



## COMMERCIAL/RETAIL/INDUSTRIAL POLICY

### About this booklet

This booklet contains 2 separate sections:

#### **General Information**

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

#### **Policy Terms and Conditions**

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

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

The Policy Terms and Conditions and the Policy Schedule we send to You form Your legal contract with us so please keep them in a safe place for future reference.

If You require further information about this product, please contact Your Steadfast broker.

### About Lloyd's

Lloyd's is a major general insurer in Australia, which is an Australian authorised insurer under the provisions of the Australian Insurance Act. Lloyd's syndicates have approximately \$1 billion placed in trust in Australia, purely to act as an additional layer of security to pay claims. Lloyd's is recognised by two leading independent international rating agencies, Standard & Poor's and AM Best who rate Lloyd's "A+" (Strong) and "A" (Excellent).

### About Steadfast

Steadfast is an unlisted public company comprising over 270 shareholders. Each shareholder is an independent insurance brokerage. This policy is available exclusively to You through shareholders of Steadfast Group Limited. Steadfast Group Limited does not issue, guarantee or underwrite this policy.

#### **Important information about Steadfast's advice**

Any advice Steadfast gives about this policy does not take into account any of Your particular objectives, financial situation or needs. For this reason, before You act on Steadfast's advice, You should consider the appropriateness of the advice taking into account Your own objectives, financial situation and needs. Before You make any decisions about whether to acquire this policy we recommend You should read this Insurance policy.

# CONTENTS

<b>About this booklet</b>	<b>1</b>
About Lloyd's	1
About Steadfast	1
<b>General Information for Commercial/Retail/Industrial Policy</b>	<b>3</b>
Important information	3
Duty of Disclosure – What You must tell us	3
Privacy	4
The General Insurance Code of Practice	4
Dispute resolution	4
Cooling-off information	4
<b>Policy Terms and Conditions for Commercial/Retail/Industrial Policy</b>	<b>5</b>
Insurer	5
Our agreement with You	5
Your Policy	5
Paying Your premium	5
Preventing our right of recovery	5
Underinsurance	5
Words with special meaning	6
General Policy exclusions applicable to all sections	8
General Policy conditions	9
How Goods and Services Tax (GST) affects any payments we make	10
Claims	10
Business Property cover section	13
Business interruption cover section	22
Part A – Annual Revenue basis	23
Part B – Weekly Revenue basis	24
Part C – Insurable Gross Profit basis	25
Theft cover section	30
Money cover section	33
Machinery and electronic cover section	37
Machinery cover – Part 1	38
Electronic cover – Part 2	40
Glass cover section	44
General Property cover section	46

# GENERAL INFORMATION FOR COMMERCIAL/RETAIL/INDUSTRIAL POLICY

The information contained in this part is general information only and does not form part of Your contract with us. The Policy Terms and Conditions in the rest of this booklet contain details of Your contract.

## Important information

This Policy and Your current Policy Schedule are important. Please ensure You read them carefully and keep them in a safe place. The Policy, current Policy Schedule, definitions, defined events, conditions, exclusions, extensions and endorsements are to be read together as one contract. Any word or expression to which a specific meaning has been given under the heading 'Words with special meaning' shall bear that meaning wherever it may appear unless such meaning is not applicable to the context in which that word or expression appears.

This Policy makes provision for payment of Goods and Services Tax by You in relation to premiums and by us in relation to claims.

If You have any questions regarding the Policy, please contact Your insurance broker.

Plans, documents, reports, contracts, receipts, manuals and serial numbers relating to Your property should be kept. If a claim occurs the documents may be required by us and they will assist You completing Your claim form.

## Duty of Disclosure – What You must tell us

Under the Insurance Contracts Act 1984 (the Act), You have a Duty of Disclosure. The Act requires that before a Policy is entered into, You must give us certain information we need to decide whether to insure You and anyone else to be insured under the Policy, and on what terms. Your Duty of Disclosure is different, depending on whether this is a new Policy or not.

