



Policy Wording

Business Pack Insurance



Dated: 1st July 2021

Issued by ATC Insurance Solutions Pty Ltd ("ATC") (ABN 25 121 360 978, AFS Licence No. 305802) acting under a binder as an agent of XL Insurance Company SE, Australia Branch (ABN 36 083 570 441)

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IMPORTANT INFORMATION

1. About the insurer

This Policy is underwritten by XL Insurance Company SE, Australian Branch (ABN 36 083 570 441). In consideration of the premium specified in the Schedule, We agree to insure You in accordance with the terms and conditions contained herein or endorsed hereon. The Insurers are referred to in the policy as "We", "Our" and "Us" or "Insurers".

2. About ATC

The policy is issued by ATC Insurance Solutions Pty Ltd ("ATC") ABN 25 121 360 978 AFSL 305802 acting under a binder as an agent of XL Insurance Company SE, Australia Branch (ABN 36 083 570 441) ATC acts on behalf of the Insurers and not You.

ATC can be contacted as follows:

ATC Insurance Solutions Pty Ltd
Level 4, 451 Little Bourke Street
Melbourne VIC 3000
Telephone (03) 9258 1777
Facsimile (03) 9867 5540
Website www.atcis.com.au

3. Your duty of disclosure

Before You enter into an insurance contract, You have a duty, under the Insurance Contracts Act 1984 (Cth), 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:

- diminishes or reduces the risk We insure You for; or
- is common knowledge; or
- We know or, in the ordinary course of Our business, 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.

4. Third Party Rights

Subject to any rights a beneficiary may have pursuant to the Insurance Contracts Act 1984 (Cth), no third party will be able to enforce any rights under this policy.

5. Fraud

If any claim be in any respect fraudulent or if any fraudulent means or devices be used by You or anyone acting on Your behalf to obtain any benefit under this policy, or if any loss hereunder be the wilful act occasioned by You or with Your connivance, We, without prejudice to any other right(s) You might have under this policy, shall be entitled to refuse to pay such claim.

6. **General Insurance Code of Practice**

The General Insurance Code of Practice was developed by the Insurance Council of Australia to further raise standards of practice and service across the general insurance industry.

You can obtain more information on the Code of Practice, how it applies in relation to ATC and your rights under its terms, by contacting Us and/or ATC. Information on the Code can be found at <http://codeofpractice.com.au/>.

7. **Change in circumstances**

You must tell Us as soon as practicably possible of any change in the information you have provided to Us which happens before or during any period of insurance.

When We are notified of a change We will tell you if this affects your Policy. For example We may cancel your Policy in accordance with the Cancellation and Cooling-Off Provisions, amend the terms of your Policy or require you to pay more for your insurance. If you do not inform Us about a change it may affect any claim you make or could result in your insurance being invalid.

8. **Renewal procedure**

This insurance is not automatically renewable. Before this insurance expires We will advise You, through Your intermediary, of whether We intend to offer renewal, any information We require to do so and if so on what terms. This document also applies for any offer of renewal We may make, unless We tell You otherwise.

It is important that You check the terms of any renewal offer before renewing to satisfy yourself that the details are correct. In particular, check the Limit of Indemnity and Excess(es) applicable and to ensure the levels of cover are appropriate for You.

Please note that You need to comply with Your duty of disclosure before each renewal (see above).

9. **Complaints & Dispute resolution**

There are established procedures for dealing with complaints and disputes regarding Your Policy or claim. These services are free to all policyholders and may be of assistance, should the need arise.

If You have any concerns or wish to make a complaint in relation to this Policy, Our services or Your insurance claim, please contact Us using the details below, and We will attempt to resolve Your concerns in accordance with our Internal Dispute Resolution procedure.

ATC's Internal Dispute Resolution Officer
ATC Insurance Solutions
info@atcis.com.au
(03) 9258 1777
Level 4, 451 Little Bourke Street Melbourne VIC 3000

We will acknowledge receipt of Your complaint and do Our utmost to resolve the complaint to Your satisfaction within 10 business days. Where We are unable to do so, Our final decision will be provided to You within 30 calendar days of the date on which You first made the complaint.

You may refer Your complaint to the Australian Financial Complaints Authority (AFCA) at any time, and if Your complaint is not resolved to Your satisfaction within 30 calendar days of the date on which You first made the complaint. AFCA's contact details are as follows:

Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001
Telephone: 1800 931 678
Web: www.afca.org.au
Email: info@afca.org.au

Should You choose to refer Your complaint to AFCA, You must do so within 2 years of Our final decision.

10. **Privacy**

In this Privacy statement "we", "us" and "our" means ATC acting under a binder as the Insurers agent and "you" or "your" means any individual whose personal information we collect for the purposes of the policy.

We are bound by the requirements of the *Privacy Act 1988* (Cth), which set out standards on the collection, use, disclosure and handling of personal information.

Personal information is essentially any information or an opinion about an identified individual, or an individual who is reasonably identifiable. See the Privacy Act for full details of what constitutes personal information.

Our Privacy Policy is available at www.atcis.com.au or you can contact us as follows:-

ATC Insurance Solutions Pty Ltd
Level 4, 451 Little Bourke Street
Melbourne VIC 3000
Telephone: 03 9258 1777

For information about how the Insurer processes your personal information, please see its full privacy notice at: <https://axaxl.com/privacy-and-cookies>.

If you have questions or concerns regarding the way in which your personal information has been used, please contact: privacyaustralia@axaxl.com.

We, and our agents, need to collect, use and disclose your personal information in order to consider your application for insurance and to provide the cover you have chosen, administer the insurance and assess any claim and to make special offers of other services and products provided by us or those we have an association with, that might be of interest to you. You can choose not to provide us with some of the details or all of your personal information, but this may affect our ability to provide the cover, administer the insurance or assess a claim.

We may disclose your personal information to third parties (and/or collect additional personal information about you from them) who assist us in providing the above services and some of these are likely to be overseas recipients, including in the United Kingdom. Who they are may change from time to time. You can contact us for details. In some cases we may not be able to take reasonable steps to ensure they do not breach the Privacy Act and they may not be subject to the same level of protection or obligations that are offered by the Act. By proceeding to acquire our services and products you agree that you cannot seek redress under the Act or against us (to the extent permitted by law) and may not be able to seek redress overseas.

These third parties, which include our related entities, distributors, agents, insurers, claims investigators, assessors, lawyers, medical practitioners and health workers, Lloyd's Regulatory Division and anyone either of us appoint to review and handle complaints or disputes, any other parties where permitted or required by law and federal or state regulatory authorities, including Medicare Australia and Centrelink, will only use the personal information for the purposes we provided it to them for (unless otherwise required by law).

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

through websites from data you input directly or through cookies and other web analytic tools). If you provide information for another person you represent to us that:

- you have the authority from them to do so and it is as if they provided it to us; and
- you have made them aware that you will or may provide their personal information to us, the types of third parties we may provide it to, the relevant purposes we and the third parties we disclose it to will use it for, and how they can access it.

If it is sensitive information we rely on you to have obtained their consent on these matters. If you have not done or will not do either of these things, you must tell us before you provide the relevant information.

By providing us with personal information, you and any person you provide personal information for, consent to these uses and these disclosures unless you tell us otherwise. If you wish to withdraw your consent, including for things such as receiving information on products and offers by us or persons we have an association with please contact ATC.

11. **Electronic communication**

Pursuant to the *Insurance Contracts Act 1984* (Cth), a notice or other document may be given by electronic communication in accordance with the *Electronic Transactions Act 1999* (Cth) and any regulations made under that Act. Amongst other things, this means that We can communicate with You by email.

If You are represented by an agent (e.g. Your insurance broker) and they provide Us with their nominated email address, they and You consent to Us delivering documents electronically to that email address, unless You or they tell us otherwise. Any documents sent by email will be considered to have been received by You and Your Agent twenty four hours from the time We send them to that email address.

In all other cases, if You provide Us with Your nominated email address You consent to Us delivering documents electronically to that email address, unless You tell us otherwise. Any documents sent by email will be considered to have been received by You twenty four hours from the time We send them to Your email address.

It is You and Your agent's obligation to ensure that any email address provided to Us is up to date and let Us know promptly if it changes.

12. **Preventing the Insurers rights to recovery**

The Insurer's liability to indemnify You for loss, damage or liability under this policy may be excluded or limited if You enter into a contract, arrangement or understanding that excludes or limits the Insurer's rights or ability to recover compensation in respect of that loss, damage or liability from any other person or entity.

13. **Claims Management**

To make a claim for benefits under this policy, You can send a completed claim form to Us as follows:

ATC Insurance Solutions Pty Ltd
Level 4, 451 Little Bourke Street
Melbourne VIC 3000

Please contact the ATC Insurance claims team to obtain a claim form or if You have any questions or require assistance on 1800 994 694.

14. **Financial Claims Scheme**

This policy may be a protected policy under Federal Government's Financial Claims Scheme (FCS), which is administered by Australian Prudential Regulation Authority (APRA). The FCS may apply in the event that a general insurance company becomes insolvent. If the FCS applies a person who is entitled to make a claim under this policy may be entitled to a payment under the FCS. Access to the FCS is subject to eligibility criteria. You may obtain further information about the FCS from www.fcs.gov.au and the APRA hotline on 1300 55 88 49.

15. **Statutory right to notify facts and circumstances**

If the Insured gave the insurer notice in writing of facts that might give rise to a Claim against the Insured as soon as reasonably practicable after becoming aware of those facts, but before the Period of Insurance expired, the insured may have rights under section 40(3) of the *Insurance Contracts Act 1984* to be indemnified in respect of any Claim subsequently made against the Insured arising from those facts even though the Claim is made after the Period of Insurance expired. Any such rights arise under legislation only.

16. **Sanction Limitation and Exclusion Clause**

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, Australia, United Kingdom or United States of America.

PART 1 - POLICY TERMS & CONDITIONS

1.1 FIRE AND PERILS

The Insurance cover set out in this section only forms part of Your policy when 'Fire and Perils' is recorded in the Schedule as being insured and, if so, is limited to the Period of Insurance and the specific Sum Insured shown for the respective items covered.

DEFINITIONS

The following definitions shall apply to the words used in this section.

Breakdown

Breakdown means the actual breaking, seizing, deformation or melting of any part of any Property while that Property is in use that is caused by mechanical, electrical or electronic defect within the Property that causes sudden malfunction that requires repair or replacement before the Property can resume normal operation.

Category and Categories

Category and Categories means the Category into which Property can be designated from the following:

1. Building(s);
2. Plant/Machinery and All Contents excluding Stock;
3. Stock;
4. Plant and Machinery;
5. All Contents;
6. Tenant's Leasehold Improvements; or
7. Specified Items,

where Specified Items are any items of Property that are specified in the Schedule.

Provided that when Property is being designated to these Categories, we agree to accept the designation used by You in Your records, prior to the loss or Damage.

Damage or Damaged

Damage or Damaged means accidental physical damage, destruction or loss.

Insured Peril

Insured Peril means any of the insured perils that are shown in this section under the heading Cover.

Pre-damage Value

Pre-damage Value means the market value of the Property that is Damaged immediately before the Damage has occurred. This value must take account of wear and tear, maintenance, construction, general condition and the anticipated future useful life of the Property.

Property

Property means any tangible property both real or personal of every kind and description belonging to You or that You are responsible for, or which You have assumed responsibility to insure prior to the occurrence of any Damage.

Provided that this does not include personal property of directors, partners and employees that is not at the Premises.

Reinstatement

Reinstatement means to restore that part of the Property that is Damaged so that the function, output and construction are similar to that part of the Property when it was new, by repairing it or, at Our option, replacing that part of the Property with similar new property.

Replacement Cost

Replacement Cost means the cost to replace Property with new property that has similar function, output and construction to that of the original Property when it was new. This shall include all charges, fees and costs such as, but not limited to local authority permit and approval charges, architects, engineers and other consultants' fees necessarily incurred when replacing this Property.

Total Sum Insured

Total Sum Insured means the amount shown in the Schedule as the Total Sum Insured for a specific Premises.

1.1.1 THE INDEMNITY

We will pay up to the Sum insured in accordance with the Basis of Settlement for Property shown in the Schedule that is Damaged at the Premises during the Period of Insurance by any of the following Insured Perils:

1. Fire, Lightning and Explosion

Fire, lightning, explosion, earthquake, subterranean fire, volcanic eruption or tsunami.

Provided that we will not pay for Damage to any pressure vessel (including a boiler) caused by the explosion or implosion thereof:

- (a) where the pressure vessel is not used solely for domestic purposes; and
- (b) has a value of more than \$200,000.

