst in transit between such places all within Australia.

## Basis Of Settlement

The insurance is limited to the loss sustained by you in respect of Outstanding Debit Balances directly due to the damage and the amount payable in respect of any one occurrence of loss or damage shall not exceed the sum of:

1. The difference between:
  - a) the Outstanding Debit Balances; and
  - b) the total of the amounts received or traced in respect thereof; and

2. the additional expenditure incurred with our previous consent in tracing and establishing customers' debit balances after the damage.

Provided that if the sum insured is less than the Outstanding Debit Balances the amount payable shall be proportionately reduced.

## Limit Of Liability

Our liability for any occurrence shall not exceed the sum insured as stated in the Policy Schedule.

## Excess

You shall bear the amount indicated in the Policy Schedule in respect of each loss or series of losses arising out of the one event.

# Burglary Policy

---

The General Terms, General Exclusions & General Conditions apply to this Policy Cover only applies where shown in the policy Schedule

## The Indemnity

We will, subject to the provisions of this Policy, pay you for loss or damage to the items insured caused by any of the Insured Perils as defined below.

## The Items Insured

1. Stock in trade and/or merchandise, customers' goods in your custody or service (excluding tobacco unless separately insured and stated in the Policy Schedule), being your own property or held in trust or on commission for which you are responsible or assumed responsibility prior to any loss or damage.
2. Tobacco, being your own property or held in trust or on commission for which you are responsible or assumed responsibility prior to any loss or damage.
3. Machinery, plant, machinery foundations, settings and bedding thereof and all other contents (other than stock in trade and/or merchandise) not more specifically insured including:
  - a) documents, manuscripts, specifications, plans, drawings, designs and business books, but only for the value of the materials as stationery together with cost of clerical labour and any computer time expended in reproducing the said property, or if such is not required the current replacement cost of materials as blank stationery;
  - b) curios and works of art not exceeding \$10,000 any one item unless specified;
  - c) computers and electronic equipment, including computer systems records, but only for the value of the materials together with the cost of clerical labour and any time expended in reproducing the said records, or, if such is not required, the current replacement cost of materials as blank records.  
  
being your own property or held in trust or on commission for which you are responsible or assumed responsibility prior to any loss or damage.
  - d) tenant's improvements.
  - e) personal property, tools and effects of directors, owners, proprietors, partners and employees, property of welfare and social clubs and visitors effects all only whilst on your premises provided that such property is not otherwise insured. Limit \$5,000 in respect of any one person.

## Insured Perils

1. Theft consequent upon forcible and violent entry upon the premises or any attempt thereat
2. Theft or any attempt thereat by a person feloniously concealed on the premises.
3. Theft of items insured whilst at the premises consequent upon threat of immediate violence or violent intimidation.
4. Theft or dishonesty by employees, of items insured whilst at the premises, provided theft is discovered within 21 days of its occurrence. Limit \$1,000 any one Period of Insurance.

## Automatic Extensions

Following Loss or Damage caused by Insured Perils under this Policy, cover is extended to include:

### Damage to Premises and cost of temporary Protection

1. damage to premises, fixtures and fittings you own or for which you are responsible or assumed responsibility prior to any loss or damage.
2. costs and expenses necessarily and reasonably incurred for the temporary protection, security guard protection and safety of property hereby insured pending repair or replacement consequent upon damage recoverable hereunder.

Limit \$10,000 any one event.

### Locks and Keys

Cost of replacing locks and keys and/or combinations including the cost of opening locked safes as a result of theft or any attempted theft of the keys and/or combinations or if there are reasonable grounds to believe that they have been duplicated.

Limit \$5,000 any one event.

### Money, Securities and Stamps

Theft of cash, bank and currency notes, cheques including non-negotiable cheques, credit card sales vouchers, cab charges, postal orders, money orders, unused postage and revenue stamps, franking machine contents, travellers cheques, securities and other negotiable instruments whilst at the premises.

Limit \$500 any one event.

### Theft without Forcible Entry

The Policy extends to include loss or damage to contents (other than stock or customers goods) whilst contained in the premises, resulting from theft even if there is no evidence of forcible or violent entry upon the premises.

Limit \$2,000 any one event.

## Temporary Removal

The Policy is extended to include Stock or Contents insured whilst temporarily removed from the premises for a period of up to 90 days, but excluding:

1. Stock on consignment.
2. Personal property, tools and effects of owners, proprietors, directors, partners and employees, property or welfare and social clubs and visitors effects.

Limit 20% of the sum insured.

## Additional Premises temporary cover:

In the event of you acquiring additional premises within Australia after the commencement of the Period of Insurance, we will cover you at these premises for a maximum of 30 days, from the time of such acquisition (unless the Period of Insurance ends sooner or the premises ceases to be yours, whichever shall first occur) provided:

1. the nature of the business is similar to that described in the schedule, and
2. the property is of a similar nature to insured items specified in the schedule.

Limit 10 per cent (10%) of the highest sum insured shown in the schedule in relation to each of the items Insured

Full details of any additional premises are to be supplied to us within 30 days of your commencement of the use of the premises and any additional premium required by us paid.

## Death following Theft

If any Director, Executive Officer, Employee, Partner or Shareholder of yours is injured whilst protecting or attempting to protect the property insured from theft and death results from the injury within 12 months, we will pay \$20,000 to the estate of that person.

## Seasonal Increase

The sum insured for stock will automatically be increased by 50 per cent (50%) during the following two periods.

1. Sixty (60) days before New Year's Day and for sixteen (16) days following New Year's Day.
2. Thirty(30) days before Good Friday and for ten (10) days following Good Friday.

or as otherwise shown on the Policy Schedule.

## Reinstatement of Sum Insured

Following a claim under this Policy, we will reinstate the sum insured from the date of the loss, provided you pay the additional premium that may be required by us. Such reinstatement will be automatic only once during any one Period of Insurance.

## Endorsement

Theft in the open air - Where shown in your Policy Schedule, this Policy is extended to include theft of Insured Items in the open air from an area protected by a perimeter fence, wall or other security arrangement, adequately secured against theft. Exclusion 6 does not apply to this extension.

Limit \$5,000 any one event.

## Basis Of Settlement

1. On stock in trade and/or merchandise and/or tobacco: The cost of restocking such goods.
2. On machinery and plant, computers and electronic equipment and all other contents:
  - a) the current replacement cost by similar property in a condition equal to but not better or more extensive than its condition when new; or
  - b) the cost of repair of the property insured to a condition equal to but not better or more extensive than its condition when new.
3. On directors', owners', proprietors', partners' and employee personal property, welfare and social club property and visitors' effects:

The current replacement cost.

## Limit Of Liability

Our liability during any one Period of Insurance shall in no case exceed in respect of each item of the property insured, the sum insured stated in the Policy Schedule, in addition we will pay for such amounts as provided under automatic extensions.

## Excess

You shall bear the amount indicated in the Policy Schedule in respect of each loss or series of losses arising out of the one event.

## Exclusions

This Policy does not cover:

1. Loss or damage occurring during any period whereby the premises become unoccupied and so remain for a period of more than 60 consecutive days.
2. Cash, bank and currency notes, cheques including non-negotiable cheques, credit card sales vouchers, cabcharges, postal orders, money orders, unused postage and revenue stamps, franking machine contents, travellers cheques, securities and other negotiable instruments exceeding the amount of \$500 in total.
3. Theft of the property insured committed by you or any of your employees acting alone or in collusion with any other persons provided that this Exclusion shall not apply to theft consequent upon forcible and violent entry upon premises or felonious concealment upon premises committed by any of your employees or as provided under Insured Perils Item 4.
4. Loss or damage insured under the Material Loss or Damage Policy of this Contract.



5. Unexplained inventory shortage or disappearance resulting from clerical or accounting errors, shortage in the supply or delivery of materials to or from you.
6. Loss from any yard or building or part of a building incapable of being adequately secured against theft.

# Money Policy

---

The General Terms, General Exclusions & General Conditions apply to this Policy Cover only applies where shown in the policy Schedule

## Definitions

### Business Trading Hours

means the working hours during which you, your principals or employees entrusted with your money are on the premises for the purpose of the business.

### Combined Money

The combined sum insured for Money in Transit or Night Safe, Money on Premises During Trading Hours, Money in Safe, and Money in Private Residence

### Money

means cash, bank and currency notes, cheques including non-negotiable cheques, credit card sales vouchers, postal orders, money orders, unused postage and revenue stamps, franking machine contents, travellers cheques, securities, instant lottery tickets, bus or transport tickets, cab charges, telephone credit cards and other negotiable instruments including portable containers used to convey/store money belonging to you in relation to your business or for which you are responsible in the course of the business.

### Personal Money

means cash, bank and currency notes, cheques including non-negotiable cheques, postal orders, money orders, unused postage and revenue stamps, travellers cheques, securities, instant lottery tickets, bus or transport tickets, cab charges, telephone credit cards and other negotiable instruments belonging to owners, partners, proprietors, directors or employees of your business.