### New business

Where You are entering into this Policy for the first time (that is, it is new business and is not being renewed, varied, extended or reinstated) You must tell us everything You know and that a reasonable person in the circumstances could be expected to tell us, in answer to the specific questions we ask.

When answering our questions You must be honest.

- **Who needs to tell us**

It is important that You understand You are answering our questions in this way for Yourself and anyone else whom You want to be covered by the Policy.

- **If You do not tell us**

If You do not answer our questions in this way, we may reduce or refuse to pay a claim, or cancel the Policy. If You answer our questions fraudulently, we may refuse to pay a claim and treat the Policy as never having worked.

### Renewals, variations, extensions and reinstatements

Once Your Policy is entered into and is no longer new business then Your Duty of Disclosure to us changes. You are required before You renew, vary, extend or reinstate Your Policy, to tell us everything You know and that a reasonable person in the circumstances could be expected to know, is a matter that is relevant to our decision whether to insure You, and anyone else to be insured under the Policy, and if so, on what terms.

- **You do not have to tell us about any matter**

- that diminishes the risk
- that is of common knowledge
- that we know or should know in the ordinary course of our business as an insurer, or
- which we indicate we do not want to know.

- **If You do not tell us**

If You do not comply with Your Duty of Disclosure we may reduce or refuse to pay a claim or cancel Your Policy. If Your non-disclosure is fraudulent we may treat this Policy as never being in force.

## Privacy

Privacy legislation regulates the way private sector organisations can collect, use, keep secure and disclose personal information. We are bound by the Privacy Act 1988 (Cth.), when collecting and handling Your personal information. Miramar has developed a privacy policy which explains what sort of personal information we hold about You and what we do with it.

We will only collect personal information from or about You for the purpose of assessing Your application for insurance and administering Your insurance Policy, including any claims You make. We will only use and disclose Your personal information for a purpose You would reasonably expect.

We may need to disclose personal information to our reinsurers, (who may be located overseas), insurance intermediaries, insurance reference bureaux, credit reference agencies, our advisers and those involved in the claims handling process (including assessors and investigators), for the purposes of assisting us and them in providing relevant services and products, or for the purposes of litigation. We may disclose personal information to people listed as co-insured on Your Policy and to Family members or agents authorised by You. We may also disclose information to organisations which conduct customer service surveys on our behalf. We will request Your consent to any other purpose.

By providing Your personal information to us, You consent to us making these disclosures. Without Your personal information we may not be able to issue insurance cover to You or process Your claim.

You also have the opportunity to find out what personal information we hold about You and, when necessary, correct any errors in this information. Generally we will do this without restriction or charge. For further information about our privacy policy or to access or correct Your personal information, please contact

The Compliance Manager,  
Miramar Underwriting Agency Pty Ltd,  
PO Box 350  
Manly NSW 1655.  
Telephone: (02) 8962 2701, Fax: (02) 8962 2799.

## The General Insurance Code of Practice

Miramar Underwriting Agency Pty Ltd is a signatory to the General Insurance Code of Practice. The Code aims to:

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

## Dispute resolution

We will do everything possible to provide a quality service to You. However, we recognise that occasionally there may be some aspect of our service or a decision we have made that You wish to query or draw to our attention.

We have a Complaints and Dispute Resolution Procedure which undertakes to provide an answer to Your complaint within 15 working days.

If You would like to make a complaint or access our internal dispute resolution service please contact the Miramar office and ask to speak to a dispute resolution specialist.

## Cooling-off information

If You want to return Your insurance after Your decision to buy it, You may cancel it and receive a full refund. To do this You may notify Your Steadfast broker electronically or in writing within 21 days from the date the Policy commenced.

This cooling-off right does not apply if You have made or are entitled to make a claim. Even after the cooling-off period ends, You still have cancellation rights however Your Steadfast broker may deduct certain amounts from any refund for administration costs or any non-refundable taxes.