2. Impact

Impact caused by:

- a) vehicles or their loads;
- b) animals;
- c) trees or branches;
- d) communication masts, towers, antennae or dishes;
- e) aircraft, spacecraft, including sonic boom, meteorites or space debris;
- f) watercraft and hovercraft; or
- g) a falling Building or other structure or part thereof.

3. Malicious damage

Malicious damage that is not caused by You, including malicious damage caused during industrial disputes, riots and civil commotions and by persons carrying out a theft or attempted theft, however, we do not cover theft or disappearance of Property other than theft of parts of the Building when Buildings are insured.

4. Storm, Wind, Hail, Rainwater, Snow or Sleet

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

This Insured Peril does not include Damage:

- (a) caused by erosion, landslide, mudslide, rockslide or subsidence;
- (b) that occurs gradually;
- (c) caused by Flood; or
- (d) caused by the action of the sea, tidal wave or high water;

unless caused by or arising from direct consequence of an earthquake or seismological disturbance, volcanic eruption or water escaping from a water main owned by a water supply authority.

5. Flood

Damage to Property caused by Flood.

6. Leakage of liquid other than water

Liquid discharged or leaking from any tank, pipe or storage system installed in or on the Building or at an adjoining Building.

1.1.2 BASIS OF SETTLEMENT:

When Property shown in the Schedule is Damaged during the Period of Insurance the following Basis of Settlement will apply at each of the Premises:

1. Business records

- (a) For Damage to business books, plans, computer records, patterns, and other business records, we will pay the cost of re-creating the documents that are Damaged.
- (b) For all other Property that is Damaged we will pay for the cost of Reinstatement.

2. Rebuilding at another location

Following Damage to a Building that is insured by this section You have the option of rebuilding that Building at the location where the Damage happened or at any other location in Australia.

Provided that:

- (a) we will not pay more than the cost that would have been incurred if Reinstatement of the Building that is damaged had taken place at the location where the Damage happened; and
- (b) if the actual cost of rebuilding is less than the cost of Reinstatement at the location where the Damage happened then Our payment is limited to the actual cost of rebuilding.

1.1.3 LIMITATIONS OF COVER

1. Categories of property

We will only pay for Property at specific Premises that can be correctly designated to one of the Categories of Property shown in the Schedule for that Premises.

2. Sum Insured

- (a) For each specific Category of Property at specific Premises, we will only pay up to the Sum Insured shown for that Category of Property at that Premises unless we have stated otherwise elsewhere in this section.
- (b) For each of the specific Premises where Damage happens, the Sum Insured for each Category of Property that suffers Damage will be reduced by any payment made or due to be made by us following Damage covered by this section.

3. Total sum insured

- (a) We will not pay more than the Total Sum Insured that applies to the specific Premises where the Damage happens unless we have stated otherwise elsewhere in this section.
- (b) The Total Sum Insured will be reduced by any payment made or due to be made by us following Damage covered by this section.

4. Delay in reinstatement or Re-creation of documents

If Reinstatement is unreasonably delayed by You, we will only pay the lesser of:

- (a) the cost of Reinstatement including the cost of re-creation of documents that would have been incurred had the Reinstatement or re-creation of documents taken place immediately after the Damage; or
- (b) the actual cost of Reinstatement including the cost of re-creation of documents following such unreasonable delay.

5. Cash settlement

If You request a cash settlement or if Reinstatement or replacement is not carried out, we will only pay the lesser of:

- (a) the reasonable cost of Reinstatement or the Replacement Cost less an equitable allowance for age, wear and tear, depreciation, or betterment
- (b) the Pre-damage Value of the Property at the time of its loss or destruction; or
- (c) the sum insured applicable to such Property if separately specified.

Where applicable, Limitation of Cover 7. – 'Underinsurance' shall be applied prior to calculating the cash settlement amount.

6. Directors and Employees property

Cover for Damage to the personal property of directors, partners and employees of Your Business that is on the Premises is limited to a maximum of \$5,000 any one person.

7. Underinsurance

If there is a claim for Damage to Property at Premises covered by this policy that exceeds 10% of the Total Sum Insured applicable at that Premises, we will pay that proportion of any claim calculated in accordance with the basis of settlement, that the Total Sum Insured for all Categories of Property insured at the Premises at the commencement of the Period of Insurance bears to 80% of the cost of reinstating Damage to all such Property calculated at the commencement date of the Period of Insurance in accordance with the Basis of Settlement.

Provided that any additional costs incurred when You comply with the requirements of any lawful authority (as described in Extensions of Cover – A, 1. 'Extra cost of reinstatement') will be omitted from the calculation of Our proportion.

8. Excess

You are liable for the Excess for each and every claim for an event that results in Damage.

1.1.4 EXCLUSIONS

1. Unless shown in the Schedule, we will not pay for Damage to:
 - (a) furs, jewellery, gold, silver, platinum, pearls, diamonds, sapphires, rubies and other precious stones, unless these items are Stock and Stock is shown in the Schedule as insured;
 - (b) Money;
 - (c) glass, unless such glass is directly Damaged by:
 - (i) fire, lighting, explosion, impact, storm and tempest or earthquake;
 - (ii) riot, civil commotion, persons taking part in industrial disputes; or
 - (iii) persons acting maliciously, other than where such glass is cracked or broken through its entire thickness;
 - (d) Property in transit outside the Premises, other than Property that is covered by Extensions of Cover – C, 1. 'Restricted transit';
 - (e) aircraft, locomotives, rolling stock, watercraft whilst in water;
 - (f) motor vehicles or trailers, caravans or motorcycles all while registered or licensed to travel on a public road.
 - (g) animals, other than animals within a Building and owned as Stock, whereby the Building was Damaged by fire, lightning, explosion, impact, storm or tempest;
 - (h) tunnels;
 - (i) canals, dams, reservoirs other than tanks, and their contents;
 - (j) standing timber, growing crops, plants, potted plants, land including top soil and fill, landscaping,
 - (k) property being constructed, built, erected, altered or dismantled, including all associated materials or supplies.

Provided that this does not apply:

 - (i) if the total cost of this work is less than \$500,000 or 20% of the Total Sum Insured for the Premises concerned, whichever is the lesser; or
 - (ii) to those parts of the Buildings not actually being constructed, built, erected, or dismantled; or
 - (iii) to other property excepting the part actually being worked on;
 - (l) mining property and any equipment located beneath the surface of the ground. This Exclusion does not apply to underground services connected to a Building;
 - (m) Property during the course of, and as a result of, its processing, for example including but not limited to heating, cutting, manipulation, fabrication and assembly;

- (n) landlord's fixtures and fittings unless these are included as part of the Sum Insured for Buildings;
- (o) any Building that is vacant, awaiting or undergoing demolition, and this Exclusion shall apply to all contents, fittings, plant and machinery associated with such property unless we have agreed otherwise;
- (p) pressure vessels (including boilers) arising from the explosion or implosion thereof, where;
 - (i) the load on the safety valve upon the particular equipment was in excess of the manufacturer's specification at the time of the Damage; or
 - (ii) any safety valve limiting pressure was removed or rendered inoperative;
- (q) Property caused by scratching, biting or pecking by birds.

1.1.5 OPTIONAL LIMITATION OF COVER

1. Indemnity

If Indemnity is shown in the Schedule then:

- (a) The following Basis of Settlement will apply instead of that shown under Basis of Settlement:

Basis of Settlement

When Property is Damaged at any Premises during the Period of Insurance, we will pay the cost to repair or replace that Property less an equitable amount for age, wear, tear and depreciation, and will make an adjustment for the general condition and remaining useful life of that Property as well as the useful life of the individual items or components that are Damaged; and

- (b) Limitations of Cover – 7. 'Underinsurance' is replaced with the following clause:

Underinsurance on an Indemnity basis

If there is a claim for Damage to Property at Premises covered by this policy that exceeds 10% of the Total Sum Insured applicable at that Premises, we will pay that proportion of any claim calculated in accordance with the Basis of Settlement under this Optional Limitation of Cover, that the Total Sum Insured for all categories of Property insured at the Premises at the commencement of the Period of Insurance bears to 80% of the value of all such Property at the commencement date of the Period of Insurance.

Provided that:

- the value of the claim will be calculated first in accordance with the Basis of Settlement; and
- the only Extensions of Cover that will apply to this section is Extension of Cover – C, 8. 'Minimisation of damage'

1.1.6 Extensions of Cover – A

When Property at specific Premises is Damaged by an Insured Peril, then, provided that we do not pay more in the aggregate than the Total Sum Insured for that Premises, we will pay for the following costs that are incurred as a result of that Damage:

1. Extra cost of reinstatement

The additional costs incurred by You to reinstate Your Insured Property including any undamaged portions thereof in complying with the requirements of any lawful authority that are imposed after the Damage.

Provided that we will not pay for any costs that would have been incurred when complying with the requirements of any lawful authority that applied to the Property or Premises prior to the Damage.

2. Temporary repairs

The cost of temporary repairs to Property that is Damaged including, but not limited to, the cost of dismantling, shoring up, propping and underpinning Property.

3. Demolition and Debris removal

The reasonable costs incurred by You for:

- (a) the demolition and removal of Property that is Damaged;
- (b) the demolition and removal of any Property that is necessary to allow Reinstatement of Property that has been Damaged; and
- (c) the cleaning up, removing, storing and disposing of Damaged Property at or from:
 - (i) the Premises; and
 - (ii) any other location that You are legally required to remove debris from or clean up, provided that You do not own Property at this other location and Your liability did not result from an agreement made after the start of the Period of Insurance unless this liability would have existed anyway.

4. Fees and Costs

Fees and costs such as, but not limited to, local authority permit and approval charges, architects, engineers and other consultants fees necessarily incurred in Reinstatement of Property that is Damaged.

5. Loss of land value

Up to \$100,000 for the reduction in land value that results from the requirements of any legal authority that does not allow rebuilding or only allows partial rebuilding at the Premises.

Provided that:

- (a) this shall be calculated by subtracting the land value after rebuilding or after we have agreed that rebuilding is not possible, from the land value before the Damage; and

- (b) we will not pay more than 20% of the Sum Insured shown for Buildings at the Premises where the Damage happened.

6. Floor space ratio or Index

When the cost of rebuilding a Building that is Damaged costs more than 50% of the Replacement Cost of the entire Building, and rebuilding is only permissible subject to a reduced floor space to land area ratio or index, then we will also pay:

- (a) the cost of rebuilding that would have been incurred had a reduced floor space ratio or index not been applicable; less
- (b) the actual incurred cost of rebuilding in accordance with the reduced floor space ratio or index.

The above amounts shall include the additional costs incurred to meet the requirements of any lawful authority as described in Extensions of Cover – A, 1. 'Extra cost of reinstatement'

7. Undamaged foundations

When a Building that is Damaged has to be rebuilt at a location other than the Premises because the requirements of any lawful authority prevents the Reinstatement of the Building at the Premises, and that Building's foundations are not Damaged to such an extent that prevents them from being re-used, then we shall allow in the actual rebuilding costs, an amount for foundations that is equal to the value of the Damaged Building's foundations at the Premises.

Provided that:

- (a) we will not pay more than the actual cost of foundations necessary to support the new Building at the new location; and
- (b) if the resale value of the land at the Premises with such foundations is greater than the land value of the Premises without such foundations, then we will deduct the difference between these values from the amount otherwise payable by this Extension of Cover

8. Unpacking expenses

The cost and expenses incurred by You in taking inventory (including unpacking, repacking and restacking) to identify, quantify and value any Property Damaged during the Period of Insurance including examination of Property not belonging to You but in Your care, custody or control.

9. Expediting Expenses

The costs and expenses incurred by You for express carriage rates and extra payments for overtime or out of hours work incurred in connection with the repair or Reinstatement of the Property that is Damaged.

Provided that the total additional cost for any one loss does not exceed 50% of the cost of repairing the item or \$25,000 whichever is the lesser.

10. Accidental damage

Cover is extended to include accidental Damage of Property, not otherwise excluded by this section, at the Premises or while temporarily located at any other Premises in Australia.

This cover is limited to \$5,000 any one insured event unless specified otherwise in the Schedule and is subject further to the following Accidental Damage Exclusions.