### Safes and/or Strongrooms

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

## The Indemnity

We will, subject to the provisions of this Policy, pay you for loss or damage to money but excluding any:

1. Loss due to shortages resulting from clerical or accounting errors or loss due to errors in receiving or paying out.
2. Loss or damage occasioned by any act of fraud or dishonesty by any person or persons in your service exceeding \$1,000 during any one Period of Insurance.
3. Loss or damage to money whilst insured by any cash carrying organisation or professional or common carrier.
4. Consequential loss whatsoever.

5. Loss from an unattended vehicle.
6. Loss not discovered within 10 working days of the occurrence.

## Limits Of Liability

Our liability for any one loss shall not exceed the sum insured as stated in the Policy Schedule.

### In Transit or Night Safe

Money in your physical possession and/or in the physical possession of persons authorised by you whilst in transit within Australia including whilst such money is contained in the night safe, night depository chute, or automatic teller machine of any bank provided that our liability for money in night safes shall cease at bank closing time on the next business day following deposit therein.

In the case of money drawn as wages and/or salaries and carried by you and/or persons authorised by you also whilst such money is on your business premises and places of disbursement until paid away. In respect of money not paid out on the day of withdrawal from the bank, our liability shall be limited to an amount not exceeding 40 per cent (40%) of the particular withdrawal provided that the total amount claimable under this section shall not exceed the limit as specified in the Policy Schedule and provided further that outside Business Trading Hours such money be kept in a securely locked safe on your business premises.

### On The Premises During Trading Hours

Money whilst on the premises during your normal Business Trading Hours.

As specified in the Policy Schedule

### On The Premises Outside Trading Hours

Money whilst on the premises outside your normal Business Trading Hours.

### In Locked Safe

Money on the premises only whilst such money is contained in a securely locked safe.

### In Private Residence

Money whilst contained in your private residence or in the private residence of persons authorised by you provided that our liability shall cease at bank closing time on the next bank business day following that on which the transit of money to the residence was completed.

### Damage to Safes/ Strongrooms

Physical loss of or damage to safes and/or strongrooms caused by persons not authorised by you attempting to effect entry into the safe or strong room.

## Conditions

### Safety and Security

You shall take all reasonable precautions for the safety and security of the money.

### Locking of Safes when Unattended

The safes are to be locked with key or combination when unattended and the keys or combinations shall not be left in the vicinity of the safes.

### Keys or Combinations of Safes

The keys or combinations of safes shall not be left on the business premises when you or any authorised employees are not on the business premises.

### Record of Money

A complete record shall be kept of the money in transit and money on the business premises and such record shall be deposited in a secure place other than in the safes containing the money.

## Automatic Extensions

### Counterfeit Money

We will pay you for losses sustained due to the acceptance in good faith in exchange for merchandise, money or services of counterfeit Australian currency notes. Limit \$500 any one Period of Insurance.

### Travellers Money

We will pay for loss of money belonging to you in your personal custody or in the custody of your employees while travelling outside Australia in connection with your business up to the limit of the In Transit or Night Safe Sum Insured.

### Personal Money

If included in the Policy Schedule, this insurance extends to include loss of personal money up to the limit shown in the schedule whilst on the premises during Business Hours and/or whilst in securely locked Safe or Strongroom.

### Death following Theft

If any Director, Executive Officer, Employee, Partner or Shareholder of yours is injured whilst protecting or attempting to protect the property insured from theft and death results from the injury within 12 months, we will pay \$20,000 to the estate of that person.

Provided that if this Automatic Extension is also operative under the Burglary Policy, the limits will not be aggregated.

### **Additional Premises temporary cover**

In the event of you acquiring additional premises within Australia after the commencement of the Period of Insurance, we will cover you at these premises for a maximum of 30 days from the time of such acquisition (unless the Period of Insurance ends sooner or the premises ceases to be yours, whichever shall first occur). Provided the nature of the business is similar to that described in the schedule.

Limit 10 per cent (10%) of the sum insured shown in the schedule for each item.

Full details of any additional premises are to be supplied to us within 30 days of your commencement of the use of the premises and any additional premium required by us paid.

### **Costs associated**

With Burglary Cost of replacing locks and keys and/or combinations including the cost of opening locked safes as a result of theft or any attempted theft of the keys and/or combinations or if there are reasonable grounds to believe that they have been duplicated.

Limit \$5,000 any one event.

Provided that if this Automatic Extension is also operative under the Burglary Policy the limits will not be aggregated.

### **Temporary Protection**

Costs and expenses necessarily and reasonably incurred for the temporary protection, security guard protection and safety of money hereby insured pending repair or replacement consequent upon damage to the premises.

### **Seasonal Increase**

The sum insured will automatically be increased by 50 per cent (50%) during the following periods:

1. Sixty (60) days before New Year's Day and for sixteen (16) days following New Year's Day.
2. Thirty (30) days before Good Friday and for ten (10) days following Good Friday.

Or as otherwise shown on the Policy Schedule.

### **Bank Holiday Increase, Gazetted Public Holiday**

The limit of any one loss under this Policy (other than Damage to Safes and Strongrooms) is increased by 100 per cent (100%) on any Bank Holiday, Gazetted Public Holiday (other than Saturday and Sunday) when the banking facilities are not available provided that our liability shall cease at bank closing time on the next bank business day following the Bank Holiday or Gazetted Public Holiday.

### **Reinstatement of Sum Insured**

Following a claim under this Policy, we will reinstate the sum insured from the date of the loss, provided you pay the additional premium that may be required by us. Such reinstatement will be automatic only once during any one Period of Insurance.

## **Excess**

You shall bear the amount indicated in the Policy Schedule in respect of each loss or series of losses arising out of the one event.

# Broadform Liability Insurance Policy

---

The General Terms, General Exclusions & General Conditions apply to this Policy Cover only applies where shown in the policy Schedule

## Definitions

Where appearing in this Policy “you”, “your”, “insured” shall be altered to mean as follows:

### You, Your, Insured

Each of the following is insured under this Policy to the extent set forth below:

1. You, the Named Insured stated in the Policy Schedule;
2. All subsidiary companies (now or hereafter constituted) of yours whose place of incorporation is within Australia and whose business falls within the definition of your Business;
3. Any Director, Executive Officer, Employee, Voluntary Unpaid Workers, Work Experience Students, Partner or Shareholder of yours or of any company designated in paragraph 2 above but only while acting within the scope of their duties in such capacity;
4. Any principal by whatever name in respect of the liability of such principal arising out of the performance by you or by any company designated in paragraph 2 above of any contract or agreement for the performance of work for such principal, to the extent required by such contract or agreement;
5. Any office bearer or member of social and/or sporting clubs formed with your consent (other than an Insured designated in paragraph 4 above) in respect of claims arising from duties of or connected with activities of any such club;
6. Any incorporated or unincorporated associations or organisations (now or hereafter constituted) organised by you, or your employees with your knowledge and consent, for the purpose of providing canteen, social, sports, welfare and/or child care organisations or first aid, medical, fire or ambulance services and/or educational activities for such employees and/or their families;
7. At the request of the Insured designated in paragraph 1 and 2 above: any director, partner, or executive officer of such insured in respect of private work undertaken by such insured’s employees for such director, partner or executive officer.

### Personal Injury

means:

1. bodily injury, death, sickness, disease, disability, shock, fright, mental anguish or mental injury;
2. false arrest, false imprisonment, malicious prosecution and humiliation;
3. libel, slander, defamation of character;

4. wrongful entry or wrongful eviction or other invasion of the right of private occupancy;
5. assault and battery not committed by or at your direction unless committed for the purpose of preventing or eliminating danger to persons or property,

which occurs during the Period of Insurance.

### **Property Damage**

means:

1. physical injury to or destruction or loss of tangible property which occurs during the Period of Insurance and any loss of use of that property resulting therefrom; or
2. loss of use of tangible property, which has not been physically injured, destroyed or lost which is caused by physical injury to or destruction of other tangible property which occurs during the Period of Insurance.

### **Occurrence**

means an event including continuous or repeated exposure to substantially the same general conditions, which result in Personal Injury or Property Damage neither expected nor intended from your standpoint.

### **Medical Persons**

means medical doctors, medical nurses, dentists and first aid attendants.

### **Public Liability**

means liability covered by this Policy but does not include Products Liability.

### **Products Liability**

means Personal Injury or Property Damage:

1. caused by any defect, or the harmful nature of any of your Products;
2. resulting from any defect or deficiency in any direction or advice given or intended to be given by you concerning the use or storage of your Products,

after your Products have passed from your physical or legal control.

### **Your Products**

means anything, including any packaging or container thereof (after it has ceased to be in your possession or under your control) manufactured, grown, extracted, produced, processed, assembled, constructed, erected, installed, repaired, serviced, treated, sold, supplied, resupplied or distributed by you.

### **Advertising Liability**

means:

1. libel, slander or defamation;
2. infringement of copyright or of title or slogan;
3. piracy or unfair competition or idea misappropriation under an implied contract;

4. invasion of privacy,

committed or alleged to have been committed during the Period of Insurance in any advertisement, publicity article, broadcast or telecast and arising out of the Insured's advertising activities or any advertising activities conducted on behalf of the Insured in the course of advertising the Products, goods or services.

### **Vehicle**

means any type of machine on wheels or on caterpillar tracks made or intended to be propelled other than by manual or animal power or any trailer or other attachment made or intended to be drawn by such machine.