If Your Policy is for an event that will start and finish within the 21 day cooling-off period, You can only exercise Your right before the event starts or the expiry of the cooling-off period, whichever is the earlier. For example, for travel insurance, the commencement of the journey is the event.

# POLICY TERMS AND CONDITIONS FOR COMMERCIAL/RETAIL/INDUSTRIAL POLICY

## Insurer

The Policy is underwritten by Lloyd's of London, Miramar acts under authority as an agent of the Insurer.

## Our agreement with You

We agree to provide You with the insurance cover set out in each of the Policy cover sections that You select and that are listed in the Policy Schedule.

You have paid or agree to pay us the premium set out in the current Policy Schedule.

The insurance cover is in force for the Period of Cover set out in the Policy Schedule. We will cover You for loss, damage and liability occurring during that Period of Cover, subject to the provisions of the Policy.

We will not pay any more than the sum insured or limit of liability for each cover section which is shown in the Policy or Policy Schedule.

We will not pay the Excesses shown in the Policy or Policy Schedule. If any loss or damage leads to a claim under more than one cover section of this Policy, You must pay the highest applicable Excess, but You need to pay only one Excess.

## Your Policy

Your Commercial/Retail/Industrial Policy consists of the Policy Terms and Conditions in this booklet and the Policy Schedule we give You.

Please read Your Policy carefully, and satisfy Yourself that it provides the cover You require.

If You want more information about any part of Your Policy, please ask us, or Your Steadfast broker.

You should keep Your Policy Wording and Policy Schedule together in a safe and convenient place for future reference.

## Paying Your premium

You must pay Your annual premium by the due date. If we do not receive Your premium by this date or Your payment is dishonoured this Policy will not operate and there will be no cover.

## Preventing our right of recovery

If You have agreed not to seek compensation from another person who is liable to compensate You for any loss, damage or liability which is covered by this Policy, we will not cover You under this Policy for that loss, damage or liability.

## Underinsurance

The following sections of the Policy:

1. Business Property cover
2. Business interruption cover
3. Machinery and Electronic cover

contain underinsurance provisions which require You to insure for full value. If You do not, we may pay You a lower amount after taking into account the proportion of Underinsurance or You may be required to pay a portion of the loss Yourself.

## Words with special meaning

Some words have special meaning wherever they appear in the Policy:

<b>Word or term</b>	<b>Meaning</b>
Aircraft	any craft or object designed to travel through air or space, other than model Aircraft.
Business Hours	when You or any of Your employees are at the Business Premises for the purpose of conducting Your Business.
Business Premises	the buildings, outbuildings, yards and land used by You for Your Business at the Situation.
Business Property	buildings, contents, Stock and items listed on the current Policy Schedule and used in Your Business.
Computer virus	an executable program or computer code segment that is self-replicating, requires a host program or executable disc segment in which it can be contained and which destroys or alters the host program or other computer code or data causing undesired program or computer system operation.
Excess	the amount, or the loss applicable to a specified period of time, expressed as an Excess on the current Policy Schedule or elsewhere in the Policy. This is the first amount of any loss that You must pay before we pay Your claim.
Family	any member of Your Family who lives permanently with You, including Your partner.
Flood	the inundation of normally dry land by water escaping or released from the normal confines of any natural watercourse or lake (whether or not they have been altered or modified) or from any dam, reservoir or canal.
Hovercraft	any vessel, craft or device made or intended to float on or in or travel on or through the atmosphere or water on a cushion of air provided by a downward blast.
Money	current coin, bank notes, currency notes, cheques, credit card sales vouchers, securities, postal orders, Money orders, negotiable and non-negotiable securities and other like documents of value, phone cards and/or stored value cards, unused postage and revenue stamps, public transport tickets, private transport tickets (excluding airline tickets), bridge or highway tokens, car wash tokens, lottery tickets, authorised gift vouchers from external parties, contents of franking machines and includes cash boxes, alarm bags, or any other portable container used to convey Money all belonging to You or for which You are legally responsible or have assumed a responsibility to insure but does not mean any of these in the possession of or carried by professional Money carriers, professional carriers or common carriers.
Period of Cover	the time cover commenced to the time cover expires. The dates are shown on the current Policy Schedule. Unless stated otherwise, cover shall expire at 4.00pm local time at the place where You arranged the cover.
Policy	includes this document, the Policy schedule and any attachment or memoranda affixed and any future documents issued to You which amends the policy wording or Policy schedule.
Policy Schedule	the most current Schedule of Insurance or any future renewal Schedule, including any endorsements issued by us in connection with this Policy.
Rewriting of Records	the cost of restoration of computer records, documents, manuscripts, securities, deeds, specifications, plans, drawings, designs, business books and other records of every description.