1.1.7 ACCIDENTAL DAMAGE - EXCLUSIONS

- (a) We will not pay for breakage of internal glass and all other glass that is cracked through its entire thickness, unless such glass is directly Damaged by fire, lightning, explosion, earthquake, impact, storm and tempest.
- (b) We will not pay for Property during the course of, and as a result of, its processing, for example including but not limited to heating, cutting, manipulation, fabrication and assembly.
- (c) We will not pay for Damage to any Building that is vacant awaiting or undergoing demolition. This Exclusion shall apply to all contents, fittings, plant and machinery associated with such property, regardless of the fact these items were intended to be removed prior to demolition unless we have agreed otherwise.
- (d) We will not pay for Damage caused by or arising from:
 - (i) theft, other than physical Damage to Property at the Premises during theft or any attempted theft;
 - (ii) any legal liability that You have other than the legal liability that is covered within the 'Demolition and Debris removal' clause 3(c)(ii) that is shown under the heading Extensions of Cover – A;
 - (iii) the incorrect siting of Buildings as a result of error in design or specification, faulty workmanship or non-compliance with the requirements of any Statutory Regulations;
 - (iv) demolition ordered by any lawful authority as a result of failure by You to comply with any lawful requirement;
 - (v) any unexplained shortage or inventory shortage or disappearance of Property;
 - (vi) contamination of Property by Pollutants, except when caused directly by fire, lightning, explosion, impact by any road vehicle or animal, aircraft or other aerial devices or articles dropped from them, falling communication masts, towers, antennae or dishes, falling buildings or structures or parts thereof, meteorite, riot, civil commotion, persons taking part in an industrial dispute, persons acting maliciously, earthquake, Flood, storm, the bursting, overflowing and discharging of tanks, apparatus or pipes containing water or liquid of any kind, or sprinkler leakage;
 - (vii) storm, rainwater, wind, hail or snow;
 - (viii) the action of the sea, tidal wave or high water, unless caused by or arising from the direct consequence of an earthquake or seismological disturbance;
 - (ix) erosion, landslide, subsidence, settling, seepage, shrinkage or expansion of earth, vibration or earth movement except when caused by or arising from the direct consequence of an earthquake or seismological disturbance, volcanic eruption, Flood or water escaping from a water main owned by a water supply authority.
- (e) We will not pay for any consequential loss of any kind.
- (f) We will not pay for Damage caused directly by or arising directly from:

- (i) Breakdown;
- (ii) gradually operating causes such as, but not limited to, wear and tear, mildew, mould, corrosion, disease, oxidisation, fading, tree roots, evaporation, change in flavour, colour, temperature or texture;
- (iii) vermin, insects, termites;
- (iv) Latent Defect, inherent defects, faulty workmanship, faulty material, structural defects or faulty design;
- (v) faults or defects known to You or any employee whose knowledge at law would be deemed to be Your knowledge and not disclosed to us at the time this insurance was arranged, extended, varied or renewed;
- (vi) the cessation of work whether total or partial or cessation, interruption or retarding of any process or operation as a result of any industrial dispute;
- (vii) fraud or dishonesty by You or Your directors, partners, employees, officers or any other persons who have an interest in the property;
- (viii) explosion or implosion of any pressure vessels (including any boilers);
- (ix) scratching, denting, chipping or defacing, except when caused directly by fire, lightning, explosion, impact by any road vehicle or animal, aircraft or other aerial devices or articles dropped from them, falling communication masts, towers, antennae or dishes, falling buildings or structures or parts thereof, meteorite, riot, civil commotion, person taking part in an industrial dispute, persons acting maliciously, earthquake, storm, the bursting, overflowing and discharge or leaking of tanks, apparatus or pipes containing water or liquid of any kind, or sprinkler; or
- (x) scratching, biting, pecking by birds.

Provided that we will pay for any Damage to Property that is not otherwise excluded that results from Damage caused directly by or arising directly from any of these causes.

1.1.8 EXTENSIONS OF COVER - B

Following Damage covered by this section to Property at a specific Premises, we will pay in addition to the Total Sum Insured for that Premises the following costs that result from the cause of the Damage:

1. Firefighting costs

The cost of refilling firefighting appliances used in putting out a fire at or adjoining the Premises threatening Insured Property and any additional cost payable by You to a fire brigade, firefighting authority or an authorised government authority for attendance at a fire or chemical emergency involving Insured Property.

Provided that the wages of any full-time members of a works fire brigade are not covered by this Extension of Cover and this Extension of Cover is limited to \$50,000 in total, any one event.

2. Exploratory costs

The reasonable cost incurred by You to find the source of a leak when liquids have caused Damage to Property.

Provided that this Extension of Cover:

- a. is limited to \$25,000 any one event; and
- b. does not apply to the cost of locating the source of escape of the molten material.

3. Temporary protection and Watchmen

The costs reasonably incurred by You to protect the Property including the cost of temporary repairs, the hiring of watchmen or the removal of Insured Property to a place of safe storage pending the repair or Reinstatement of Your Premises and the additional cost of such storage if not otherwise insured.

Provided that this Extension of Cover is limited to \$50,000 any one event.

4. Capital additions

Reasonable costs incurred by You in the aggregate, up to \$500,000 or 20% of the Total Sum Insured, whichever is the lesser, for that Premises during the

Period of Insurance for the Reinstatement of:

- a. alterations to Buildings; and
- b. other capital additions, that have been made at a specific Premises during the Period of Insurance.

Provided that this Extension of Cover does not apply to:

- (i) Property that cannot be correctly designated to a Category that has a *declared value* shown in the Schedule for that Premises; or
- (ii) Property that can be categorised as Stock.

5. Discharge of mortgage cost

We will pay the legal cost associated with the discharge of a mortgage or mortgages on Buildings following settlement of a claim on a total loss basis.

Provided that this Extension of Cover is limited to \$50,000 any one event.

1.1.9 EXTENSIONS OF COVER - C

1. Restricted transit

We will cover each Category of Property shown in the Schedule for Damage during transit within Australia that is caused by fire, explosion, wind, earthquake, Flood and malicious damage, but not theft.

We will also cover Damage to each Category of Property shown in the Schedule in transit in or on any vehicle owned or operated by You caused by collision or overturning of the conveying vehicle.

Provided that the most we will pay under this Extension of Cover is the lesser of \$50,000 or 10% of the Sum Insured for that Category of Property

2. New Premises – Temporary cover

We will temporarily extend the cover provided by this section to Property at any Premises that is used by Your Business for the first time during the Period of Insurance.

Provided that:

- (a) this temporary cover is limited to a period of 60 consecutive days from the day that You first use the new Premises;
- (b) this temporary cover is not available to Property that cannot be correctly designated to one of the Categories of Property that has a Sum Insured shown in the Schedule;
- (c) this temporary cover is only available to Property that is of a similar type to that insured by this section;
- (d) for each specific Category of Property shown in the Schedule, this temporary cover is limited to 50% of the Sum Insured for that Category, or if more than one Premises is shown in the Schedule then this 50% limitation will apply to the lowest Sum Insured that applies to a specific Category of Property;
- (e) the new Premises have Building, fire protection and security features that are similar to those at one of the Premises (shown in the Schedule);
- (f) You provide us with full details of the new Premises within 60 days of You first using the new Premises; and
- (g) Limitations of Cover – 7. 'Underinsurance' does not apply to this Extension of Cover.

3. Automatic reinstatement

At each of the Premises, when a Category *sum insured* and a Total Sum Insured is reduced following Damage covered by this section, we will automatically increase these reduced amounts to their value immediately before the Damage, for claims which are new and non-related to any paid or outstanding claim, provided that You pay or agree to pay the additional Premium required by us.

4. Disposal of salvage

We will not sell or dispose of any salvage without giving You the opportunity to retain it at its salvage value, but this Extension of Cover does not allow You to abandon Property to us

5. Other parties / Waiver of subrogation

We automatically extend cover to include all other parties that have an insurable interest in the Property including lessors, financiers, trustees, mortgagees, owners and others who are specifically noted in Your records.

We waive any rights and remedies or relief that we are entitled to by way of subrogation against any of these parties.

6. Stock seasonal or Festive increase

The Sum Insured for Stock is increased by 50% for losses occurring during the days specified in the Schedule under the heading 'Seasonal or Festive Increase', up to a maximum of 126 days or, if no days are specified, this increased cover for Stock, the Seasonal Increase Periods will apply.

If Your Sum Insured on Stock is included in another item on Your current Schedule, we will only apply the increased cover to the portion of the Sum Insured that relates to Stock.

Provided that this Extension of Cover will not extend the insurance beyond the Period of Insurance noted in the policy Schedule.

7. Temporary removal to other premises

We will extend the cover provided by this section to Property, while it is temporarily removed from the Premises shown in the Schedule, to some other premises in *Australia* for any period up to 90 days.

Provided that:

- (a) this Extension of Cover is not provided to Property in transit;
- (b) this Extension of Cover is only available to Property that can be correctly designated to a Category that has a Sum Insured shown for the Premises at which this Property is normally located; and
- (c) the most we will pay under this Extension of Cover is 20% of the Sum Insured for the Category of Property that applies to this Property at the Premises at which the Property is normally located.

8. Minimisation of damage

We will pay for the reasonable cost of removing Property from the Premises, and any Damage resulting from the removal, if the Premises are threatened by fire or any other perils insured by this section and the purpose of the removal was to prevent or minimise Damage insured under this section.

1.1.10 Optional Extensions of Cover

If shown in the Schedule the following Optional Extensions of Cover shall apply:

1. Transit – Fire and Specified Perils, Theft, Collision and Overturning

When 'Transit' is shown in the Schedule we will provide cover for Damage to Property specified in the Schedule under this section while in transit within *Australia* that is caused by:

- (a) fire, lightning, explosion, Flood and malicious damage, but not theft;
- (b) theft from a locked vehicle or Building following visible, forcible and violent entry to the vehicle or Building;
- (c) theft of Property which we agree was appropriately secured to a vehicle by chains, padlocks or other devices that have been broken or damaged to enable the theft; or
- (d) collision or overturning of the carrying vehicle or conveyance.

Provided that this Extension of Cover is limited to the amount shown in the Schedule for 'Transit'.

2. Additional Accidental Damage

When 'Additional Accidental Damage' is shown in the Schedule, then the \$5,000 limit for Extensions of Cover – A, 10. 'Accidental damage' is increased to the limit shown in the Schedule.

1.2 BUSINESS INTERRUPTION – INCOME

The Insurance cover set out in this section only forms part of Your policy when 'Business Interruption-Income' is recorded in the Schedule as being insured and, if so, is limited to the Period of Insurance and the specific Sum Insured shown for the respective items covered.

DEFINITIONS

Additional Uninsured Working Expenses

Additional Uninsured Working Expenses means those expenses that are shown as Additional Uninsured Working Expenses in the Schedule for this Business Interruption section.

Damage or Damaged

Damage or Damaged means accidental physical damage, destruction or loss. Damaged has a corresponding meaning to Damage.

Income

Income means:

1. income received from the renting or leasing of any part of the Premises including monies paid by the lessee as outgoings under the terms of the rental or leasing agreement; and
2. income from Your Business at the Premises for goods sold, work done, services rendered or any Government approved incentives, subsidies or market development allowances You are entitled to in relation to Your business, less:
 - a. working expenses for freight, packing, bad debts, and the purchase of goods, materials, components, or Stock;
 - b. any other Additional Uninsured Working Expenses shown in the Schedule; and
 - c. Payroll if this is shown in the Schedule.

Indemnity Period

Indemnity Period means the period that starts on the date of the Damage and ends not later than the number of weeks or months stated in the Schedule after the date of the Damage during which results of Your Business are affected as a consequence of the Damage.

Insured Damage

Insured Damage means:

1. In relation to Your property, Insured Damage means Damage to Your property when both the property that is Damaged and the cause of the Damage is covered by:
 - (a) Your policy under one or more of the following sections:
 - (i) Fire;
 - (ii) Burglary;
 - (iii) Money;
 - (iv) Glass;
 - (v) General Property
 - (vi) Electronic Equipment – Section 1 or

- (b) another insurance policy that insures Your property and names You as the Insured.

Provided that:

- (i) we receive written confirmation of the extent of cover from the insurer who issued this other policy; and
- (ii) cover for both the property that is Damaged and the cause of the Damage would have been covered under one of the sections shown in 1(a) above had that section formed part of Your policy.

Where the Damage is below the Excess applicable under any insurance mentioned in 1(a) and 1(b), such Damage shall be deemed to be Insured Damage and covered for the purposes of this definition.

2. In relation to property referred to in this section under the heading 'Extensions of Cover', Insured Damage means Damage to such property located in Australia; and
3. In relation to property referred to in this section under the 'Optional Extensions of Cover', Insured Damage means Damage to property located in Australia at the premises of the specified customers and specified suppliers who are shown in the Schedule of this section.

Provided that this Damage would have been covered under one of the sections shown in 1(a) above had such property been insured under that section as part of Your policy when the Damage happened

Interruption

Interruption means interruption or interference.

Loss Of Income

Loss Of Income means loss or reduction of Your Income that occurs during the Indemnity Period.

Payroll

Payroll means all gross remunerations including, but not limited to, salaries, wages, directors fees, payroll tax, fringe benefits tax, bonuses, holiday pay, sick pay, workers compensation insurance premiums, accident compensation levies, superannuation and pension fund contributions of Your directors, partners, employees and officers.