### **Business**

means the business stated in the Policy Schedule and shall include:

1. property owners/occupiers;
2. all past or present activities associated with the Business as stated in the Policy Schedule;
3. the activities of any canteen, social, sports, welfare and/or child care organisation or first aid, medical, fire or ambulance services referred to in paragraph 6 under definitions of you, your, Insured; and
4. private work undertaken by your employees (designated) in paragraphs 1 and 2 under definitions of you, your, Insured, for any director, partner or executive officer of the insured.

### **Watercraft**

means any vessel, craft or thing made or intended to float on or in or travel on or through water.

### **Aircraft**

means any vessel, craft or thing designed to transport persons or property through the air, atmosphere or space.

### **Hovercraft**

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

### **Tool of Trade**

means any vehicle which has any tool or plant forming part of or attached to or used in connection with it while such tool or plant is engaged on a work site, but does not include:

1. vehicles whilst in transit to or from any worksite; or
2. vehicles used for transport or haulage.

## **The Indemnity**

We will pay to or on your behalf all sums provided by the Policy which you shall become legally liable to pay as compensation for Personal Injury, Property Damage or Advertising Liability caused by an Occurrence within the Geographical Limits as stated herein in connection with your Business.



## Limit Of Liability

The limit of our liability in respect of any one Occurrence shall not exceed the limit of liability stated in the Policy Schedule for Public Liability or Products Liability. All Personal Injury and Property Damage arising out of continuous or repeated exposure to substantially the same general conditions will be construed as arising out of one Occurrence.

Our total aggregate limit during any one Period of Insurance for all claims arising out of Products Liability shall not exceed the limit of liability stated in the Policy Schedule.

Provided that the Limit of Liability in respect of Occurrences in the United States of America or Canada or their Territories or claims and actions to which the laws of the United States of America or Canada apply will be inclusive of Supplementary payments and will apply in the aggregate to all claims in any one Period of Insurance.

## Supplementary Payments

We will pay in addition to the applicable limit of liability:

1. all expenses incurred by us, all costs taxed against you in any suit defended by us, and all interest on the entire amount of any judgement which occurs after the entry of the judgement and before we have paid or tendered or deposited in Court that part of the judgement which does not exceed our limit of liability thereon;
2. expenses incurred by you for the first aid to others at the time of an Occurrence for Personal Injury covered by this Policy;
3. reasonable expenses incurred by you at our request in assisting us in the investigation or defence of any claim excluding loss of earnings;
4. all legal costs incurred by you with our consent for your representation at:
  - a) any Coroner's Inquest or Inquiry;
  - b) any proceedings in any Court of Summary Jurisdiction in connection with liability insured under this Policy.

We shall have the right and duty to defend any suit against you seeking compensation on account of such Personal Injury or Property Damage even if the allegations of the suit are groundless, false or fraudulent and may make such investigation and settlement of any claim or suit as it deems expedient. We shall not be obliged to pay any claim or judgement or to defend any suit after we have discharged our liability under this Policy.

## Geographical Limits

This Policy applies in respect of Occurrences anywhere in the world (including business visits by executives and employees of the named Insured normally resident in Australia or New Zealand who do not undertake manual work or supervise work of any kind) but does not apply to or insure any liability or claims arising from or in respect of:

1. the business carried on by you at or from any premises situated outside Australia or New Zealand, or
2. any contract entered into by you under the terms of which work is to be performed outside Australia or New Zealand, or

3. any exports knowingly exported by you, your agents or servants to the United States of America or Canada.

## Excess

You shall bear the amount indicated in the Policy Schedule in respect of each Occurrence. This amount will be deducted from the total amount otherwise payable by us, including Supplementary Payments.

## Exclusions

We shall not be liable to indemnify you in respect of:

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

This exclusion does not apply to the liability of others assumed by you under a written contract where the contractual liability has been notified and specifically accepted by us.

2. Liability to pay compensation for Property Damage to:
  - a) Property owned by you.
  - b) property leased, rented or in your physical or legal control.

This exclusion shall not apply to liability for Property Damage to:

- i. premises which are leased or rented by you or temporarily occupied by you for the purpose of your Business.
- ii. any Vehicle (not belonging to or used by or on your behalf) in your physical or legal control where such property damage occurs whilst any such Vehicle is in a car park owned or operated by you.
- iii. any property not under lease or rental agreement in your physical or legal control up to a limit of \$100,000 (or any amount if specified in the Policy Schedule) for any one Occurrence.

3. Liability to pay compensation for:

- a) physical injury to or destruction or loss of your Products or any part of those Products arising out of them or any part of them;
- b) loss of use of any other tangible property caused by physical injury to or destruction or loss of your Products or any part of those Products arising out of them or any part of them.

This exclusion does not apply to other Products repaired, serviced or treated by you after those Products were originally sold, supplied or distributed.

4. Liability to pay compensation for damages claimed for the withdrawal inspection, repair, replacement or loss of use of your Products.
5. Any liability for the cost of performing, completing, correcting or improving any work done or undertaken by you.
6. Personal Injury or Property Damage arising from your ownership, maintenance, possession, operation, use or legal control of:
  - a) any Aircraft, or
  - b) Hovercraft, or
  - c) any Watercraft or vessel exceeding eight (8) metres in length.
7. Any Liability arising out of the selling, leasing, hiring or manufacture and/or supply of parts and/or products that are used with your knowledge in Aircraft or any aerial device.
8. Liability to pay compensation for Personal Injury or Property Damage arising out of the ownership, possession, operation, use or legal control by you of any Vehicle:
  - a) which is registered, or
  - b) in respect of which insurance is required by virtue of any legislation relating to motor vehicles, or
  - c) which is otherwise insured in respect of the same liability.

Provided that this Exclusion does not apply to:

- i. Personal Injury where compulsory liability insurance or a statutory scheme does not provide indemnity for reasons that do not involve a breach by you of legislation relating to Vehicles.

- ii. Personal Injury or Property Damage arising out of and during loading and unloading of goods to and from any Vehicle.
  - iii. Vehicles whilst being operated or used by you as a Tool of Trade.
  - iv. Property Damage to Vehicles not belonging to you or used by you or on your behalf, but in your physical or legal control at your Situation for the purpose of servicing, repairing or testing as part of your business up to a limit of \$100,000 (or any amount as specified in the Policy Schedule) for any one Occurrence.
9. Liability to pay compensation for Personal Injury or Property Damage assumed by you in respect of Products Liability under any contract, warranty or agreement except to the extent that such liability would have otherwise been implied by law.

This exclusion does not apply to those written contracts designated in the Policy Schedule nor to liability assumed by you under a warranty of fitness or quality as regards your Products.

10. Liability to pay compensation for the rendering of or failure to render professional advice or service by you or any related error or omission connected therewith, but this exclusion does not apply to:
- a) the rendering or failure to render professional medical advice by medical persons employed by you to provide first aid and other medical services on your premises, or
  - b) personal injury or property damage arising from such rendering of or failure to render professional advice or service, providing such professional advice or service is given where no fee has been charged.
11. a) Liability to pay compensation for Personal Injury or Property Damage caused by or arising directly or indirectly out of the actual, alleged or threatened 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, the atmosphere or any watercourse or body of water (including groundwater) but this exclusion does not apply if the actual discharge, dispersal, release or escape:
- i. is neither reasonably expected nor intended by you, and
  - ii. is the consequence of a sudden and instantaneous cause which takes place at a clearly identifiable point in time during the Period of Insurance.
- b) Liability for any costs or expenses incurred in the preventing, removing, nullifying, or cleaning up any discharge, dispersal, release or escape as described in (a) above, unless such costs or expenses are consequent upon an unexpected, unintended sudden and instantaneous cause which takes place at a clearly identifiable point in time during the Period of Insurance and results in Personal Injury or Property Damage neither of which is otherwise excluded by this Policy.

Provided that our total aggregate liability during any one Period of Insurance in respect of all claims arising out of such Personal Injury or Property Damage or such costs or expenses shall not exceed the limit of liability stated in the Policy Schedule.

12. Any liability to pay compensation arising out of the publication or utterance of a libel or slander:
- a) made prior to the Policy commencing on the date stated in the Policy Schedule, or
  - b) made at your direction with the knowledge of the falsity thereof, or

- c) related to advertising, publishing or printing, broadcasting or telecasting activities conducted by or on your behalf.
13. Any liability for fines, penalties, punitive, exemplary, or aggravated damages.
14. Liability to pay compensation for Personal Injury or Property Damage caused by or arising directly or indirectly out of or in connection with the use or presence of asbestos.
15. Any liability to pay for compensation for any claim of whatsoever nature which consists of or arises directly or indirectly out of or in connection with:
- a) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data and/or Software;
  - b) error in creating, amending, entering, deleting or using Electronic Data and/or Software, or;
  - c) total or partial inability or failure to receive, send, access or use Electronic Data and/or Software for any time or at all;

from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

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

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

16. Any liability in respect of personal injury or property damage arising, directly or indirectly, out of, or in any way involving your Internet Operations. This exclusion does not apply to personal injury or property damage arising out of any material which is already in print by the manufacturer in support of its product, including but not limited to product use and safety instructions or warnings, and which is also reproduced on its site. Internet Operations means the following:
- a) use of electronic mail systems by you or your employees, including part-time and temporary staff, contractors and others within your organisation;
  - b) access through your network to the world wide web or a public Internet site by your employees, including part-time and temporary staff, contractors and others within your organisation;
  - c) access to your Intranet (meaning internal company information and computing resources) which is made available through the world wide web for your customers or others outside your organisation; and
  - d) the operation and maintenance of your website.