<b>Word or term</b>	<b>Meaning</b>
Stock	<ol style="list-style-type: none"> <li>1. products and material You intend to sell</li> <li>2. raw or consumable materials used by You to make or alter Your products</li> <li>3. Your products while being made, repaired or altered</li> <li>4. any consumable products or materials used in Your Business</li> <li>5. goods for which You are responsible.</li> </ol> <p>Under the Theft cover section, Stock does not include tobacco, products containing tobacco, cigars or cigarettes unless they are specified on the current Policy Schedule.</p>
Subsidiary Company	any company in which You have a controlling interest. For the purpose of this definition the term 'controlling interest' shall mean the beneficial ownership of shares carrying more than 50% of votes capable of being cast at a general meeting of all shareholders of the company.
Vehicle	any type of machine on wheels or on self laid tracks made or intended to be propelled by other than manual or animal power, and any trailer or other attachment to be utilised in conjunction with or drawn by any such machine.
Watercraft	any vessel, craft or thing made or intended to float on or in or travel through water, other than model boats.
You	the person(s), companies or firms named on the current Policy Schedule as the 'Insured'.
Your Business	the business as described in the Policy Schedule (and, where applicable, as further described in any more specific underwriting information provided to us at the time when this insurance was negotiated)

# General Policy exclusions applicable to all sections

The following General exclusions apply to all sections of this Policy.

## War, terrorism, radioactivity

This Policy excludes loss, damage, destruction, death, injury, illness, liability, 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 loss:

1. War, invasion, acts of foreign enemies, hostilities or war-like operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, or
2. Any act(s) of Terrorism

For the purpose of this exclusion, an act of terrorism includes 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:

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

3. Radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion.

Provided that this Exclusion 3 shall not apply to liability arising from radio-isotopes, radium or radium compounds when used away from the place where such are made or produced and when used exclusively incidental to ordinary industrial, educational, medical or research pursuits.

This Policy also excludes any loss, destruction, damage, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any action taken in controlling, preventing, suppressing, retaliating against, or responding to or in any way relating to the above.

## Business in liquidation or ceases to trade

If Your Business is placed into liquidation or administration, a receiver is appointed or the business is wound up or is permanently discontinued, then unless otherwise agreed by us in writing, all cover under this Policy ceases from the time Your interest is transferred or Your Business ceases to trade.

## Geographical limitations

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

## Unoccupancy

Unless we otherwise agree in writing, we will not pay for any loss or damage to Your Business Property if the occurrence happens after Your Business Premises has been unoccupied for more than 90 consecutive days.

## Wilful acts

Subject to the provisions of the Insurance Contracts Act 1984, we will not pay for any loss or damage caused by either Your wilful act or by the wilful act of another party committed with Your knowledge and consent and which You were capable of preventing.

## Known defects

We will not pay for loss or damage caused by faults or defects known to You or any employee whose knowledge in law would be deemed to be Yours and not disclosed to us at the time this insurance was arranged.

## Date recognition

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

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

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

- (i) anything referred to in (a) or (b) recognising, using or adopting any date, day of the week or period of time, otherwise than as, or other than, the true or correct date, day of the week or period of time, or

(ii) the operation of any command or logic which has been programmed or incorporated into anything referred to in (a) or (b) above.