Rate Of Payroll

Rate Of Payroll means the Rate Of Payroll to Income during the financial year immediately before the date of the Damage.

Severance Pay

Severance Pay means the expenditure as You are obligated or have agreed to pay under industrial awards, determinations or agreements for severance pay and/or pay in lieu of notice to employees whose services are terminated during the Indemnity Period in consequence of the Damage.

1.2.1 THE INDEMNITY

We will pay in accordance with the Basis of Settlement, for Loss Of Income that results from an Interruption of Your Business caused by any Insured Damage that happens at the Premises. Provided that this Insured Damage happens during the Period of Insurance shown for this Business Interruption section.

1.2.2 BASIS OF SETTLEMENT

1. Loss Of Income

Loss Of Income will be calculated by subtracting the Income earned during the Indemnity Period from the Income You would have earned during the Indemnity Period had the Damage not occurred. Provided that the Income You would have earned during the Indemnity Period had the Damage not occurred:

- (a) will be calculated by reference to the Income for:
 - (i) a period of the same duration as the Indemnity Period that starts a year prior to the date of the Damage; or
 - (ii) a period of Your normal Business operations that corresponds most closely to the Indemnity Period if Your Business has operated for less than a year at the start of the Indemnity Period; and
- (b) will be adjusted to take into account any:
 - (i) trends of the Business and other influences that would vary the Income;
 - (ii) changes to how Stock, materials, finished goods or partially finished goods are used, purchased or sold including salvage sales of Stock following Insured Damage; and
 - (iii) savings made during the Indemnity Period that reduce the cost of running Your Business.

2. Additional expenditure

We will also pay for additional expenditure necessarily incurred for the sole purpose of reducing Loss Of Income that is covered by this section and/or resuming and/or maintaining Your normal Business operations or services.

Provided that this expenditure is limited to the amount of Income that would otherwise be lost had the additional expenditure not been incurred.

3. Payroll

When Payroll is specifically covered and a Sum Insured is shown in the Schedule, we will pay the sum produced by applying the Rate Of Payroll to the shortage of Income during the Indemnity Period less any savings occurring during the Indemnity Period in consequence of the Damage in the amount of Payroll paid.

We will also pay any amount paid by You as Severance Pay.

However, we will not pay more than the Sum Insured shown in the Schedule representing the percentage of Payroll costs insured by You to apply during the Indemnity Period.

4. Auditors and Accountants

We will accept as proof of the Loss Of Income a certified statement from Your accountants or auditors that shows the financial details requested by us.

5. Departmental clause

If Your Business is conducted in departments or business units, and the independent trading results can be determined, the provisions of the Basis of Settlement will apply separately to each department or business unit affected by the Damage.

For the purposes of this clause any Income received from the renting or leasing of any part of the Premises will be regarded as the proceeds of a department.

6. Accumulated stock clause

In calculating any claim, we will take into account and make an equitable allowance if any shortage in Income due to the Damage is postponed by reason of the Income being temporarily maintained from accumulated Stock of finished goods.

1.2.3 LIMITATIONS OF COVER

1. Sum insured

During the Period of Insurance for this section, we will not pay more than the Sum Insured shown in the Schedule.

Any limits stated under the Extensions of Cover are within the Sum Insured for Income, they are not additional to the Sum Insured for Income.

The Total Sum Insured will be reduced by any payment under or due to be made by us following Insured Damage.

2. Closure of Your business

If during the Indemnity Period You permanently close Your Business for any reason (including involuntary closure), then the Indemnity Period will end on the day You permanently close Your Business unless we agree in writing to continue this period.

Nothing in this clause shall affect Your right to an equitable adjustment where the decision to close the Business is taken with Our approval and arises directly as a result of the Interruption of Your Business from a circumstance covered by this section.

3. Underinsurance

(a) Income

If the annual Sum Insured for Income is less than 80% of the Income for the year immediately prior to the date of the Damage, then we will pay a proportion of the Loss Of Income.

The proportion that we will pay will be the same as the proportion that the annual Sum Insured for Income bears to 80% of the Income for the year immediately prior to the date of the Damage.

(b) Payroll

If the annual Sum Insured for Payroll is less than 80% of the Payroll paid during the year immediately prior to the date of the Damage, then we will only pay a proportion of the Payroll costs incurred during the Indemnity Period.

The proportion that we will pay will be the same as the proportion that the annual Sum Insured for Payroll bears to 80% of the Payroll paid during the year immediately prior to the date of the Damage.

Provided that 3(a) and (b) will not apply, if Your claim is less than 10% of the Sum Insured.

4. Excess

You are liable for the Excess for each and every claim for an event that results in a *loss of Income*.

1.2.4 EXTENSIONS OF COVER

Provided that the Total Sum Insured shown in the Schedule for this section is not exceeded, the maximum amount We will pay You in the aggregate during any one Period of Insurance under each of the following extensions is \$25,000 or 10% of the sum insured specified on Your schedule under Gross Income, whichever is the lessor.

1. Public utilities

If loss results solely from the interruption of or interference to the Business due to Damage to any electricity station or substation, gas works, water works or sewerage reticulation works, pumping station or a public supply from which You obtain electric current, gas or water and including their pipelines and transmission lines, which:

- a) Could have been insured under the Fire and Perils Section of this Policy, if owned by You; and
- b) The interruption of supply extends for greater than 48 hours; and
- c) All of the above public supply undertakings including their pipelines and transmission lines are on shore within the Commonwealth of Australia;

then that loss will be deemed to be in consequence of Damage to Property insured under the Fire and Perils Section of this Policy.

For the avoidance of doubt, the specified sub-limit shall apply in the annual aggregate for all situations or locations combined, not per situation or location.

The maximum Indemnity Period provided under this extension is 4 weeks.

This extension shall be subject to a waiting period of 48 hours.

2. Landlord's property and Other non-owned property used by You at the Premises

We will pay for Loss Of Income that results from an Interruption of Your Business that is caused by Insured Damage to Your landlord's and/or other non-owned property used by You at the Premises.

3. Prevention of access

If loss results solely from the interruption of or interference to the Business due to Damage to property within 5 statutory kilometres of Your Premises, which:

- a) Could have been insured for Fire and Other Defined Events under Section 1, of this Policy, if owned by You; and
- b) Prevents or hinders the use of, or access to, the Premises,

then that loss will be deemed to be in consequence of Damage to Property insured under Section 1 of this Policy.

For the avoidance of doubt, the specified sub-limit shall apply in the annual aggregate for all situations or locations combined, not per situation or location.

The maximum Indemnity Period provided under this extension is 4 weeks.

This extension shall be subject to a waiting period of 48 hours.

4. **Human Infectious or Contagious Diseases; Vermin or Pests; Defective Sanitary Arrangements; Murder or Suicide**

Loss as insured by this Section of the Policy resulting from interruption of or interference with the Business directly arising solely from:

a) the manifestation by any person only whilst at the Premises of any of the following specified human infectious or specified human contagious diseases:

- i. Acute Poliomyelitis
- ii. Anthrax
- iii. Botulism
- iv. Chicken Pox
- v. Dysentery
- vi. Hepatitis B, Hepatitis C, Hepatitis E
- vii. Legionellosis (Legionnaires Disease)
- viii. Listeria
- ix. Malaria
- x. Measles
- xi. Mumps
- xii. Ophthalmia Neonatorum
- xiii. Paratyphoid fever
- xiv. Rabies
- xv. Rubella
- xvi. Salmonella Typhi / Paratyphi
- xvii. STEC, VTECen (E.coli)
- xviii. Tetanus
- xix. Tuberculosis
- xx. Typhoid Fever
- xxi. Typhus abdominalis (Abdominal typhoid)
- xxii. Whooping Cough
- xxiii. Yellow Fever,

b) the discovery of vermin or pests in the Premises;

c) an accident at the Premises causing a defect in the drains or other sanitary arrangements at the Premises; or

d) murder or suicide occurring at the Premises,

which results in the compulsory closure of the whole or part of the Premises by order of a competent public authority authorised to prevent or restrict access to the Premises shall be deemed to be loss resulting from Damage to property used by the Insured at the Premises.

For the purposes of this extension, the Premises shall mean the Insured's Premises as detailed in the Schedule and shall exclude any extension to the definition of Premises under any extensions or memoranda to this Section of the policy.

No cover is provided under this extension for any claim, loss, cost or expense of whatever nature:

- i. arising from any fear or threat (whether actual or perceived) of any of the circumstances listed in (a) to (d) above; or
- ii. directly or indirectly caused by, resulting from or in connection with any action

taken in controlling, preventing, suppressing or in any way relating to any of the circumstances listed in (a) to (d) above, including but not limited to any costs incurred in the cleaning, decontamination, disinfecting, repair, replacement, recall or checking of any property.

For the avoidance of doubt, our liability under this cover shall not exceed the specified sub-limit for any one claim, in the annual aggregate and shall apply in the aggregate for all situations or locations combined, not per situation/location.

The maximum Indemnity Period provided under this extension is 4 weeks commencing from the date of the compulsory closure of the whole or part of the Premises, unless more specifically noted in the Schedule.

This extension shall be subject to a waiting period of 48 hours.

Any "Communicable Disease" exclusion contained in the Policy shall not apply to any cover provided under this extension.

5. Explosion of Boilers and Pressure vessels

We will pay for Loss Of Income that results from an Interruption of Your Business caused by an explosion or implosion of a boiler or pressure vessel.

6. Fines, Damages and Penalties

When we have agreed to indemnify You under this section for Loss Of Income that results from an Interruption of Your Business, we will also pay for:

- (a) fines or damages for breach of contract resulting from non-completion or late completion of orders; or
- (b) the discharge of contract purchases, cancellation notices, fines or damages for breach of contracts for the purchase of goods or services You cannot use during the Indemnity Period, less the value of these goods to You or the amount received for their sale.

Provided that we will not cover any liability You may incur for exemplary, punitive or aggravated damages.

7. Automatic reinstatement

When the Total Sum Insured is reduced following Insured Damage, we will automatically reinstate the Total Sum Insured for claims which are new and non-related to any paid or outstanding claim, to its value immediately before the Insured Damage.

Provided that You pay or agree to pay the additional Premium required by us.

1.2.5 OPTIONAL EXTENSIONS OF COVER

1. Other premises

If 'Extension to Other Premises' is shown in the Schedule then we will pay for Loss Of Income that results from an Interruption of Your Business that is caused by Insured Damage that occurs in Australia to:

(a) Specified suppliers

property at the premises of Your suppliers shown in the Schedule up to an amount calculated by applying the percentage shown in the Schedule to the Sum Insured for Income.

(b) **Specified customers**

property at the premises of Your customers that are shown in the Schedule up to an amount calculated by applying the percentage shown in the Schedule to the Sum Insured for Income; and

2. Additional increase in cost of working

We will pay up to the Sum Insured shown in the Schedule for 'Additional Increase in Cost of Working' for all costs not otherwise recoverable that are necessarily incurred by You in an attempt to reduce a Loss Of Income that is covered by this section and/or resuming and/or maintaining Your normal Business operations or services.

This amount is additional to the Additional Expenditure costs payable under Basis of Settlement.

3. Accounts receivable (book debts)

If 'Accounts Receivable' is shown in the Schedule then following Insured Damage to Your accounts receivable records we will pay up to the Sum Insured shown in the Schedule for:

- (a) all amounts due to You that cannot be collected as a direct result of Damage to Your accounts receivable records; and
- (b) debt collection costs that would not have been incurred had Your accounts receivable records not been Damaged and that these debt collection costs are necessarily incurred to collect amounts that otherwise would not have been collected.

Provided that we will not pay for:

- (i) losses due to book-keeping or accounting errors or omissions;
- (ii) loss due to Your dishonesty or dishonesty of Your directors, partners, employees and officers or any other person who has an interest in the accounts receivable records;
- (iii) bad debts that would normally not be collected by You; and
- (iv) collection costs that would normally have been incurred.

4. Additional claims preparation costs

If 'Additional Claims Preparation Costs' is shown in the Schedule then we will pay for costs incurred that are not otherwise recoverable for processing and certifying details of claims under sections Fire and Business Interruption up to an amount equal to the Sum Insured for Additional Claims Preparation Costs.

1.3 BURGLARY

The Insurance cover set out in this section only forms part of Your policy when 'Burglary' is recorded in the Schedule as being insured and, if so, is limited to the Period of Insurance and the specific Sum Insured shown for the respective items covered

DEFINITIONS

The following definitions shall apply to the words used in this section.

Category and Categories

Category and Categories means the Category into which Property can be designated from the following:

1. All contents;
2. All contents excluding Stock;
3. Stock including goods for which You are responsible but excluding Cigarettes and Tobacco Goods;
4. Cigarettes and Tobacco Goods; or
5. Specified Items listed in the Schedule.