Nothing in this exclusion shall be construed to extend coverage under this Policy to any liability which would not have been covered in the absence of this exclusion.

17. Any liability to pay compensation for Advertising Liability arising from:
- a) offences committed prior to the inception date of this policy.

- b) offences made at the direction of the Insured with knowledge of the illegality or falsity thereof.
- c) breach of contract other than misappropriation of advertising ideas under an implied contract.
- d) incorrect description of the price of the Products, goods or services.
- e) infringement of trade mark, service mark or trade name by use thereof as the trade mark, service mark or trade name of the Products, goods or services sold, offered for sale or advertised, but this exception does not apply to titles or slogans.
- f) failure of the Products, goods or services to conform with advertised performance, quality, fitness or durability.
- g) any Insured whose business is advertising, broadcasting, publishing or telecasting.

## Conditions

1. Notice in writing shall be given to us as soon as possible of every Occurrence, claim, writ, summons, impending proceedings, impending prosecution and/or inquest in respect of which there may arise a liability under this Policy.
  - a) You shall not without our written consent make any admission, offer, promise or payment in connection with any Occurrence or claim and if we desire shall be entitled to take over and conduct in your name the defence or settlement of any claim and may make such investigation, negotiation and settlement of any claim or suit as we deem expedient.
  - b) You shall use the best endeavours to preserve any property, products, appliances, plant or other things which might prove necessary or useful by way of evidence in connection with any claim and so far as may be reasonably practicable no alteration or repair shall be effected without our consent until we have had the opportunity of inspection.
  - c) We shall be entitled to prosecute in your name at our expense and for our benefit any claim for indemnity for damages or otherwise.
  - d) We shall have full discretion in the conduct of any proceedings in connection with any claim and you shall give all information and assistance as we may require in the prosecution, defence or settlement of any claim.
  - e) In the event of an Occurrence, you shall promptly take at your expense all reasonable steps to prevent other Personal Injury or Property Damage arising out of the same or similar conditions, but such expense shall not be recoverable under this Policy.
  - f) We shall be entitled to attend any inquest in respect of which there may arise liability under this Policy.
2. We may at any time pay to you in respect of all claims against you arising directly or indirectly from the one source or original cause the amount of the liability or such other amount specified in respect thereof (after deduction of any sum or sums already paid by us which sum or sums would

reduce the amount of our unfulfilled liability in respect thereof) or any lesser sum for which the claim or claims can be settled and upon such payment we shall relinquish conduct or control of and be under no further liability under the Policy in connection with such claim or claims except for costs charges or expenses recoverable from you in respect of the period prior to the date of such payment (whether or not pursuant to an order made subsequently) or incurred by us or by you with our written consent prior

to the date of such payments.

3. You shall:
  - a) take all reasonable precautions to:
    - i. prevent Personal Injury and Property Damage;
    - ii. prevent the manufacture, sale or supply of defective products; and
    - iii. comply and ensure that your workers, servants and agents comply with all Statutory Obligations, By-Laws or Regulations imposed by any Public Authority in respect thereof for the safety of persons and property;
  - b) at your own expense take reasonable action to trace, recall or modify any of your Products containing any defect or deficiency which defect or deficiency you have knowledge of or have reason to suspect.
4. Where more than one party comprises the Insured, each of the parties shall be considered as a separate and distinct unit and the word Insured shall be considered as applying to each party in the same manner as if a separate policy had been issued to each of the said parties, provided that nothing in this clause shall result in the increase of our Limit of Liability in respect of any Occurrence or Period of Insurance.
5. You must provide us with immediate written notice of:
  - a) every change which materially varies any of the facts or circumstances existing at the commencement of this Policy that comes to your knowledge, which will also be deemed to include the knowledge of any person whose knowledge would in law be your knowledge; and
  - b) if you do not provide such notification before the happening of an Occurrence giving rise to a claim under this Policy then, subject to the Insurance Contracts Act 1984, we may refuse to pay a claim, either in whole or in part.
6. In the event of payment under this Policy to or on your behalf, we shall be subrogated to all your rights of recovery against all persons and organisations and you shall execute and deliver instruments and papers and do all that is necessary to assist in the exercise of such rights.
7. If you make a claim under this Policy in respect of an Occurrence recoverable under this Policy which Occurrence is or may be covered in whole or in part by any other Insurance, then you must advise us of the full details of such other Insurance when making a claim under this Policy.

Subject to the Insurance Contracts Act 1984, we reserve the right to seek contribution from the other insurer(s).

8. If you enter into an agreement with any other party (who for the purpose of this clause is called the "Principal") pursuant to which the Principal has agreed to provide a policy of insurance which is intended to indemnify you for any loss or liability arising out of the performance of the said agreement then we will (subject to the terms and conditions of this Policy) only indemnify you for loss or liability not covered by the policy of insurance provided by the Principal.
9. When the premium is subject to adjustment, cancellation will not affect your obligation to supply such information as we may require for the adjustment of the premium. Cancellation will not affect your obligations to pay the amount of adjustment applicable up to the date of cancellation.

10. We shall be permitted but not obligated to inspect your property and operations at any time. Neither our right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for your benefit or others, to determine or warrant that such property or operations are safe. We may examine and audit your books and records at any time during the Period of Insurance and extensions thereof and within three (3) years after the final termination of this Policy, as far as they relate to the subject matter insured.

If the first or renewal premium for this Policy or part thereof shall have been calculated on estimates furnished by you, then you shall keep an accurate record containing all particulars relative thereto and shall at all times allow us to inspect such records. You shall within 30 days after the expiry of each Period of Insurance furnish to us such particulars and information as we may require. The premium for such period shall thereupon be adjusted and any difference paid or allowed to you as the case may be subject to receipt and retention of any minimum premium charged by us.

11. Nothing contained in this Policy shall be construed to reduce or waive either your or our privileges, rights or remedies available under the Insurance Contracts Act 1984 as amended.
12. If you have entered into any agreement which excludes or limits a right which you may have against any party, then, subject to the Insurance Contracts Act 1984, we will not be liable for any claim under this Policy to the extent of such exclusion or limitation.
13. Should any dispute arise between you and us over the application of this Policy, such dispute shall be determined in accordance with the law of Australia and its Mandated Territories and Protectorates.

## Endorsements

1. It is hereby noted and agreed that this Policy is extended to indemnify you for liability arising out of the use of any Vehicle conditionally registered under Section 25 of the South Australia Motor Vehicles Act 1959 as amended. Provided however we shall not be liable for Personal Injury arising out of the use of any such Vehicle whilst being used on any Road as defined in Section 5 of the South Australia Motor Vehicles Act 1959 and amendments thereto.
2. It is further noted and agreed that, notwithstanding General Condition Subrogation and Condition 12 of the Policy, we waive any right of Subrogation against any insured where they are entitled to Indemnity under this Policy.



# Employee Dishonesty (Fidelity Guarantee) Policy

---

The General Terms, General Exclusions & General Conditions apply to this Policy Cover only applies where shown in the policy Schedule

## Definitions

### Employee

Means any person (except a director or trustee of you if a corporation and except a partner of you if a firm) while in your regular service in the ordinary course of your business during the Period of Insurance and whom you compensate by salary, wages or commissions and have the right to govern and direct in the performance of such service, but does not mean any broker, factor, commission agent, consignee, contractor or other agent or representative of the same general character.

Employee also means:

1. Any director, trustee or principal of you or consultant whilst performing acts coming within the scope of the usual duties of an Employee.
2. Any person assigned to perform Employee duties for you by any group whose business it is to furnish personnel.

### Act of Fraud or Dishonesty

Means all losses of Money (as defined in the Money Policy) and goods arising directly or indirectly from any act of fraud or dishonesty committed by an employee or any number of employees in collusion.

All losses in respect of the one event or series of events arising from the one source or original cause irrespective if the acts of fraud or dishonesty were committed during more than one Period of Insurance shall be deemed one act of fraud or dishonesty.

## The Indemnity

We will, subject to the provisions of this Policy, pay you for loss of money or goods belonging to you or for which you are responsible, resulting from any act of fraud or dishonesty committed by an employee whether acting alone or in collusion with others and discovered:

1. during the Period of Insurance; or
2. within 18 calendar months of the expiration of the Period of Insurance, And, in the case of death, dismissal or retirement of the employee:
  - a) within 18 calendar months of such death, dismissal or retirement; or
  - b) within 18 calendar months of the expiration of this Policy, whichever of these events shall first happen.

Provided that:

- i. immediately following the discovery of an act of fraud or dishonesty on the part of any employee the Indemnity hereby granted shall be at an end so far as any further act of fraud or dishonesty on the part of such employee is concerned.
- ii. any sum or sums paid or payable to you in any one Period of Insurance shall reduce the sum insured so that the amount in respect of any or all such sum or sums shall not exceed the sum insured stated in the Policy Schedule.
- iii. we shall not be liable in respect of loss arising outside Australia.