This exclusion will not exclude any claim for subsequent loss or destruction of or damage to any Business Property or consequential loss which is solely and directly occasioned by a defined contingency (as defined hereunder), arising under any of the sections listed below, but only to the extent that such claim would otherwise be insured under those sections.

- Business Property cover section
- Business interruption cover section
- Money cover section
- Glass cover section
- Machinery and electronic cover section
- General Property cover section

This exclusion does not apply in respect of the Theft cover section, if provided by this Policy.

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

## Electronic Data exclusion

We will not cover Electronic Data or the cost of rewriting records as a result of loss of electronic data.

However, we will provide cover for losses to electronic data and rewriting of records arising out of the following perils:

fire, lightning, thunderbolt, explosion, implosion, earthquake, subterranean fire, volcanic eruption, impact, Aircraft and/or other aerial device, breakage of glass, the acts of persons taking part in riots or civil commotions or of strikers or of locked out workers or of persons taking part in labour disturbances which do not assume the proportions of or amount to an uprising, storm and/or tempest and/or rainwater and/or wind and/or hail, water and/or other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or appliance and/or pipes.

If the Theft cover section of the Policy is current we will also provide cover for losses to electronic data arising out of theft of any computer and/or computer hardware and/or firmware and/or microchip and/or integrated circuit and/or and/ device containing such electronic data.

If the Electronic equipment cover section of the Policy is current and Electronic Data and electronic data media is insured we will also provide cover for losses to electronic data arising out of vibration, power surge, low voltage, mechanical, electrical and electronic breakdown, but not breakdown occurring as a result of any virus, worm, trojan horse, hacking, or any unauthorised access.

For the purposes of this exclusion electronic data means any facts, concepts and/or information converted to a form usable for communications and/or displays and/or distribution and or processing by electronic and/or electromechanical data processing and/or electronically controlled equipment which includes but is not limited to programs and/or software and/or other coded instructions for such equipment.

## General Policy conditions

The following General conditions apply to all sections of this Policy.

Breach of a condition or warranty without Your knowledge or consent or error in name, description or Situation of property will not prejudice Your rights under this Policy provided notice in writing is given to us when such breach or error comes to Your knowledge. Reasonable extra premium shall be paid if required, from the date of such breach or error.

### Accountancy records

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

### Cancelling Your Policy

#### How You may cancel this Policy

- You may cancel this Policy at any time by telling us in writing that You want to cancel it. You can do this by giving the notice to Your Steadfast broker.
- Where 'You' involves more than one person, we will only cancel the Policy when a written agreement to cancel the Policy is received from all persons named as the insured.

#### How we may cancel this Policy

- We may cancel this Policy in any of the circumstances permitted by law by informing You in writing.
- We will give You this notice in person or send it to Your address last known to us.

### The premium

We will refund to You the proportion of the premium for the remaining Period of Cover.

## Premium funders

If the premium has been funded by a premium funding company which holds a legal right over the Policy by virtue of a notice of assignment and irrevocable power of attorney, a refund will be made to the premium funding company of the proportionate part of the premium applicable to the unexpired Period of Cover.

## Excess

If more than one Excess can be applied to one occurrence, then You will only need to pay the highest Excess. Sums insured, limits and sub-limits of liability shall apply in addition to, and shall not be reduced by, the amount of any applicable Excess.

## How Goods and Services Tax (GST) affects any payments we make

The amount of premium payable by You for this Policy includes an amount on account of the GST on the premium.

When we pay a claim, Your GST status will determine the amount we pay.

When You are:

- (a) not registered for GST, the amount we pay is the sum insured/limit of indemnity or the other limits of insurance cover including GST.
- (b) registered for GST, we will pay the sum insured/limit of indemnity or the other limits of insurance and where You are liable to pay an amount for GST in respect of an acquisition relevant to Your claim (such as services to repair a Damaged item insured under the Policy) we will pay for the GST amount.

We will reduce the GST amount we pay for by the amount of any input tax credits to which You are or would be entitled if You made a relevant acquisition. In these circumstances, the Input Tax Credit may be claimable through Your Business Activity Statement (BAS).