Provided that when Property is being designated to these Categories we agree to accept the designation used by You in Your records. Categories shall have a corresponding meaning to Category.

Property

Property means the Property shown in the Schedule as Insured Property.

Safe

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

Strongroom

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

Theft

Theft means theft or attempted theft.

1.3.1 THE INDEMNITY

We will pay for the cost of replacing or repairing Property that is lost or damaged by Theft at the Premises following:

1. visible forcible and violent entry into or exit from Buildings at the Premises;
2. a person hiding on the Premises during normal operating hours until the Premises are closed and locked up;
3. an actual, attempted or threatened armed hold up;
4. an actual, attempted or threatened assault or violent act; or
5. an actual visible, forcible violent entry into any locked cabinet, counter or showcase.

Provided that the Theft happens during the Period of Insurance.

We will also pay the cost of opening any Safes and Strongrooms Damaged as a result of Theft under Cover 1 to 5 above.

1.3.2 LIMITATIONS OF COVER

1. Categories of property

We will only cover Property which reasonably falls within one of the Categories that are recorded in the Schedule as being insured, in Our sole opinion or that of Our representatives.

2. Sum insured and reinstatement of sum insured

- (a) For each specific Category of Property we will only pay up to the Sum Insured that applies to that specific Category of Property.
- (b) Following damage covered by this section we will reduce the Sum Insured for those Categories that are affected by the damage by an amount equal to any payments made or due to be made by us
- (c) When a Sum Insured is reduced following a Theft we will automatically increase this reduced Sum Insured *for claims which are new and non-related to any paid or outstanding claim* to its value immediately before the Theft.

Provided that:

- (i) the maximum amount we will pay in any one Period of Insurance is limited to twice the Sum Insured; and
- (ii) You pay or agree to pay the additional Premium we require.

3. Excess

You are liable for the Excess for each and every claim for an event that results in loss or damage.

1.3.3 EXCLUSIONS

We will not pay for:

1. Theft from any open-sided structure such as, but not limited to, verandas, yards or other open spaces whether they are partially or fully enclosed by a Building or not;
2. Theft when entry has been made using keys or security codes;
3. Theft of Money or negotiable instruments such as but not limited to cheques, stamps, money orders, vouchers and tickets exceeding \$250 in total;
4. Theft of motorised vehicles and/or watercraft, unless motorised vehicles and/or watercraft are specifically shown as insured in the Schedule for this section;
5. Unexplained disappearances or unexplained shortages whether resulting from clerical or accounting errors or shortages in the supply of materials to or by You;
6. Consequential loss of any kind; or
7. The dishonest manipulation of any database or computer system.

1.3.4 EXTENSIONS OF COVER

1. Damage to premises

Provided that the Sum Insured for specific Premises is not exceeded, we will pay for the cost of repairing Buildings that are physically damaged during a Theft at that Premises.

2. New premises – Temporary cover

We will temporarily extend the cover provided by this section to Property at any premises that are used by Your Business for the first time during the Period of Insurance.

Provided that:

- (a) this temporary cover is limited to a period of 60 consecutive days from the day that You first use the new premises;
- (b) this temporary cover is not available to Property that cannot be correctly designated to one of the categories that are shown as insured in the Schedule;
- (c) this temporary cover is only available to Property that is of a similar type to that insured by this section;
- (d) for each specific Category of Property shown in the Schedule this temporary cover is limited to 50% of the Sum Insured for that Category; or
- (e) if more than one Premises is shown in the Schedule then this 50% limitation will apply to the lowest Sum Insured that applies to a specific Category of Property;
- (f) the new premises have Building and security features that are similar to those at one of the Premises shown in the Schedule, having the same occupation;
- (g) You provide us with full details of the new premises within 60 days of You first using the new premises; and
- (h) You pay the Premium that we require for this new premises.

3. Seasonal or Festive increase

The Sum Insured for Stock excluding any Cigarettes or Tobacco Goods, is increased by 50% for losses occurring during the days specified in the Schedule under the heading 'Seasonal or Festive Increase', up to a maximum number of 60 days, or

If no days are specified, the 50% increase for Stock excluding any Cigarettes or Tobacco Goods, the Seasonal Increase Periods will apply.

Provided that this Extension of Cover will not extend the insurance beyond the Period of Insurance noted in the policy Schedule.

4. Locks and Keys

If during the Period of Insurance keys used at the Premises are accidentally lost or stolen, we will pay in addition to the Sum Insured:

- (a) the cost incurred to replace these keys; and

- (b) other costs that are necessarily incurred to restore the security of the Premises to the same level of security that existed prior to the loss of these keys.

Provided that the maximum amount that we will pay is limited to \$10,000 in total, any one event. If You are also insured under the Money section, the benefits payable under Extension of Cover 3 (c) 'Keys, locks and combinations' shall not be cumulative.

5. Temporary protection and Watchmen

Following a Theft that is covered by this section we will pay in addition to the Sum Insured, the costs necessarily incurred by You to safeguard the Premises such as temporary repairs and the employment of watchmen or guards.

Provided that the maximum amount that we will pay is limited to \$10,000 in total, any one event. If You are also insured under the Money section, the benefits payable under Extension of Cover 3 (f) 'Temporary protection and Watchmen' shall not be cumulative.

6. Security

We will pay in addition to the Sum Insured the costs necessarily incurred by You to replace and develop security film and restore the security system to its former functionality following a Theft or attempted Theft that is covered by this section.

Provided that the maximum amount we will pay is limited to \$10,000 in total any one event. If You are also insured under the Money section, the benefits payable under Extension of Cover 3 (g) 'Security' shall not be cumulative.

7. Death following assault

If any person is injured while protecting or attempting to protect the Property from Theft and death results from this injury within 12 months, we will pay \$10,000 in addition to the Sum Insured, to the estate of that person.

8. Clothing and Personal effects

If clothing or personal effects are lost or damaged during a Theft, we will pay in addition to the Sum Insured, the cost of replacing these items.

Provided that the total amount payable under this Extension is limited to \$5,000 any one person and \$10,000 in total, any one event.

9. Business records

Following a Theft which is covered by this section we will pay in addition to the Sum Insured the costs necessarily incurred by You to re-create business books, plans, computer system records, patterns and other business records.

Provided the maximum amount that we will pay during the Period of Insurance is limited to \$10,000 or as noted in the Schedule.

10. Employee dishonesty

We will pay You for loss of Property by Theft or dishonesty by any of Your employees occurring during the Period of Insurance, which is discovered within 30 days of its occurrence.

Exclusion 7, the dishonest manipulation of any database or computer system and Extension 11 – 'Theft without forcible entry', proviso (b), Theft by You or any of Your employees, does not apply to this Extension.

Provided Our liability under this Extension is limited to \$5,000 for any one event. If You are also insured under the Money section, the benefits payable for employee dishonesty shall not be cumulative.

11. Theft without forcible entry

We will cover loss or damage to Property caused by Theft from the Premises even if there is no visible forcible and violent entry.

Provided that we will not pay for:

- (a) Theft involving shoplifting;
- (b) Theft by You or any of Your employees; or
- (c) Consequential loss of any kind.

Provided the maximum amount that we will pay is limited to \$10,000 in total, any one event or as noted in the Schedule.

1.4 MONEY

The Insurance cover set out in this section only forms part of Your policy when 'Money' is recorded in the Schedule as being insured and, if so, is limited to the Period of Insurance and the specific Sum Insured shown for the respective items covered.

DEFINITIONS

The following definitions shall apply to the words used in this section.

Business Hours

Business Hours means Your Business and office hours including overtime hours when You or Your employees are on the Premises for business purposes.

Locked

Locked means to engage locking mechanisms and activate all security features of a device so that the maximum level of security obtainable by the device is achieved.

Loss and Lost

Loss and Lost means accidental loss, damage or destruction.

Money

Money, for the purpose of this section, is extended to include Money held in trust or for which You are responsible and which is not otherwise insured.

Safe

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

Strongroom

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

You or Your

You or Your, for the purpose of this section only, is extended to include Your directors, officers, partners, employees and if You are a registered club, Your club members while acting for the club.

1.4.1 THE INDEMNITY

1. Blanket cover

When Blanket Cover is recorded in the Schedule as being insured, cover is provided in all of the circumstances described below, as if all of the Specified Covers were shown in the Schedule.

2. Specified cover

When Specified Cover is shown in the Schedule, we will pay up to the Sum Insured shown in the Schedule for Loss of Money during the Period of Insurance for the following categories of Money:

- (a) Money in transit Money in transit or in a nightsafe or automatic teller machine until removed by a bank employee.

Provided that this cover is only provided up until the close of business on the next bank trading day from the time the transit commenced.

- (b) Money on the premises Money on the Premises during Business Hours when not contained in a Locked Safe or Locked Strongroom.

Provided that cover during Non-Business Hours is limited to \$2,000.

- (c) Money in a locked safe or locked Strongroom Money in a Locked Safe or Locked Strongroom.

- (d) Money in Your custody

Money in Your personal custody or the personal custody of an authorised person while in a private residence.

1.4.2 LIMITATION OF COVER

1. Excess

You are liable for the Excess for each and every claim for an event that results in a Loss.

1.4.3 EXCLUSIONS

We will not pay for:

1. Theft from an unattended vehicle that is not Locked;
2. Theft from a Safe or Strongroom when the locking device is opened by:
 - (a) a key, a magnetic key or card, or similar device;
 - (b) a sequence of numbers or letters, or numbers and letters; or
 - (c) any combination of the security devices shown in 2(a) and 2(b) above, when these security devices are left unsecured on the Premises;
3. Theft from a Safe or Strongroom that is not Locked during non Business Hours;
4. shortage due to error or omission;
5. Loss discovered more than 10 working days after such Loss.

Provided that this does not apply to Extension of Cover 5 – 'Employee dishonesty'

6. Loss due to fraudulent or dishonest acts by You.

Provided that this does not apply to Theft by Your employees following visible, forcible and violent entry;

7. Loss due to the dishonest manipulation of any database or computer system; or
8. Consequential loss of any kind.

1.4.4 EXTENSIONS OF COVER

1. Reinstatement of Sum Insured

When a Sum Insured is reduced following a Loss we will automatically increase this reduced Sum Insured for claims which are new and non-related to any paid or outstanding claim, to its value immediately before the Loss. Provided that:

- (a) the maximum amount we will pay during the Period of Insurance is limited to twice the Sum Insured; and
(b) You pay or agree to pay any additional Premium we require.

2. Seasonal or Festive increase

The Sum Insured for Money is increased by 50% for Losses occurring during the days specified in the Schedule under the heading 'Seasonal or Festive Increase', up to a maximum of 60 days or, if no days are specified, this increased cover for Money, the Seasonal Increase Periods will apply.

Provided that this Extension:

- a) will not extend the insurance beyond the Period of Insurance noted in the policy Schedule;
b) does not apply to Money on Premises outside Business Hours; and
c) will not apply to the individual days mentioned under Extension of Cover 4 – 'Bank or Public holiday increase'.

3. Additional covers

In addition to the Sum Insured:

(a) **Damage to safes or Strongrooms**

If Blanket Cover or Money in Safes or Strongrooms is shown in the Schedule, then we will pay up to \$5,000 for damage to Safes and Strongrooms following Theft or an attempted Theft of Money.

(b) **Clothing and Personal Effects**

If during a Theft or attempted Theft of Money, clothing and personal effects are *lost*, then we will pay to repair or replace these items.

Provided that the total amount payable under this Extension is limited to \$5,000 any one person, and \$10,000 in total, any one event.

(c) **Keys, locks and combinations**

If Blanket Cover or Money in *locked Safes* or *locked Strongrooms* is shown in the Schedule and Exclusion 2(c) does not apply, then:

- (i) we will pay to replace locks, keys, magnetic keys or cards or similar devices, or to change the sequence of numbers or letters, or numbers and letters to any Safe or Strongroom if:
- keys, magnetic keys or cards or similar devices are accidentally Lost;
 - the sequence of numbers or letters, or numbers and letters becomes known by any unauthorised person or are accidentally Lost;
 - circumstances have allowed the unauthorised duplication of keys, magnetic keys or cards or similar devices; and
- (ii) we will also pay the cost of opening Safes and Strongrooms following Loss of keys, magnetic keys or cards or similar devices.

Provided that the total amount payable under this Extension is limited to \$10,000 in total, any one event. If You are also insured under the Burglary section, the benefits payable under

Extension of Cover 4. 'Locks and Keys' shall not be cumulative.

(d) **Death following assault**

If any person is injured while protecting or attempting to protect Money from Theft or attempted Theft and death results from this injury within 12 months we will pay \$10,000 to the estate of that person.