## Automatic Extensions

### Auditor's Fees

With our prior approval, we will pay you up to a limit of \$20,000 for the fees payable by you to your Internal and/or External Auditors and/or all other costs, charges and expenses which you reasonably and necessarily incur in preparation of a claim under this Policy.

### Superannuation Funds

The cover under this Policy includes any superannuation or pension scheme formed by you and exclusively for the benefit of Employees, but does not include any scheme that is administered by a professional funds manager.

### Welfare, Social or Sporting Club

The cover under this Policy includes any welfare, social or sporting club formed with your knowledge and consent exclusively for the benefit of Employees and their families.

### Unidentified Employees

If a loss is alleged to have occurred as a result of the fraud or dishonesty of any one or more of your employees and you are unable to positively identify them then your claim will not be invalidated provided you are able to supply evidence at your expense, that the loss was due to the fraud or dishonesty of any one or more of the employees.

### Retroactive Cover

If this Policy has been taken up in substitution of any previous Employee Dishonesty policy held by you with any other insurer and cover under this Policy commences immediately after the cover under the previous policy ends, then the insurance provided by this Policy is extended to apply to any loss by fraud or dishonesty committed during the currency of any previous policy provided that:

1. the discovery period provided in such previous policy has expired;
2. such fraud or dishonesty is discovered within:
  - a) the period of this Policy, or
  - b) 12 months of the termination of this Policy or 12 months after the termination of the employment of the employee concerned whichever shall first occur (unless this Policy provides a lengthier discovery period in which case that lengthier period will prevail).

The expression "termination of this Policy" shall mean cancellation or non-renewal of this Policy. It shall not apply in the event of continuity of insurance when the Policy simply expires and the Policy is renewed;

3. the loss would have been covered under this Policy had it been in force when the fraud or dishonest acts were committed;
4. the amount we will pay will be the limit of liability under the previous policy or the sum insured under this Policy whichever is the lesser.

## Conditions

1. Unless we shall consent in writing to any alteration, we shall not be liable to make any payment hereunder if the nature of your Business shall be changed or the precautions and statement of check and supervision made by you in any written submission shall not be duly observed.
2. You shall within twenty one (21) days of the discovery of any act of fraud or dishonesty on the part of any employee or of any matter in respect of which a claim may arise or might have arisen give notice in writing to us accompanied by all available particulars and within three (3) months after such notice you shall deliver to us full details of your claim and shall furnish proof of the correctness of such claim.
3. Any sum of money which but for any act of fraud or dishonesty on the part of an employee would become payable to him/her shall be deducted from the amount of the loss before a claim is made under this Policy.
4. In the event of the sum insured being reduced by any sum or sums paid or payable under this Policy, the sum insured may be reinstated upon your payment of an appropriate additional premium on the express understanding that the amount by which the sum insured is reinstated shall be available only in respect of acts of fraud or dishonesty committed after such reinstatement.
5. If this Policy be continued in force for more than 12 months, our liability in respect of any one claim shall not be accumulated or increased thereby and our aggregate liability during any number of years and for any number of losses forming the basis of any one claim whether under this Policy or any similar policy in substitution for or substituted by this Policy shall not exceed the sum insured stated in the Policy Schedule.
6. This Policy does not apply to loss, or to that part of any loss, as the case may be, the proof of which, either as to its factual existence or as to its amount, is dependent upon an inventory computation or a profit and loss computation, provided, however, that this proviso shall not apply to loss of money or other property which you can prove, through evidence wholly apart from such computations, is sustained by you through any act or acts of fraud or dishonesty committed by any one or more of the employees.

Inventory shortages as such are not covered hereunder, but loss through any act of fraud or dishonesty by employee(s) established through evidence other than inventory computation or profit and loss computation is covered.

## Excess

You shall bear the amount indicated in the Policy Schedule in respect of each loss or series of losses arising out of the one event.

# Electrical & Mechanical Breakdown Policy

---

The General Terms, General Exclusions & General Conditions apply to this Policy Cover only applies where shown in the policy Schedule

## Section A - Breakdown Definitions

### Insured Items

means:

- Electric, electronic, hydraulic and mechanical machinery;
- Boiler and Pressure Vessels, specified in the current Policy Schedule.

Insured Items shall not mean plant referred to in Exclusion (5) of this Policy unless specifically listed in the Policy Schedule.

### Insured Damage

means sudden and unforeseen physical damage to the plant which occurs during the Period of Insurance and requires immediate repair or replacement to enable ordinary working to continue.

### Explosion

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

### Collapse

means unforeseen and unexpected physical destruction, damage, distortion, bending or crushing of any part of pressure equipment, caused by vacuum or reduced pressure in the pressure equipment, including insufficiency of water.

## The Indemnity

We will, subject to the provisions of this Policy, cover Insured Items against Insured Damage.

This cover applies only after the Insured Items have been commissioned at the premises referred to in the current Policy Schedule. It covers the items while they are at the premises, including times when they are being cleaned, adjusted, repaired or relocated within the premises.

This Insurance also covers damage caused by flying fragments of the Insured Items to other property belonging to you or property for which you are responsible.

## Basis Of Settlement

We will at our option repair, reinstate or replace the Insured Items or pay the amount of the loss or damage.

We will in no case be liable for the cost of any alterations, additions, improvements, modifications or overhauls.

Our total liability will not exceed the sum insured for each item or group of items in relation to any one loss.

## Obsolete Equipment

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

## Automatic Extensions

### Additional Items

If you commission an item of machinery or a boiler or pressure vessel similar to an item which is already insured at the premises named in the current Policy Schedule, we will consider this item to be added to this Policy up to the highest sum insured of any item if:

1. you give written notice to us within 90 days of the commissioning of the item;
2. the item is free from material defect and in sound working condition as far as you are aware;
3. the item is not operated until you have fulfilled any relevant Statutory provisions for inspection and certification; and
4. you pay the appropriate additional premium and any Statutory charges.

### Increased Cost of Working

Subject to the limits below, this Policy covers the costs incurred for reasonable expenses in respect of each incidence of Insured Damage for temporary repairs, overtime and express freight or hiring of temporary plant.

Limits:

- temporary repairs
- overtime

\$25,000 in total any one claim

- hiring of temporary plant
- express freight including overseas air freight.

However, we will not pay the cost of:

1. expenses for overseas specialists or consultants to carry out or supervise repairs;
2. air freight by aircraft specifically chartered for the purpose;
3. any repairs or replacement of hired or loan plant.

Our total liability will not exceed the total sum insured.

### Insulating Oil or Refrigerant Cost

This Policy covers the cost to replace insulating oil from transformers, capacitors or switch gear, refrigerant gas or liquid from air-conditioning or refrigeration units as a result of Insured Damage but we will not be liable for loss of insulating oil or refrigerant gas or liquid resulting from:

1. leakage from glands or seals;
2. leakage from gaskets or joints;
3. fatigue fractured pipes.

Our total liability including insulating oil or refrigerant gas will not exceed the sum insured for each item or group of items.

### Reinstatement and Replacement (For Boiler and Pressure Vessels Only)

In the event of damage to any item described in the current Policy Schedule for which we accept a claim under this Policy, the Basis of Settlement will be based on reinstatement of the item.

Reinstatement shall mean:

1. where the Insured Item is damaged beyond repair, its replacement with an equivalent item similar in type, capacity and condition to the damaged item when it was new;
2. where the Insured Item is damaged but repairable, repair of the item so that its working condition is substantially the same as but not better or more extensive than when it was new.

The following special conditions apply to this extension:

1. Average/Co-insurance

If the sum insured is less than 80 per cent (80%) of the new replacement cost at the time of damage to an Insured Item, you have to bear a share of the loss, we calculate the proportion which we have to pay as follows:

Sum Insured x 100

---

x Amount of Loss = Amount we pay

New Replacement Cost x 80

Limited to the sum insured for that item.

**Note: The new replacement cost is the cost of replacement by a new item of the same kind and capacity, including packing, freight, customs duties and dues, and installation charges.**

2. Reinstatement must be carried out with reasonable promptness, otherwise the Basis of Settlement will be as under Section A of this Policy.

3. Until the cost of reinstatement has actually been incurred, compensation will not be made beyond that shown under the Basis of Settlement applicable to Section A of this Policy.

## Excess

You shall bear the amount stated in the Policy Schedule in respect of each loss or series of losses arising out of the one event.

## Exclusions To Section A

We will not be liable for:

1. Insured Damage caused by:
  - a) Fire, lightning, impact by vehicles, aircraft and other aerial devices or articles dropped from them.
  - b) Wind and water including:
    - i. snow, sleet or hail;
    - ii. flooding;
    - iii. discharge from water mains, pipes, gutters, drains, water tanks or apparatus;
    - iv. damage from steam or condensation;
    - v. erosion, subsidence, landslide, mudslide, or any other earth movement;
    - vi. water seeping or percolating from outside your premises;
    - vii. water entering your premises as a result of structural design, faulty workmanship or faulty design;
    - viii. damage by the sea;
    - ix. storm surge, that is a short period rise or fall of the sea level produced by a cyclone.
  - c) Chemical explosion (other than explosion of flue gas in boilers).
  - d) Earthquake including:
    - i. subterranean fire and volcanic eruption;
    - ii. fire arising from earthquake.
  - e) The actions of:
    - i. persons taking part in riot or civil commotion;
    - ii. malicious persons;
    - iii. any lawfully constituted authority in connection with the actions referred to in this Clause (e).
2. Theft or any attempted theft.