You must advise us of Your correct Australian Business Number and Taxable Percentage.

Any GST liability arising from Your incorrect advice is payable by You.

Where the settlement of Your claim is less than the sum insured/limit of indemnity or the other limits of insurance cover, we will only pay an amount for GST (less Your entitlement for Input Tax Credit) applicable to the settlement. This means that if these amounts are not sufficient to cover Your loss, we will only pay the GST relating to our settlement of the claim.

We will (where relevant) pay You on Your claim by reference to the GST exclusive amount of any supply made by any business of Yours which is relevant to Your claim.

GST, Input Tax Credit (ITC), Business Activity Statement (BAS) and Acquisition have the same meaning as given to those expressions in A New Tax System (Goods and Services Tax) Act 1999 and related legislation as amended from time to time.

Taxable Percentage is Your entitlement to an Input Tax Credit on Your premium as a percentage of the total GST on that premium.

## Our maximum liability

Except as otherwise stated elsewhere in this Policy, the maximum amount we will pay will not exceed the amount stated in the Policy Schedule as the sum insured or the limit of liability for those sections selected.

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

## Inspections

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

## Jurisdiction

All disputes arising out of or under this Policy shall be subject to determination by any court of competent jurisdiction within Australia according to the law which applies to that jurisdiction.

## Other persons or organisations

If any person or entity shall have any interest in the Business Property, we shall protect that interest in the event of a claim, provided that interest is disclosed in Your Business records and You shall have disclosed the nature and extent of that interest to us at the time of notification of the claim.

Where the separate interests of more than one party in the Business Property are insured under this Policy, any act or neglect of one party will not prejudice the rights of the remaining party or parties provided that the remaining party/ies shall, within a reasonable time after becoming aware of any act or neglect whereby the risk of loss, damage or destruction has increased, give notice in writing to us and shall on demand pay such reasonable additional premium as we may require.

You cannot transfer the Policy into someone else's name without our written consent.

All persons entitled to claim under the Policy are bound by the terms and conditions of the Policy.

When a claim is paid under the Policy and is also recoverable under another Policy or policies, You agree to permit us to seek contribution from the other insurer or insurers.

## Progress payments

We will not unreasonably withhold progress payments. We will make progress payments on claims at intervals to be agreed by us following receipt of an interim report from our loss adjuster or representative.

## Sale of salvage

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

## Reasonable care

You must take reasonable precautions to prevent personal injury or property damage as if You were not covered by this Policy such as:

1. if You discover Your products may be defective and the defect may cause a claim under the Public and Products Liability cover section, at Your expense You must take reasonable steps to restrict, trace, recall, modify, replace or repair the products
2. maintain and look after other person's or organisation's property and buildings used or occupied by You, in accordance with Your agreement with them
3. if Your occupation includes digging below ground at sites away from Your Business Premises You must obtain the location of underground services from the owners of the services
4. use and store all hazardous materials as required by law.

If You do not take reasonable precautions we may refuse to pay part or all of Your claim.

## Reinstatement of sum insured

In the event of damage insured under one or more of the Business Property, Business Interruption, Theft, Money and Glass cover sections of this Policy, the amount by which the sum insured or limit of indemnity is reduced as a consequence of the loss or damage will be automatically reinstated as from the date of loss or damage provided that:

- (a) there is no written request from You or written notice by us to the contrary;
- (b) the section is an operative section of the Policy; and
- (c) You pay the premium which we require for the reinstatement.

We will not reinstate the sum insured on the Business Property cover or Business Interruption cover sections if we have paid a total loss under either of these sections.

## Single occurrence

We will not pay for loss or damage to property covered by the Policy under more than one section of the Policy in respect of the same item and occurrence unless a relevant sum insured has been paid out in full and You have not been fully covered for the loss or damage.