(e) **Temporary protection and Watchmen**

We will pay for costs necessarily incurred by You to safeguard the Premises following Theft or attempted Theft that is covered by this section, including but not limited to temporary repairs or the employment of watchmen or guards.

Provided that the total amount payable under Your policy is limited to \$10,000 in total, any one event. If You are also insured under the Burglary section, the benefits payable under Extension of Cover 5. 'Temporary protection and Watchmen' shall not be cumulative.

4. Bank or Public holiday increase

The Sum Insured and the limits of *loss* for items shown in the Schedule are increased by 100% on days that are bank or public holidays. This increase shall continue to apply up until 4 pm on the first bank trading day after such holiday.

Provided that this Extension of Cover does not apply to:

- (a) damage to Safes and Strongrooms;
- (b) Money on Premises outside Business Hours; and
- (c) is not cumulative with Extension of Cover 2 – 'Seasonal or Festive increase'.

5. Employee dishonesty

We will pay You for Loss of Money by Theft or dishonesty by any of Your employees occurring during the Period of Insurance, which is discovered within 30 days of its occurrence. Exclusions 6 and 7, so far as they relate to loss due to fraudulent or dishonest acts by You and Loss due to the dishonest manipulation of any database or computer system, does not apply to this Extension.

Provided Our liability under this Extension is limited to \$5,000 for any one event. If You are also insured under the Burglary section, the benefits payable for employee dishonesty shall not be cumulative.

6. New Premises – Temporary cover

We will cover You for Loss of Money as insured by this section for a period of 30 days from the date You first occupy new Premises; provided that;

- (a) the Money is the property of the Business shown in the Schedule; and
- (b) cover applies only to the categories of Money specified in the Schedule insured by this section and Our liability is limited to 20% of the Sum Insured for each category; and
- (c) the Loss of Money occurs within the Period of Insurance; and
- (d) You notify us within 30 days of Your occupation of any such new Premises and agree to pay the additional Premium we require.

1.4.5. OPTIONAL EXTENSION OF COVER

1. Additional damage to safes and Strongrooms

When 'Additional damage to safes and Strongrooms' is shown in the Schedule then the \$5,000 limit for Extension of Cover 3 (a) – 'Damage to safes and strongrooms' is increased to the limit shown in the Schedule

1.5 GLASS

The Insurance cover set out in this section only forms part of Your policy when 'Glass' is recorded in the Schedule as being insured and, if so, is limited to the Period of Insurance and the specific Sum Insured shown for the respective items covered

DEFINITIONS

The following definitions shall apply to the words used in this section.

Advertising Signs

Advertising Signs means signs made from Glass or electrical illuminated signs permanently fitted to the Building or within the boundaries of the Premises.

Breakage or Broken

Breakage or Broken means a fracture extending through the entire thickness of the Glass or in the case of laminated Glass or plastic or perspex, the entire thickness of the laminate, plastic or perspex.

External Glass

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

Glass

Glass means Internal Glass or External Glass.

Internal Glass

Internal Glass means glass or plastic material used as glass in internal partitions, windows and doors, glass in counters, glass forming shelves and/or stock restraints, interior showcases, fixed mirrors and other fixed Internal Glass

1.5.1. THE INDEMNITY

If Glass Breakage occurs during the Period of Insurance we will pay for the actual cost of replacing and fixing the Glass in its frame or in its normal location with Glass of a similar type and quality to the Glass that is Broken.

We will pay any additional costs incurred by You to comply with current building regulations that relate to the Glass that is Broken, when applicable.

1.5.2. LIMITATIONS OF COVER**1. Types of glass**

We will only pay for Internal or External Glass if they are shown in the Schedule.

2. Excess

You are liable for the Excess for each and every claim for an event that results in a Breakage.

1.5.3. EXCLUSIONS

We will not pay for Damage to:

1. Property during installation or removal of Glass;
2. Glass that is Stock in trade or merchandise; or
3. Glass that is only scratched, chipped or discoloured.
4. Glass where a premises are unoccupied for any period more than thirty (30) consecutive days, unless Our written agreement to continue cover during that period, has been obtained before the period of unoccupancy.

1.5.4. EXTENSIONS OF COVER**1. Additional benefits**

If 'Glass' is shown in the Schedule and Glass is Broken during the Period of Insurance then we will pay the costs that are necessarily incurred by You to:

- (a) effect temporary repairs, install shuttering and employ watchmen or guards;
- (b) Repair or replace:
 - (i) frames, sign-writing, alarm tapes, coatings; or
 - (ii) fittings and tiled shop fronts, but with due allowance for wear and tear; that are damaged as a result of Glass Breakage;

- (c) remove and refit fixtures and tiles to allow the repair or replacement of Broken Glass; and
- (d) arrange after hours services, express delivery and labour at overtime rates in relation to the repair and replacement of Broken Glass.

Provided that the total of all payments under this Extension of Cover is limited to \$7,500 during the Period of Insurance

2. Reinstatement of Additional benefits

Following a claim under Extensions of Cover 1 – 'Additional benefits', if You pay or agree to pay an additional Premium, we will return the limit to the full \$7,500 for claims which are new and non-related to any paid or outstanding claim

3. Advertising Signs

We will pay for Breakage of Advertising Signs occurring during the Period of Insurance.

Provided that the total of all payments under this Extension of Cover is limited to \$7,500 during the Period of Insurance.

1.6 GENERAL PROPERTY

The Insurance cover set out in this section only forms part of Your policy when 'General Property' is recorded in the Schedule as being insured and, if so, is limited to the Period of Insurance and the specific Sum Insured shown for the respective items covered.

DEFINITIONS

The following definitions shall apply to the words used in this section.

Damage or Damaged

Damage or Damaged means accidental physical damage, destruction or loss.

Item or Items

Item or Items means an Item or Items that are shown in the Schedule.

1.6.1. THE INDEMNITY

We will pay up to the Sum Insured for the cost of repairing or replacing Items that are Damaged during the Period of Insurance.

1.6.2. LIMITATIONS OF COVER

1. Geographical limits

Cover only applies to Damage that occurs within *Australia*, unless cover is limited by endorsement to the situation shown in Your Schedule.

2. Excess

You are liable for the Excess for each and every claim for an event that results in Damage.

3. Obsolete items or improvements

If an Item cannot be purchased as a new Item or if an Item cannot be repaired or replaced without improving the output, capacity or efficiency of that Item then we will

only pay the cost of replacing or repairing that Item, less an amount equal to the value of any such improvement(s).

4. Unspecified items

When cover is shown in the Schedule for Unspecified Items, cover is limited to a maximum amount of \$2,500 for any one Item. Provided that we will not pay for Excluded Items.

5. Reduced Sum Insured

The Sum Insured for the Period of Insurance will be reduced by any payment made or due to be made under this section.

1.6.3. EXCLUSIONS

1. Excluded causes

We will not pay for Damage caused by or arising from:

- (a) the actual breaking, seizing, deformation or melting of any part of any Item while that Item is in use that is caused by mechanical, electrical or electronic defect within the Item that causes sudden malfunction that requires repair or replacement before the Item can resume normal operation;
- (b) corruption or loss of data;
- (c) vermin or insects;
- (d) scratching, denting, chipping or other aesthetic defects that do not affect the operation or function of the Item;
- (e) gradually operating causes such as, but not limited to, wear and tear, atmospheric conditions, mildew, corrosion, disease, fading, rusting or other forms of oxidisation; or
- (f) faulty materials, faulty workmanship or Latent Defects.

Exclusions 1(a), (c), (e) and (f) shall apply only to the part of the Item immediately affected and we will pay for any Damage to any Item that is not otherwise excluded that results from Damage caused by or arising directly from any of these causes.

2. Excluded items

We will not pay for the following Items unless they are specified in the Schedule:

- (a) mobile plant, motorised vehicles, watercraft, video equipment;
- (b) Stock;
- (c) mobile telephones and radios, sporting equipment (whilst in use), aerial devices;
- (d) computers, electronic diaries, organisers or their accessories;
- (e) firearms; and
- (f) Money.

3. Consequential loss

We will not pay for consequential loss of any kind.

1.7 MACHINERY BREAKDOWN

The Insurance cover set out in this section only forms part of Your policy when 'Machinery Breakdown' is recorded in the Schedule as being insured and, if so, is limited to the Period of Insurance and the specific Sum Insured shown for the respective items covered.

DEFINITIONS

The following definitions shall apply to the words used in this section.

Boiler and Pressure Plant

Boiler and Pressure Plant means any structure that is subject to internal steam, gas or other fluid pressure other than normal atmospheric pressure and shall include:

1. fittings and direct attachments that are connected to the structure without any intervening valve, cock or tap; and
2. supports for the combustion chambers, smoke boxes and casings.
3. metal parts of pressure and water gauges and their connections to the permanent structure

Damage or Damaged

Damage or Damaged means any sudden, unforeseen, physical damage to, or destruction of, any part of the *plant* that prevents the *plant* from operating normally and requires repair or replacement of the *plant* before normal operation can be resumed.

Electrical, Electronic and Mechanical Plant

Electrical, Electronic and Mechanical Plant means all integral parts of the *plant* that are not *boiler and unfired pressure plant or pressure pipe systems*.

Excluded Plant

Excluded Plant means:

1. computers, Electronic Data processing equipment;
2. communications equipment including, but not limited to, telecommunication transmitting and receiving equipment;
3. audio visual, amplification, burglar alarms, monitoring systems and surveillance equipment;
4. lighting facilities;
5. research, diagnostic and electro-medical-equipment;
6. lifts, escalators, office machines;
7. coin or card-operated machines;
8. storage tanks and vats;
9. any container used to contain explosive or inflammable gases and liquids;
10. mobile machinery;

11. building ducts, reticulating electrical wiring, water and gas piping;
12. property not owned by You or not at the Premises.

Expendable Items

Expendable Items means items and parts that are not normally re-used or repaired or any item or part that requires periodic or frequent replacement including but not limited to:

1. electrical and electronic glass bulbs, tubes, x-ray tubes;
2. electrical contacts, heating elements, batteries;
3. wear plates, cutting edges, tools, dies, moulds, patterns, impression rollers, engraved cylinders;
4. fuses, shear pins and other safety or protective devices that require a replacement after they have performed or attempted to perform their designed function;
5. tyres, tracks, conveyer belts, ropes; and
6. glass and ceramic components.

Explosion

Explosion means the sudden, unforeseen and violent rending of any Boiler and Pressure Plant by force of internal steam gas or fluid pressure or the pressure of ignited flue gases.

Plant

Plant means the following defined types of Plant:

1. Electrical, Electronic and Mechanical Plant;
2. Boiler and Pressure Plant; and

The word Plant shall apply to any or all items shown in the Schedule as well as any or all components or parts of these items.

Unless specifically shown in the Schedule, Plant does not include Excluded Plant.

Wear or Gradual Deterioration

Wear or Gradual Deterioration means:

1. the wearing or wearing out of Plant or property as a result of its normal operation;
2. the wearing or wasting away of material as a result of the normal operation of Plant or property;
3. mildew, disease, fading, erosion, corrosion, rust or other forms of oxidisation;
4. Damage resulting from atmospheric conditions; or
5. slowly developing deformation or distortion

1.7.1. THE INDEMNITY

We will pay for the cost of repairing, or at Our option, replacing the:

1. Plant, Boiler and Pressure Plant against Breakdown

Provided that the Damage to the Plant occurs during the Period of Insurance.

1.7.2. LIMITATIONS OF COVER

1. Excess

You are liable for the Excess for each and every event that results in Damage.

2. Maintenance agreements

We will not pay for the repair or replacement of Plant and other property when any party other than You has responsibility to repair or replace such Plant or other property.

3. Part immediately affected

Where Damage is confined to a part of the Plant or other property, we will pay the cost of repairing or, at Our option, replacing that part plus the dismantling or rebuilding costs that are necessarily incurred to repair or replace that part.

4. Sum Insured

We will not pay more than the applicable Sum Insured for any one event.

5. Improvements

If an item of Plant or property cannot be repaired without improving the output, capacity or efficiency of that item, then Our payment will be limited to the cost of replacing that item less an amount equal to the value of any such improvement(s).

6. Conversion to non CFC refrigerant operation

We will not pay for any costs that are associated with the conversion or alteration of Plant or property that is undertaken to assist the Plant to operate with a non CFC (Chlorofluorocarbon) type of refrigerant.

7. Obsolete items

If it is necessary to replace parts of Plant which have become unavailable or obsolete we will not pay more than the estimated cost of replacing those parts with similar parts for similar types of Plant which are currently available.