3. The cost of replacement of expendable or consumable parts including:
  - a) belts, ropes, wires, chains, links, felts, sieves, fabrics, joinings, packings other than as a result of Insured Damage;
  - b) electric heating elements, electric contacts, fuses, filaments; glass, porcelain or ceramic components other than when used as electrical insulation;
  - c) cutting edges, tyres, rails, wear plates, dies, engraved cylinders, moulds, patterns, exchangeable tools;
  - d) concrete, brickwork or refractories unless as a result of Insured Damage.
4. The cost of rectifying wear and tear, which means wasting or wearing out of any part of an Insured Item caused by or naturally resulting from ordinary use or working or gradual deterioration including (but not limited to):
  - a) erosion, corrosion, rust, boiler scale or oxidation, damage due to cavitation;
  - b) tightening of loose components, recalibration or adjustments other than as a result of Insured Damage;
  - c) 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, notwithstanding that repair or replacement may be necessary at some time in the future.
5. Excluded plant which means:
  - a) damage to electronic apparatus other than control equipment associated exclusively with and forming part of an Insured Item, unless such apparatus is specifically noted in the current Policy Schedule, coin-operated machines;
  - b) lighting equipment, reticulating electrical wiring and sub-distribution switchboards, reticulating liquid and gas piping, ducting;
  - c) storage tanks and vats, vessels containing explosive gases unless required to be registered by a Statutory Authority;
  - d) mobile machinery;
  - e) lifts, elevators, escalators.
6. Damage or liability arising out of plant being subjected to tests involving abnormal stresses or arising out of plant being intentionally overloaded except when agreed to by us and endorsed on the current Policy Schedule.
7. Cost of removal or reinstallation of pump units from bores or loss of pump units within bores unless noted on the current Policy Schedule.
8. Consequential loss.
9. Loss, damage or liability due to fire however caused.
10. Claims arising from agreements made by you unless you would have been liable had the agreement not been made.



## Conditions To Section A

### Repairs

Minor temporary or provisional repairs may be carried out (subject to the Claims Condition of this Policy) but physical evidence must not be removed before you have obtained our consent.

We have no liability for any Insured Item which has been damaged and which is operated without being repaired to our satisfaction.

### Claims

On the happening of any event which may give rise to a claim under this Policy you must:

1. notify us within 14 days (with confirmation in writing) indicating the nature and extent of loss or damage;
2. take all reasonable steps to minimise the extent of loss or damage;
3. keep any damaged or defective parts and make them available for inspection by us;
4. supply at your own expense any information about the claim we may reasonably require;
5. obtain a minimum of two (2) quotations for the remedial work before such work is undertaken.

### Alteration of Risk

You must notify us in writing as soon as possible of every change which materially affects the circumstances existing at the commencement of this Insurance.

We may adjust the scope of cover, sum insured, or the premium.

### Precautions

You must take all reasonable precautions to prevent loss or damage and to comply with Statutory requirements and manufacturers' recommendations relating to the safeguarding and operating of the Insured Items.

### Reinstatement of Sum Insured

Following the occurrence of loss or damage to an Insured Item, the sum insured for that item shall be reduced by the amount paid or payable for the loss or damage. However, at your request and at our option, the sum insured can be reinstated to the full amount stated in the current Policy Schedule if you pay an additional premium calculated on a pro-rata basis from the date of the occurrence to the expiry of this Policy.

### Inspection

We have the right to inspect and examine the Insured Items at all reasonable times.

### Assignment

We must first agree before the interest in this insurance can be transferred to anyone else.

## Section B - Deterioration Of Stock In Cold Storage

This section will only operate if the items are contained within chambers refrigerated by items or machinery insured under this Policy.

### Definition

#### Accident

means:

1. a rise or fall in the temperature of a refrigerated chamber as a direct result of damage to refrigeration machinery where this damage is covered under Section A of this Policy;
2. the accidental escape of refrigerant gas or liquid into the refrigerated chambers;
3. failure of the public electricity supplied to the point of attachment to the building resulting from accidental damage outside the premises;
4. operation or failure of thermostats, pressure controls or limiting devices, but shall not include loss due to the manual operation or setting of switches.

### The Indemnity

We will, subject to the provisions of this Policy, cover items of stock which are listed in the current Policy Schedule against loss or damage directly due to an accident.

We will compensate you up to the amount of the sum insured which is stated for this item in the current Policy Schedule.

The total amount of cover will not exceed the total sum insured.

### Additional Benefits

#### Loss Minimisation Costs

We will pay any reasonable expenses which you incur in preventing or minimising loss or damage of the Insured Items:

1. if as a result our liability is reduced, or
2. if you reasonably considered it expedient to incur these expenses but you were not able to obtain our consent.

#### Seasonal Increase

The sum insured for Deterioration of Stock in Cold Storage will automatically be increased by fifty per cent (50%) during the following periods:

1. Sixty (60) days before New Year's Day and sixteen (16) days following New Year's Day.
2. Thirty (30) days before Good Friday and ten (10) days following Good Friday.

Or as otherwise shown on the Policy Schedule, provided you can reasonably demonstrate that the stock levels during such period have risen by more than twenty percent (20%) above standard levels and that the increase has happened solely for the purpose of meeting additional customer demand associated with such period.

### Reinstatement of Sum Insured

Following a claim for Deterioration of Stock in Cold Storage, the sum insured will be reduced by the amount paid or payable for the loss or damage. We will reinstate the sum insured from the date of the loss or damage provided you pay or agree to pay any additional premium that may be required by us.

## Conditions To Section B

### Basis of Settlement

The amount payable is calculated on the basis of your cost to replace the items less any amount gained from the sale of damaged items. Our total liability including loss minimisation costs will not exceed the sum insured for each item or group of items.

### Loss Minimisation

Following an accident which may result in a claim you must:

1. take all reasonable precautions to minimise the loss or damage and prevent further loss or damage;
2. notify us immediately by facsimile or by telephone so that we may actively assist in loss minimisation.

## Exclusions To Section B

We will not be liable for:

1. An amount equal to 10 per cent (10%) of the loss or damage but not less than the excess stated in the current Policy Schedule for each occurrence of loss or damage.
2. Loss or damage caused by shrinkage, inherent defects or diseases.
3. Loss or damage caused by improper storage or stowage or collapse of packing materials.
4. Deteriorated goods that have passed their "Use By" dates at the time of the loss.
5. Penalties for delay or detention.
6. Loss or damage caused by failure of the public electricity supply arising from:
  - a) any deliberate act of the public electricity supply authority;
  - b) the withholding or restriction of power by the public electricity supply authority;
  - c) earthquake;
  - d) shortage of fuel or water;
  - e) the actions of persons taking part in riot or civil commotion, labour disturbances, strikes or lockouts.
7. Consequential loss.

# Computer/Electronic Equipment Breakdown Policy

---

The General Terms, General Exclusions & General Conditions apply to this Policy Cover only applies where shown in the policy Schedule

## Section 1 - Breakdown Of Electronic And Ancillary Equipment The Indemnity

We will, subject to the provisions of this Policy, cover the items which are listed in the current Policy Schedule against sudden and unforeseen loss or damage from any cause except those which are specifically named in the Exclusions to this Policy.

This cover applies only after the insured items have been commissioned at the premises referred to in the current policy schedule. It covers the items while they are at that premises, including times when they are being cleaned, adjusted, repaired or relocated.

This insurance also covers data media when it is at the premises named in the current policy schedule, temporarily at any alternative premises for processing purposes, or for safekeeping, or in transit between these premises.

We will compensate you up to the amount of the sum insured which is stated for an item in the current policy schedule. The total amount of cover will not exceed the total sum insured.

## Additional Benefits

### Valves, Tubes and VDU

This Policy covers the cost of the valves, and tubes, including picture tubes, in the Insured Items. We calculate their value on the following basis:

1. Picture and pick-up tubes for TV and visual display equipment:

Up to 12 months' use - 100 per cent (100%) of new replacement value.

After 12 months' use - The value is reduced by three per cent (3%) a month down to a minimum of twenty per cent (20%) of the new replacement value.

2. Any other type of valve, tube or bulb:

The value depreciated proportionately on the basis of the expected life quoted by the manufacturer of the component.

### Consulting Engineers' Fees

This Policy is extended to include the cost of consulting engineers' fees (excluding fees for preparing a

claim) incurred in the reinstatement of insured property consequent upon an insured event. Limit \$10,000 any one loss.

**Additional Expense incurred In Temporary Repairs**

This Policy is extended to include the reasonable additional expenses incurred in making temporary repairs as a result of insured damage to the insured property. Limit \$10,000 any one loss.

**Removal of Debris**

To the extent that the sum insured is not otherwise exhausted, the Policy is extended to include costs and expenses reasonably and necessarily incurred by you in:

- 1. removing debris;
- 2. dismantling or demolishing any part of the insured property which has sustained loss or damage due to an insured event; and
- 3. shoring up, propping up or protecting any part of the insured property, whether damaged or not, provided this is necessitated by an insured event.