## Waiver of subrogation rights

We may not be liable to pay any benefits under this Policy for loss, damage or liability if You agree or have agreed to limit or exclude any right of recovery against any third party who would be liable to compensate You with respect to that loss, damage or liability however:

- (a) We shall waive any rights and remedies or relief to which we are or may become entitled by subrogation against:
  - (i) any co-insured (including directors, officers and employees);
  - (ii) any corporation or entity (including directors, officers and employees) owned or controlled by any insured or against any co-owner of the property insured.
- (b) You may without prejudicing Your position under this Policy:
  - (i) release any statutory governmental, semi-governmental or municipal authority from any liability if required at law to do so;
  - (ii) agree to enter into a contract for storage of goods or merchandise if the terms of the contract include a disclaimer clause;
  - (iii) agree to enter into a lease for occupancy of any building or part of a building or a lease or hiring of property where the terms of the lease or hiring include a disclaimer clause in favour of the lessor or the owner.

## Claim preparation expenses

We will pay for costs necessarily and reasonably incurred for the preparation of a claim for which we agree to indemnify You under this Policy. The most we will pay is \$20,000 in total or 25% of the claim amount otherwise payable, whichever is the lesser, unless a specific amount is included in the particular section of the Policy.

Provided that before You incur these claim preparation costs You obtain our written approval to incur these costs.

This benefit is in addition to any limit of indemnity.

## **Bankruptcy or insolvency**

In the event that You should become bankrupt or insolvent, we shall not be relieved thereby of the payment of any claims hereunder because of such bankruptcy or insolvency.

In case of execution against You of any final judgment covered by this Policy being returned 'unsatisfied' by reason of such bankruptcy or insolvency, then an action may be maintained by the injured party or their representative against us in the same manner, and to the same extent as You but not in excess of the limit of liability

## **Non-imputation**

Where this insurance is arranged in the joint names of more than one insured, as described in the definitions of You, it is hereby declared and agreed that:

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

## **Claims**

### **What You must do after loss, damage or accident**

Protect Yourself from any danger present.

Assist other people within Your capabilities if required.

Take reasonable steps to prevent further loss, damage or liability.

Notify the police immediately if any of Your property is lost, stolen, or maliciously damaged and provide the police with all assistance to apprehend the offending party.

Advise us of the claim as soon as practicable and then supply us with full written details by completing our claim form. You or someone acting on Your behalf must complete a claim form within a reasonable time of an occurrence. If You do not, we may reduce the amount we pay if the delay causes increased costs or prevents us investigating the claim.

Any invoices, bills, demands letters or notices You receive from other people involved in the loss, damage or accident must be sent to us as soon as possible.

### **What You must not do after a loss or accident**

You must not admit fault or agree to pay for damage without our consent. Do not make an offer, settle, or attempt to settle any claim against You. If You do we may not pay all or part of the claim.

You must not incur any costs or expenses or authorise repairs (other than necessary temporary repairs) without our agreement.

# Business Property cover section

## Words with special meaning

Some words have special meaning wherever they appear in this section. These words and their meanings are listed below.

Word or term	Meaning
--------------	---------

Buildings	Buildings and structural appurtenances at the Situation.
-----------	--

**Buildings includes:**

1. verandahs, carports, shelters, awnings, gangways, staircases and all outbuildings
2. fixtures and fittings owned by the owner of the building
3. underground and above ground services including aprons, supply mains and meters
4. walls, gates, fences, flagpoles, floodlights and signs
5. permanently fixed water and fuel tanks.

**Buildings does not include:**

1. Plant and machinery
2. Stock
3. Contents
4. Property undergoing erection, construction, alteration or addition (including the partial dismantlement of existing structures), where the total contract value of all work to be carried out at any one Business Premises exceeds \$500,000 or 20% of the total sum insured on Buildings and Contents, whichever is the lesser provided that this limit shall apply only to the portion of the Business Premises or Business Property which is the subject of any such work and not to any other portion of the Business Property
5. Land, dams, bridges, canals, roadways, tunnels, railway tracks (not at the Situation), wharves, docks and piers

This definition of 'Buildings' is subject to the 'Designation of property' condition which applies to the Business

Property cover.