1.7.3. EXCLUSIONS

Other than where specifically provided for in the policy Schedule:

1. You are not insured for the cost of repair or replacement of Expendable Items.
2. Except where the repair or replacement is made necessary by Damage to other parts of the Plant:
 - (a) we will not pay for the repair or replacement of joints, gaskets or seams, drive belts, filters, chains, brickwork, foundations or refractories, seals, shaft seals, flexible drives or flexible pipes, soft rollers, replacement of refrigerant, brine or any transfer media; and
 - (b) we will not pay for repair of any crack, fracture, blister, lamination, flaw or grooving which has not penetrated completely through the entire thickness of the material of the Plant, even though repair or renewal of the part affected may be necessary either immediately or at some future time

3. We will not pay for the costs incurred in repairing Wear or Gradual Deterioration including:
 - (a) Damage to a safety or protective device caused by its own operation; or
 - (b) the chipping or scratching of painted or polished surfaces.
4. We will not pay for the cost of the carrying out of normal maintenance, such as the tightening of loose parts, recalibration or adjustments.
5. We will not pay for Damage to any Item of Plant which was known to be defective before the Damage occurred.
6. We will not pay any loss of use or consequential loss of any kind.
7. We will not pay for Damage caused directly or indirectly by:
 - (a) fire, smoke or soot, extinguishing of a fire or subsequent demolition, lightning, hail, wind, rain, storm, Flood, impact by land-borne vehicles or waterborne craft, aircraft or other aerial devices or pressure waves created by their travelling at sonic or supersonic speed, Theft or attempted theft, malicious damage, earthquake, subsidence, rockslide, mudslide, landslide, earth movement, subterranean fire, volcanic eruption.
 - (b) Explosion other than as defined.
 - (c) the use or application of any tool or process to the Plant in the course of maintenance, inspection, repair, alteration, modification or overhaul
 - (d) loss or Damage arising out of:
 - (i) the Plant being subjected to tests involving abnormal stresses or arising out of the Plant being intentionally overloaded or operated in excess of its normal designed operating specifications; or
 - (ii) any raising or lowering operation in which a single load is shared between more than one item of Plant (including but not limited to cranes), whether such item is insured under this section or not.
 - (e) any deliberate act or negligence by You or on Your behalf.

1.7.4 EXTENSION OF COVER

1. Hire of temporary plant and Costs of temporary repairs

Following Damage that is covered by this section we will pay up to an additional 50% of the normal repair costs for:

- (a) the cost of hiring temporary plant;
- (b) the cost of temporary repairs;
- (c) the extra cost of expediting permanent repairs including:
 - (i) charges for overtime and work on public holidays where necessary and reasonably incurred;
 - (ii) freight within Australia by any recognised Schedule service; and

- (iii) overseas airfreight by any recognised Schedule service and/or overseas labour; and

Provided Our written approval for all these additional costs has first been obtained. We will not pay more than the sum insured shown in the schedule.

2. Temporary cover

We will provide temporary cover for a period of up to 90 days for additional plant that, during the Period of Insurance, is installed or brought into use.

Provided that:

- (a) You must give us notice in writing within the 90 day period and pay to us any additional Premium we may require calculated from the date of installation or bringing into use;
- (b) the additional plant is free from known defects and must comply with all statutory requirements;
- (c) this temporary cover shall not commence until the additional plant has worked satisfactorily for eight (8) hours and has been handed over after commissioning;
- (d) this temporary cover shall only apply to plant which is of a similar kind to the Plant which is insured under this section; and
- (e) the Sum Insured and Excess for the additional plant will be that specified for a similar item or group of items of Plant in the Schedule that it is free from defects.

1.7.5 OPTIONAL EXTENSION OF COVER A – DETERIORATION OF STOCK

1.7.5.1 THE INDEMNITY

If 'Deterioration of Stock' is shown in the Schedule then we will pay up to the stated Sum Insured for deterioration or putrefaction of goods in cold storage which are cooled by:

1. refrigeration Plant shown in the Schedule, or
2. temporary Plant at the Premises not exceeding 60 days.

Provided this deterioration or putrefaction occurs during the Period of Insurance and results from:

- (a) a change in temperature solely caused by:
 - (i) Damage that is covered by this section;
 - (ii) operation or failure of thermostats, pressure controls or limiting devices, that is not due to an error when operating or setting these items;
 - (iii) the accidental failure of the public electricity supply service; or
 - (iv) sudden leakage of refrigerant from the Plant; or
- (b) contamination of the goods directly caused by sudden leakage of refrigerant from the Plant.

We may at Our option pay for the cost of replacement of the refrigerated goods or replace those goods.

Provided that, we will not pay for any goods which have passed their use by date, nor will we pay for the disposal costs of these goods.

1.7.5.2 EXTENSION OF COVER

The following extension shall apply to this Optional Extension of Cover A – 'Deterioration of Stock'.

Stock seasonal or Festive increase

The Sum Insured for Stock is increased by 50% for losses occurring during the days specified in the Schedule under the heading 'Seasonal or Festive Increase', up to a maximum of 60 days or, if no days are specified, this increased cover for Stock, the Seasonal Increase Periods will apply.

Provided that this Extension of Cover will not extend the insurance beyond the Period of Insurance noted in the policy Schedule

1.7.5.3 EXCLUSIONS

The following exclusions shall apply to this Optional Extension of Cover A – 'Deterioration of Stock'.

We will not pay for deterioration or putrefaction caused by:

1. the interruption of the electricity supply as a result of any deliberate act by the supply or generating authority or company, unless that act is performed specifically to protect life or any part of the electricity supply system and this act is not caused directly or indirectly by fire, Flood, storm or any other natural cause;
2. inappropriate or improper storage, Damage to packing materials or inadequate air circulation;
3. Damage to goods due to any rationing of the electricity supply other than accidental Damage to the generation equipment; and
4. Damage to goods which are alive or are of a bacterial nature.

1.7.5.4 Special Condition

You will permit Our representatives to inspect the plant at any reasonable time during the Period of Insurance and You will properly prepare the plant at Your expense for such inspection.

Provided that any inspection by us is for Our purposes only and does not warrant that the plant is safe or that it is free from defects.

1.8 ELECTRONIC EQUIPMENT

The Insurance cover set out in this section only forms part of Your policy when 'Electronic Equipment' is recorded in the Schedule as being insured and, if so, is limited to the period of Insurance and the specific Sum Insured shown for the respective items covered

DEFINITIONS

The following definitions shall apply to the words used in this section.

Breakdown

Breakdown means the actual breaking, seizing, deformation or melting of any part of the Insured Property while that Insured Property is in use and is caused by mechanical, electrical or

electronic defect within the Insured Property which causes sudden malfunction that requires repair or replacement before the Insured Property can resume normal operation.

Computer

Computer means any electronic device that is used to:

1. store or process Data; or
2. control machinery.

Computer Virus

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

Damage or Damaged

Damage or Damaged means physical damage, destruction or loss and in relation to Data, Software and Media Material includes corruption of Data or Software.

Data

Data means any facts, information or records that are stored on Media Material.

Expendable items

Expendable Items means items and parts that are normally not re-used and require frequent or periodic replacement.

Insured Damage

Insured Damage means any sudden or unforeseen physical damage or destruction to any part of the Insured Plant which requires repair or replacement before normal operation can be resumed.

Insured Plant

Insured Plant means Plant that is shown in the Schedule.

Insured Property

Insured Property means the Insured Property that is shown in the Schedule.

Media Material

Media Material means any optical discs or any magnetic medium that can be used to store Data or Software such as, but not limited to, tapes, discs or cards.

Software

Software means any instructions used to control the operation of a Computer provided that these instructions are recorded on Media Material.

1.8.1 LIMITATIONS OF COVER**1. Underinsurance**

In the event of Damage, we will not be liable for more than the proportion of the Damage which the Sum Insured bears to 80% of the total new replacement value of the Insured Property at the commencement date of the Period of Insurance.

Provided that this will not apply, if Your claim is less than 10% of the Sum Insured.

1.8.2 MATERIAL LOSS OR DAMAGE

1.8.2.1 THE INDEMNITY

When Material Loss or Damage is shown in the Schedule, we will pay up to the Sum Insured shown for Insured Property, for the cost of replacing or, at Our option, repairing Insured Property that is accidentally Damaged during the Period of Insurance.

1.8.2.2 LIMITATIONS OF COVER

1. Excess

You are liable for the Excess applicable for each and every claim for an event that gives rise to Damage.

2. Improvements

If an item of Insured Property that is Damaged cannot be repaired or replaced without improving the output, capacity or efficiency of that item, then Our payment will be limited to the cost of replacing that item, less an amount equal to the value of any such improvement(s).

3. Territorial limits

Cover only applies to Damage that occurs within the Territorial Limits shown in the Schedule or if Territorial Limits are not shown in the Schedule then cover is limited to Damage that occurs within Australia.

1.8.2.3 EXCLUSIONS

1. We will not pay for Damage caused by or arising from:

- (a) the cleaning, testing, altering or repairing of Insured Property;
- (b) atmospheric conditions including, but not limited to, dryness, dampness and temperature, unless directly resulting from Damage to an air-conditioning system used to control the atmosphere in which the Insured Property operates; and
- (c) dishonest acts or misappropriation, of Insured Property by You or Your directors, partners, employees or officers.

2. We will not pay for any legal liability.

3. We will not pay for any Damage to Data, records, Software or Media Material unless these items are covered under the Optional Extensions of Cover to this section.

4. We will not pay for Damage directly caused by:

- (a) a Breakdown;
- (b) the presence or action of insects or vermin;
- (c) gradually operating causes such as but not limited to wear and tear, mildew, corrosion, fading, rusting or other forms of oxidation;
- (d) error or omission in design, plan or specification;
- (e) failure of design;
- (f) faulty materials or faulty workmanship;

- (g) inherent vice or Latent Defect; or
- (h) change in texture or finish.

Provided that we will pay for Damage to Insured Property that is not otherwise excluded or limited that results from such Damage.

- 5. We will not pay for any loss of use or consequential loss, other than the Damage to Insured Property that is covered under the proviso to Exclusion 4 above.

1.8.2.4 EXTENSIONS OF COVER

1. Removal of debris

Following accidental Damage to Insured Property that is covered by this section we will additionally pay for removing, storing and disposing of debris.

Provided that this cover is limited to 50% of the Sum Insured shown for Insured Property.

2. Damage to premises during a theft

We will pay for the cost of repairing Buildings that are Damaged at the Premises during the theft or attempted Theft of Insured Property.

Provided that the Sum Insured for Insured Property covered by this section is not exceeded.

1.8.2.5 OPTIONAL EXTENSIONS OF COVER

If shown in the Schedule the following extensions shall apply:

1. Cost of restoring data

If 'Cost of Restoring Data' is shown in the Schedule then cover is extended to include the costs incurred in restoring Data and Software that are accidentally Damaged together with the cost of replacing any Damaged Media Material, up to the amount shown in the Schedule for this Optional Extension. Provided that we will not pay for Damage:

- (a) to Data, Software or Media Material caused by a failure or defect in the Media Material;
- (b) to Data that was generated, altered or processed more than five (5) working days prior to the date of the Damage;
- (c) caused by an error in processing Data or error in the use of Software;
- (d) caused by erasure, deletion or overwriting of any Data or Software;
- (e) caused by unauthorised access being gained to any operating system that is used by any part of the Insured Property via any communications system; or
- (f) caused by the operation or presence of a Computer Virus that alters or erases Data or Software in a manner that is undesired by You.

2. Increase in cost of working

If Increase in Cost of Working is shown in the Schedule we will pay for costs that are in excess of Your normal total Computer operating costs.

Provided that:

- (a) these costs are incurred as a result of accidental Damage to Insured Property that is covered by this section;
- (b) these costs were reasonably incurred in order that Your Business may operate in a manner that is as close as possible to Your normal Business operations;
- (c) these costs are limited to the amount shown in the Schedule for this Optional Extension; and
- (d) we will not pay for:
 - (i) any expenditure incurred after a period of 90 days following the Damage; or
 - (ii) any expenditure incurred during the first 24 hours immediately following the Damage.

1.8.2.6 ADDITIONAL BENEFITS

1. Additional repair costs

Following Insured Damage to the Insured Plant that is covered by this section, we will reimburse You for reasonable costs of the following items if necessarily incurred:

- (a) the cost of hiring temporary plant;
- (b) the cost of temporary repairs;
- (c) the extra cost of expediting permanent repairs including:
 - (i) charges for overtime and work on public holidays where necessary and reasonably incurred;
 - (ii) freight within Australia by any recognised Schedule service; and
 - (iii) overseas airfreight by any recognised Schedule service and/or overseas labour; and
- (d) consultants fees approved by us.

Provided that the total additional cost for any one Breakdown does not exceed 50% of the normal cost of repair. We will not pay more than the Sum Insured shown in the Schedule.