**Limit Of Liability**

Our liability for each item will not be less than the new replacement cost being the cost of replacement by a new item of the same kind and capacity, including packing, freight, customs duties and dues, and installation charges. The most we will pay for any item is the sum insured shown in the current Policy Schedule.

**Conditions To Section 1**

**Average/Co-insurance**

If the sum insured is less than 80 per cent (80%) of the new replacement cost at the time of loss or damage to an insured item, you have to bear a share of the loss. We calculate the proportion which we have to pay as follows:

$$\frac{\text{Sum Insured} \times 100}{\text{New Replacement Cost} \times 80} \times \text{Amount of Loss} = \text{Amount we pay}$$

Limited to the sum insured for that item.

## Basis Of Settlement

If the cost of repairs which is described in repairable damage equals or exceeds the actual value of the insured items immediately before the damage occurred, we will compensate you according to the method in total loss.

### Repairable damage

If the Insured Items can be repaired, we will pay:

1. all necessary expenses to restore the damaged item to its former state of serviceability;
2. the cost of dismantling to carry out the repairs and re-erection;
3. ordinary freight to and from a repair shop;
4. any customs duties and dues.

If you carry out the repairs at one of your workshops, we will pay the cost of materials and wages and a reasonable percentage to cover over-head charges.

We will not deduct any amount for depreciation of any parts which are replaced except valves, tubes and VDUs, but it will take into account the value of any salvage.

We will also pay reasonable extra charges for overtime, night-work, work on public holidays, express freight within Australia including air freight provided that the charges do not exceed 50 per cent (50%) of the cost of carrying out the repair at ordinary charges.

“Air freight” means transportation as freight by any recognised airline on a scheduled service, but not by aircraft specifically chartered for the purpose.

Our total liability including overtime and express delivery charges will not exceed the sum insured of each item or group of items.

### Total loss

If an insured item is lost or destroyed, we may choose to:

1. replace the item with an equivalent item; or
2. pay an amount up to the cost of an equivalent item if the item was no more than five (5) years old; or
3. pay the actual value of the item immediately before the loss occurred if it was more than five (5) years old.

We will also pay reasonable charges incurred for overtime, night-work, work on gazetted public holidays, express freight within Australia including air freight, provided that the charges do not exceed 50 per cent (50%) of the cost of carrying out the replacement at ordinary charges.

“Air freight” means transportation as freight by any recognised airline on a scheduled service, but not by aircraft specifically chartered for the purpose.

Our total liability including overtime and express delivery charges will not exceed the sum insured of each item or group of items.

We will pay any normal charges to remove items which are destroyed. They then become our property.

## Costs not covered

We will not pay the cost of:

1. alterations, improvements, overhauls or unnecessary replacement of undamaged components;
2. provisional repairs unless they form part of the final repairs and do not increase the total repair costs;
3. expenses for overseas specialists or consultants to assist in or supervise local repairs;
4. air freight by aircraft specifically chartered for the purpose.

## Obsolete Equipment

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

## Repairs

Repairs must not be undertaken or physical evidence of the damage removed before you have obtained our consent.

We have no liability for any insured item which has been damaged and which is operated without being repaired to our satisfaction.

## Maintenance

We will cover you for electronic equipment only if you have complied with the manufacturer's recommendations for preventative maintenance for all items which are described in the current Policy Schedule.

We will not be liable for any mechanical or electrical breakdown if at the time of loss or damage you had failed to comply with the manufacturer's recommendations.

## Excess

You shall bear the amount stated in the Policy Schedule in respect of each loss or series of losses arising out of the one event.

## Exclusions To Section 1

We will not be liable for:

1. The cost of replacement of expendable parts (including fuses, batteries, belts, chains, tapes, ribbons) unless their loss or damage is caused by an event insured by this Policy.
2. Wasting, wearing away, or wearing out of any part of an insured item which arises from ordinary use or gradual deterioration.
3. Loss or damage caused by rust, corrosion, or oxidation.
4. Scratching of painted or polished surfaces.
5. Consequential loss.
6. Loss or damage caused by:

- a) Fire.
- b) Lightning.
- c) Wind and water including:
  - i. snow, sleet or hail;
  - ii. flooding;
  - iii. discharge from water mains, pipes, gutters, drains, water tanks or apparatus;
  - iv. damage from steam or condensation;
  - v. erosion, subsidence, landslide, mudslide or any other earth movement;
  - vi. water seeping or percolating from outside your Premises;
  - vii. water entering your Premises as a result of structural design, faulty workmanship, or faulty design;
  - viii. damage by the sea;
  - ix. storm surge, that is a short period rise or fall of the sea level produced by a cyclone.
- d) Impact by vehicles designed primarily for use on land or by animals.
- e) Explosion.
- f) Earthquake including:
  - i. subterranean fire and volcanic eruption;
  - ii. fire arising from earthquake.
- g) Aircraft and other aerial devices or articles dropped from them.
- h) The actions of:
  - i. persons taking part in riot or civil commotion;
  - ii. malicious persons who are not tenants.
- i) Burglary or theft.

## Section 2 - electronic data restoration costs (loss of information)

### The indemnity

If any loss or damage which is covered under Section 1 causes loss of information, we will, subject to the provisions of this Policy, pay your restoration costs up to the amount of the sum insured which is stated for this item in the current Policy Schedule. The total amount of cover will not exceed the total sum insured.

This insurance applies while the insured data media is:



1. at the premises named in the current Policy Schedule;
2. at the media storage premises named in the current Policy Schedule;
3. temporarily at any alternative premises for processing purposes;
4. in transit between any of these premises.

### Limit Of Liability

Our liability will not be less than the estimated cost of re-collecting and preparing data in the appropriate form, including any necessary additional expense for the hire of personnel, premises or data preparation machines. The most we will pay is the sum insured as shown in the current Policy Schedule.

### Basis Of Settlement

We will pay for any expenses to reproduce data or information to restore the insured data media to a condition equivalent to that existing before its loss or damage and necessary to allow the normal operation of the electronic data processing system.

Lost data or information may be produced in an updated form if the cost is no greater than that of reinstating it in its original form.

We will pay for expenses which are incurred only within a period of 12 months after the occurrence of loss or damage.

### Excess

You shall bear the amount stated in the current Policy Schedule in respect of each loss or series of losses arising out of the one event.

### Exclusions To Section 2

We will not be liable for:

1. Loss or distortion of data, information or records on the insured data media while it is mounted in or on any machine for use or processing unless this loss or distortion occurs:
  - a) at the premises named in the current Policy Schedule as a result of loss or damage to any item which is insured under Section 1; or
  - b) at the alternative premises for processing purposes named in the current Policy Schedule as a result of loss or damage to the electronic equipment and ancillary equipment which could have been insured under Section 1.
2. Consequential loss.
3. Malicious or accidental erasure of data.

## Section 3 - Increased Cost Of Working (Computers Only) Definition

### Time Excess

Means the period which you select and which begins from the occurrence of the interruption of or interference with the Business resulting in a claim under this Policy.

If any loss or damage which is covered under Section 1 interrupts the normal operation of the

electronic data processing system, then, we will, subject to the provisions of this policy, pay you for reasonable expenditure for the use of a substitute processing system or other reasonable additional costs incurred in maintaining data processing functions to maintain normal business operations during the interruption.

Our liability does not exceed the sum insured which is specified for this Section in the current Policy Schedule.

## Additional Benefits

1. This Policy covers the reasonable cost of professional fees for accountants or auditors in compiling details for a valid claim under this section limit \$10,000 for any one occurrence.
2. Loss resulting from interruption to or interference with the business as a result of damage to property near the premises, or as a result of the action of any lawfully constituted authority attempting to avoid or diminish risk to life or property near the premises which prevent or hinder their use or access to them is considered to be loss resulting from damage to the property at the premises.
3. We will also pay for interruption or interference to your Business as a result of failure of the public supply of electricity to the terminal point of the suppliers' feed at the situation but excluding failure caused by:
  - a) a deliberate act of the electricity supplier, unless performed for the sole purpose of safeguarding life or protecting a part of the suppliers' system.
  - b) a scheme of rationing, unless necessitated solely by physical damage to a part of the electricity suppliers' system.
  - c) riot, strike, lock-out, civil commotion unless arising solely out of damage to or destruction of the electricity suppliers' system (not being damage or destruction resulting solely from cessation of work).
4. We will also pay for interruption or interference to your business due to failure of telecommunications data transmission networks in Australia which is not caused by a deliberate act of the telecommunications network unless performed for the sole purpose of protecting a part of their equipment provided that:
  - a) the insurance cover under this extension is limited to a period of 10 days from the date of the failure.
  - b) we will not be liable for any increase in cost of working incurred during the first 36 hours immediately following the failure.
  - c) we will not be liable for failure caused by riot, strike, lock-out, civil commotion or vandalism unless arising solely out of physical destruction, loss or damage to the telecommunication data transmission networks (not being physical destruction, loss or damage resulting solely from cessation of work).

## Limit Of Liability

We will pay the expenses which you incur for a maximum interruption period of up to three (3) months for the use of a substitute electronic data processing system of similar performance to the system specified in Section 1, including personnel and transportation costs. The most we will pay is the sum insured in the current Policy Schedule.

## Basis Of Settlement

We will pay for all necessary expenditure for the use of a substitute processing system during the period of interruption over and above the normal expenses which you would have incurred in the operation of the electronic data processing system insured under Section 1.

The period of interruption begins with the commencement of use of a substitute processing system.

We will pay for additional costs incurred during the period of the interruption up to but not exceeding the limit of liability stated above.

## Time Excess

We shall not be liable for the amount of loss during the time excess stated in the current Policy Schedule.

## Exclusions To Section 3

We will not be liable for:

1. Interruptions to business due to alterations or improvements to the electronic data processing system.
2. Interruptions to business solely due to the need for cleaning, adjustment, inspection or maintenance.
3. Interruptions to business due to any action of a Government or Public Authority.

## Section 4 - Business Interruption Definitions

### Gross Income

means the total of:

1. the amount paid or payable to you for goods sold and services rendered; and
2. all other sources of income received in the course of the business; and
3. the amount of closing stock and work in progress at the end of your financial year, Less:
  - a) purchases of stock and consumables; and
  - b) the amount of opening stock and work in progress at the beginning of your financial year; and
  - c) Uninsured Working Expenses.

### Indemnity Period

Means the period beginning with the date of the occurrence of the damage and ending on the last day of the period specified in the Policy Schedule, during which the results of the business are affected as a consequence of the damage.

## Standard Income

Means the Gross Income during the period in the 12 months immediately before the date of the occurrence of the damage which corresponds with the Indemnity Period (appropriately adjusted where the Indemnity Period exceeds 12 months). In the event of the first year's trading of your business, Standard Income shall mean the proportional equivalent, for a period equal to the Indemnity Period of the Gross Income realised during the period between the commencement of the business, and the date of the damage.

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

## Uninsured Working Expenses

means the Uninsured Working Expenses stated in the Policy Schedule.

# The Indemnity

If the business carried on by you is interrupted or interfered with as a result of breakdown of property insured under Section 1 of this Policy, for which a claim has been paid or liability admitted, or such claim would have been paid or liability admitted but for the application of a suppliers' or manufacturer's warranty, comprehensive hardware maintenance agreement, or excess;

we will, subject to the provisions of this Policy, after taking into account any sum saved during the indemnity Period in respect of such charges and expenses of the business as may cease or be reduced as a consequence of the interruption or interference, pay you in respect of:

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

If, during the Indemnity Period, services are rendered elsewhere than at the situation for the benefit of the Business, either by you or by others on your behalf, the money paid or payable in respect of those services will be brought into account in arriving at the amount of the Gross Income during the Indemnity Period.

# Additional Benefits

## Accountants Fees

This Policy covers the cost of reasonable professional fees of accountants or auditors in compiling details for a valid claim under this Section. Limit \$5,000 for any one occurrence.

## Prevention of Access

Loss resulting from interruption to or interference with the business as a result of the action of any lawfully constituted authority attempting to avoid or diminish risk to life or property near the premises which shall prevent or hinder their use or access to them, is considered to be loss resulting from damage to the property at the premises.

## Failure of Electricity Supply

We will also pay for interruption or interference to your Business as a result of failure of the public supply of electricity to the terminal point of the suppliers' feed at the situation but excluding failure caused by:

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

## Failure of Telecommunications Data Transmission Networks

We will also pay for interruption or interference to your business due to failure of telecommunications data transmission networks in Australia which is not caused by a deliberate act of the telecommunications network unless performed for the sole purpose of protecting a part of their equipment provided that:

1. The cover under this extension is limited to a period of 10 days from the date of the failure.
2. We will not be liable for any increase in cost of working incurred during the first 36hours immediately following the failure.
3. We will not be liable for failure caused by riot, strike, lock-out, civil commotion or vandalism unless arising solely out of physical destruction, loss or damage to the telecommunication data transmission networks (not being physical destruction, loss or damage resulting solely from cessation of work).

## Additional Rental Charge

If at the time of damage to any computer system or electronic equipment, for which a claim is payable, there is a lease or hire contract in force which is cancelled and replaced by a new contract in respect of a computer system or electronic equipment similar to the one which was lost or damaged, we will pay the additional rental charges incurred that result directly from the damage.

1. Our liability under this Additional Benefit will not exceed 25 per cent (25%) of the sum insured for Increased Cost of Working and loss of Gross Income.
2. Our liability will cease when the business is no longer affected by the damage or after a period of two years commencing from the time of the damage, whichever shall first occur.
3. his benefit is only payable if the sum insured for Increased Cost of Working and Gross Income is not otherwise exhausted.

## Time Excess

We shall not be liable for the amount of loss during the time excess stated in the current Policy Schedule.

## Exclusions To Section 4

We will not be liable for:

1. Interruptions to business due to alterations or improvements to the electronic data processing system.
2. Interruptions to business solely due to the need for cleaning, adjustment, inspection or maintenance.
3. Interruptions to business due to any action of a Government or Public Authority.

## General Conditions Applicable To All Sections

### Claims

On the happening of any event which might give rise to a claim under this Policy, you must:

1. notify us as soon as possible (with confirmation in writing) indicating the nature and extent of loss or damage;
2. take all reasonable steps to minimise the extent of loss or damage;
3. keep any damaged or defective parts and make them available to us for inspection;
4. supply at your own expense any information about the claim that we may reasonably require.

### Alteration of Risk

You must notify us in writing as soon as possible of every change which materially affects the circumstances existing at the commencement of this Insurance.

We may adjust the scope of cover, sum insured, or the premium.

### Precautions

You must take all reasonable precautions to prevent loss or damage and to comply with Statutory requirements and manufacturers' recommendations relating to the safeguarding and operating of the items insured under this Policy.

### Reinstatement of Sum Insured

Following the occurrence of loss or damage to an item, insured under this Policy the sum insured for that item shall be reduced by the amount paid or payable for the loss or damage.

We will reinstate the sum insured from the date of the loss or damage provided you pay or agree to pay the additional premium that may be required by us.

### Inspection

We have the right to inspect and examine the items insured under this Policy at all reasonable times.

### Assignment

We must first agree before the interest in this Policy can be transferred to anyone else.

# General Property (Special Risks) Policy

---

The General Terms, General Exclusions & General Conditions apply to this Policy Cover only applies where shown in the policy Schedule

## The Indemnity

In the event of any physical loss, destruction or damage (hereinafter referred to as "Damage" with "Damaged" having a corresponding meaning) not otherwise excluded, happening anywhere in Australia to the property described in the current Policy Schedule, we will pay you in accordance with the applicable Basis of Settlement.

## Limit Of Liability

Our liability under this Policy will not exceed the total sum insured, or the amount for each insured item, as stated in the current Policy Schedule.

## Basis Of Settlement

### Reinstatement or Replacement

For the purpose of this clause, "reinstatement" shall mean:

1. where property is lost or destroyed: the replacement thereof by similar property in a condition equal to but not better or more extensive than its condition when new;
2. 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.

Provided that:

- a) You use due diligence in commencing such "reinstatement" but in no case more than six (6) months from the date of Damage.
- b) Where any property insured is damaged in part only, our liability shall not exceed the sum representing the cost which we could have been called upon to pay by way of "reinstatement" if such property had been totally destroyed.

## Excess

You shall bear the amount stated in the Policy Schedule in respect of each loss or series of losses arising out of the one event.

## Exclusions

We will not be liable for:

Any loss, damage, destruction, liability or disability directly or indirectly caused by or arising from or in consequence of or contributed to by:

1. data processing or media failure or breakdown or malfunction of the processing system including operator error or omission;
2. 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 or exposure to light or darkness, evaporation, disease, inherent vice or latent defect, adjusting, testing or servicing operations, loss of weight, change in flavour texture or finish, smut or smoke from industrial operations;
3. mechanical, hydraulic, electrical or electronic breakdown, failure, malfunction or derangement of any machine or electrical and/or electronic device and/or damage to goods maintained in a temperature controlled environment where such loss or damage arises directly out of mechanical, hydraulic or electrical and/or electronic breakdown to the temperature controlling equipment;
4. wear, tear, fading, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good;
5. error or omission in design, plan or specification or failure of design or during testing;
6. faulty materials or faulty workmanship;
7. spontaneous combustion, fermentation or heating or any process involving the direct application of heat;
8. water from the sea, tidal wave, high water, flood, erosion, subsidence, collapse and/or earth movement;
9. recovery or repossession for any reason whatsoever;
10. fraud or dishonest acts by you or your employees acting alone or in collusion with any other person or persons, embezzlement including forgery, erasure and counterfeiting including fraudulent misappropriation by electronic means;
11. unexplained inventory shortage or disappearance resulting from clerical or accounting errors, shortage in the supply or delivery of materials to or from you;
12. failure of the supply of water, gas, electrical or fuel:
  - a) cessation of work whether total or partial;
  - b) cessation, interruption or retarding of any process or operation; as a direct result of strikes, labour disturbances or locked out workers;
13. caused by theft from any road vehicles other than a vehicle used for public transport or a tourist coach unless the vehicle is fully enclosed and all doors windows and other openings, windscreen and boot if used are left closed and securely locked;
14. consequential loss of any kind.