2. Temporary cover

We will provide temporary cover for a period of up to 90 days for an additional plant which is installed or brought into use during the Period of Insurance.

Provided that:

- (a) this plant is of a similar type to the plant that is shown in the Schedule;
- (b) the additional plant is free from defects;
- (c) the additional plant will not be covered until it has worked satisfactorily for eight (8) hours and has become Your responsibility;

- (d) You supply details of any additional plant to us in writing within 90 days that immediately follow installation of this plant;
- (e) the Sum Insured and Excess for the additional plant will be that specified for a similar item or group of items of plant in the Schedule; and
- (f) You pay the Premium that we require for this additional plant.

3. Temporary removal

We will pay for Damage to Insured Property whilst it is temporarily removed from the Premises to anywhere in Australia.

Provided that cover is not extended for Insured Property:

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

PART 2 - GENERAL DEFINITIONS

The following definitions shall apply to the words used in Your policy where they are capitalised and apply to all sections of the Policy. At the beginning of each section of the Policy You will find further important definitions applicable only in that section.

2.1 Act Of Terrorism

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

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

2.2 Building

Building means a permanently fixed structure that consists of a roof and external walls that completely enclose an area beneath the roof when doors and windows that form part of the structure are closed. Provided that when the word Building is used in the Schedule to describe a Category of Property insured, it is agreed that the following property is included in that Category:

- 2.2.1 carports, pergolas and canopies;
- 2.2.2 barns and outbuildings;
- 2.2.3 storage sheds and tanks;
- 2.2.4 walls, fences, gates and letterboxes;
- 2.2.5 all permanent fittings and fixtures to any Building;
- 2.2.6 external fixed items:
 - 2.2.6.1 swimming pools, saunas and spas;
 - 2.2.6.2 gangways between Buildings;
 - 2.2.6.3 lights and signs; and
 - 2.2.6.4 air conditioning units and associated piping and wiring;
- 2.2.7 flag poles;
- 2.2.8 communications masts, aerials, antennae and dishes;
- 2.2.9 fixed floor coverings;

2.2.10 bitumen or concrete:

2.2.10.1 driveways;

2.2.10.2 roadways;

2.2.10.3 carparks; and

2.2.10.4 paths or walkways;

2.2.11 foundations of any Building;

2.2.12 structural improvements to any Building;

2.2.13 underground and above ground services connected to any Building;

2.2.14 piers, jetties, wharves and docks; and

2.2.15 bridges.

2.3 **Business**

Business means Your business, occupation, trade or profession.

2.4 **Computer Virus**

Computer Virus means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. Computer Virus includes but is not limited to Trojan Horses, worms and time or logic bombs.

2.5 **Contents**

Contents means all contents at the premises, including property (other than Buildings and Stock) of others, and when the word Contents is used in the Schedule to describe a Category of Property insured, it is agreed that we accept the designations used in Your books and records.

2.6 **Cover section**

Cover section means the individual coverage that we give You that attaches to and forms part of Your policy when this is shown in the Schedule.

2.7 **Electronic Data**

Electronic Data means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment. Electronic Data will include Data as defined in Section 1.8 Electronic Equipment.

2.8 **Excess**

Excess means the first amount of each claim. The amount of the Excess is shown in the Schedule.

2.9 **Flood**

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

- 2.9.1 a lake (whether or not it has been altered or modified);
- 2.9.2 a river (whether or not it has been altered or modified);
- 2.9.3 a creek (whether or not it has been altered or modified);
- 2.9.4 another natural watercourse (whether or not it has been altered or modified);
- 2.9.5 a reservoir;
- 2.9.6 a canal; or
- 2.9.7 a dam.

2.10 **Latent Defect**

Latent Defect means a defect that is concealed or inactive

2.11 **Money**

Money means, coins, bank notes or negotiable instruments such as but not limited to, cheques, stamps, money orders, vouchers, tickets, phone cards, store value cards and other like items of value, being the property of the Business.

2.12 **Period of Insurance**

Period of Insurance means the Period of Insurance shown in the Schedule or any subsequent period for which we have agreed to renew or extend the cover.

2.13 **Premises**

Premises means the premises at the location shown in the Schedule.

2.14 **Schedule**

Schedule means the Schedule document that we give You that attaches to and forms part of Your policy.

2.15 **Seasonal Increase Periods**

Seasonal Increase Periods means:

- 2.15.1 eight (8) weeks prior to and including Christmas Day;
- 2.15.2 three (3) weeks after and including 26 December;
- 2.15.3 six (6) weeks prior to and including Easter Tuesday;
- 2.15.4 one (1) week after but not including Easter Tuesday;
- 2.15.5 six (6) weeks prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter) where You can reasonably demonstrate that the Stock levels during that period have risen by more than 20% above standard levels and that the increase has happened solely for the purpose of meeting additional

customer demand associated with the happening of that festive, religious or ethnic event; and

2.15.6 one (1) week after the same festive, religious or ethnic event or celebration.

2.16 Stock

Stock means all stock at the Premises, including work in progress and property of others held on consignment, and when the word Stock is used in the Schedule to describe a category of property insured, it is agreed that we accept the designations used in Your books and records.

2.17 Sum insured

Sum Insured means the Sum Insured shown in the Schedule.

2.18 You, Your or Yours

You, Your or Yours means the person(s) or parties shown as the Insured in the Schedule including all subsidiary companies engaged in the Business described in the Schedule.

2.19 Pollution or Contamination

Pollution or Contamination means the discharge, dispersal, release or escape of any type of pollutant or contaminant into or upon property, land, atmosphere or any watercourse or body of water including, but not limited to, ground water.

PART 3 - GENERAL EXCLUSIONS

The following General Exclusions apply to all sections of Your policy:

3.1 War, Act of Terrorism, confiscation, radioactivity

This policy excludes Damage, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the Damage:

- 3.1.1 war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power;
- 3.1.2 any Act of Terrorism;
- 3.1.3 any order of any Government, Public or Local Authority involving the confiscation, nationalisation, requisition, damage or destruction of any property unless such destruction was undertaken to reduce the spread of fire; or
- 3.1.4 radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion.

3.2 Alteration of the risk

If the risk of Loss, Damage, illness, injury or liability is significantly increased by any alteration in the circumstances that affect You or Your Business We will not cover any claims that are caused by or arise from such alteration unless:

- 3.2.1 You did not know of the alteration; or
- 3.2.2 You have notified Us of the alteration and We have agreed to accept the alteration in risk.

3.3 Acquisition of companies

Your policy does not cover:

- 3.3.1 any company or other legal entity acquired during the Period of Insurance; or
- 3.3.2 any Property or liability associated with such company or any other legal entity or Business undertaking or operation; unless:

You have notified Us of the acquisition and We have specifically agreed to this in writing.

3.4 Unoccupied Buildings and Premises

Your policy does not provide any cover at a Building or at a Premises after that Building or that Premises has been unoccupied for more than 30 consecutive days,

Provided that:

- 3.4.1 cover will apply at an unoccupied Building or Premises if We have specifically agreed to this in writing; and
- 3.4.2 cover will resume when that Building or that Premises is again occupied by persons authorised by You.

3.5 Cyber

Your policy does not provide any cover for any loss, damage, destruction, distortion, erasure, corruption or alteration of Electronic Data from any cause whatsoever (including but not limited to Computer Virus) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

3.6 Communicable Disease Exclusion

Notwithstanding any provision to the contrary, this Policy does not insure any loss, damage, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.

As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
3. the disease, substance or agent can cause or threaten bodily injury, illness, damage to human health, human welfare or property.

3.7 Sanction Limitation and Exclusion Clause

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, Australia, United Kingdom or United States of America.

3.8 Pollution or Contamination

Notwithstanding any provision to the contrary, this Policy does not cover loss or destruction or damage resulting from Pollution or Contamination except (unless otherwise excluded) loss or destruction of or damage to property or any part thereof used by You at the Premises for the purpose of the Business caused by:

- a) Pollution or Contamination at the Premises which itself results from fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, malicious persons, earthquake, storm, Flood, bursting overflowing discharging or leaking of water tanks, apparatus or pipes, sprinkler leakage or impact by any road vehicle or animal.
- b) Any of the perils listed in (a) above which itself results from Pollution or Contamination.

PART 4 - GENERAL CONDITIONS

The following General Conditions apply to all sections of Your policy:

4.1 Cancellation and Cooling-off Provisions

(a) **Cancellation by the Insured during Cooling-Off Period:**

The Insured have the right to cancel the policy by notifying Us in writing within fourteen (14) days of the date the policy was issued to the Insured (Cooling-Off Period). The Insured is entitled, during the Cooling-Off Period, to a complete refund of the amount the Insured has paid for the policy. If the Insured choose to cancel the policy during the Cooling-Off Period, We will treat the policy as never having existed.

The Insured is not entitled to a refund if, during the Cooling-Off Period, the policy has already expired or if the Insured has made a claim under the policy.

(b) **Cancellation by the Insured after Cooling-Off Period:**

This policy may be cancelled by You at any time by giving notice in writing to Us. Such cancellation will be effective from the date upon which We physically receive Your notice. Upon receipt of such notice the Insured will be entitled to a pro rata refund of premium on a proportional basis for that portion of the policy not utilised, less any administration fees imposed by Us and any Government taxes or duties we are unable to recover;

(c) **Cancellation by Us:**

This policy may be cancelled by Us in accordance with the provisions of the Insurance Contracts Act 1984. The Insured will be entitled to a proportional refund of premium for that portion of the policy not utilised less any administrative fees imposed by Us and any Government taxes or duties we are unable to recover.

Subject at all times to Us retaining any minimum policy premium amount in force at the time of cancellation.

In the event that the Insured has made a claim or notification under the policy, the Insured will not be entitled to a pro-rata refund for any unused portion of the premium.

Should the policy be issued on a seasonal basis, this will be considered when calculating a pro-rata refund of premium.

4.2 Reasonable Care

You must take all reasonable care to prevent or minimise Damage, injury, illness or liability including compliance with any statutory obligations, by-laws or regulations that concern the safety of persons or property.

4.3 Claims Procedures

If an Event happens which may give rise to a claim under this policy You must

4.3.1 take all reasonable precautions to prevent further Loss or Damage;

4.3.2 inform the police immediately if Property is lost or stolen or Damaged as a result of Malicious Damage;

4.3.3 Notify us as soon as reasonably practicable following the event;

- 4.3.4 provide us with full written details of the event within thirty (30) days of learning that the event happened;
- 4.3.5 supply us with all information as we may reasonably require;
- 4.3.6 allow us to use any legal rights held by You or held by any other party covered by Your policy;
- 4.3.7 allow us to negotiate, defend or settle the claim, in Your name and on Your behalf; or in the name of and Your behalf of any other party covered by Your policy.

You must not:

- 4.3.8 negotiate, admit or deny any claim without Our written permission.

4.4 Insured's Action after Theft or Damage

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

4.5 Payment of excess

If You have a claim under a Section of Your policy, You must pay the excess amount in accordance with the terms and conditions applicable to that section.

Should a single event result in You claiming under more than one Section of Your policy, then only the single highest excess will apply to all claims that arise out of the one event.

4.6 Other Insurance

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

In particular if the Insured seeks indemnity under any policy in respect of a liability that is or may be covered in whole or in part by any other insurance, then the Insured must advise Us of the full details of such other insurance when making a claim with Us.

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

4.7 Notifications

All notices and communications must be made or confirmed in writing by You or Your intermediary. Other forms of communication will not be acted upon by us until confirmed in writing by You or Your intermediary.

4.8 Subrogation

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

4.9 Jurisdiction

This policy shall be interpreted in accordance with the laws of Victoria, Australia and the Victorian Supreme Court or the Insurance List of the Federal Court of Australia (Melbourne Registry) shall have exclusive jurisdiction to hear any disputes arising under this policy or relating to the application of this policy.

The language of this policy and all communications relating to it will be in English.

4.10 Goods and Services Tax (GST)

Where the Insured makes any payment relevant to a Claim covered under this policy that includes GST, or where the Insured would pay such an amount, We will indemnify the Insured for that GST less any input tax credit the Insured is or would be able to claim for it (the "GST amount").

We will pay the GST amount in addition to the Limit of Indemnity shown in the Schedule. If the Limit of Indemnity is not sufficient to cover the amount of the Claim, We will only pay the GST amount that relates to Our payment under the policy.

We will reduce the GST amount by the amount of any input tax credit that the Insured is or would be entitled to.

We will not indemnify the Insured for any GST liability that arises due to the Insured's failure to notify us of the Insured's entitlement or correct entitlement to an input tax credit on the premium.

4.11 Severability

In the event that any part of this policy is found to be invalid or unenforceable, the remainder of the policy shall remain in force.