Contents	all property at the Business Premises, belonging to You or for which You are responsible for.
----------	---

Contents includes:

1. fixtures, fittings and glass owned by Your landlord which You are legally responsible for and leasehold improvements
2. machinery
3. plant permanently fixed to Your Buildings
4. documents of title and any other documents of aesthetic, historic, scientific or social value for past, present or future generations
5. computer systems records, manuscripts, other documents, deeds, specifications, plans, drawings, designs, business books and other records of every description

<b>Word or term</b>	<b>Meaning</b>
Contents (continued)	<p>6. paintings, works of art and curios but unless such Contents are Stock, only up to \$5,000 any one item</p> <p>7. Stock</p> <p>8. goods sold but not delivered and goods held by You on consignment or commission</p> <p>9. property not owned by You but on Your Business Premises for service, repair, alteration or safe keeping</p> <p>10. property of Your welfare, sports and social clubs.</p> <p><b>Contents does not include:</b></p> <p>1. Buildings</p> <p>2. growing crops, trees or plants other than pot-plants</p> <p>3. animals, livestock, fish, birds and any other living organism except laboratory cultures, Stocks of foodstuffs, of nursery plants, or Stocks of a pet shop</p> <p>4. motor Vehicles or trailers, caravans or motorcycles all while registered or licensed to travel on a public road, provided that this exclusion will not apply to:</p> <p>(i) mobile plant and equipment (excluding cars, sedans, panel vans, and trucks) not otherwise insured;</p> <p>(ii) motor Vehicles or trailers, caravans or motorcycles that are Stock in trade of the business</p> <p>5. Money</p> <p>6. jewellery, furs, bullion, articles containing gold and silver which are not Stock and which exceed \$10,000 any one item</p> <p>7. Contents undergoing erection, construction, alteration or addition (including the partial dismantlement of existing structures), where the total contract value of all work to be carried out at any one Business Premises exceeds \$500,000 or 20% of the total sum insured on Buildings and Contents, whichever is the lesser, provided that this limit shall apply only to the portion of the Business Premises or Business Property which is the subject of any such work and not to any other portion of the Business Property</p> <p>8. land, dams, bridges, canals, roadways, tunnels, railway tracks (not at the Situation), wharves, docks and piers</p> <p>9. water craft, Aircraft or any accessories, equipment or spare parts whilst contained in or on these items unless they are Stock and are on Your Business Premises at the time of any loss or damage.</p> <p>This definition of 'Contents' is subject to the 'Designation of property' condition which applies to the Business Property cover.</p>
Market Value	the estimated amount for which the Business Property should exchange immediately before the damage, between a willing buyer and a willing seller in an arms-length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.

## **Types of cover**

The scope of cover provided is explained in the clauses 'Defined events cover' and 'Accidental damage cover'.

## **How we will pay Your claim**

There are two methods of paying Your claims. They are 'reinstatement or replacement value' and 'indemnity value'.

The claim payment method You are covered for is shown on the current Policy Schedule.

## **Method of settlement – reinstatement or replacement value**

We will pay the cost of rebuilding, replacing or repairing any damaged part of Your Business Property to the same condition as when they were new or, where appropriate, in accordance with the 'Output replacement' clause set out below.

Business Property may be rebuilt or erected at another location and in a manner suitable to You provided You pay any additional costs to build or erect elsewhere.

If the Business Property is lost or damaged You must commence to rebuild, replace or repair within a reasonable time of the loss or damage, after our consent has been obtained. If You do not, we will pay no more than the cost that would have been incurred if the work of rebuilding, replacement or reinstatement has been commenced and carried out with reasonable dispatch.

## Extra cost of reinstatement

(Applicable to Buildings, machinery and plant).

Where 'Reinstatement or replacement' basis of settlement is shown in the Policy Schedule, this section extends to include the extra cost of reinstatement (including demolition or dismantling) of damaged property insured necessarily incurred to comply with the requirements of any Act of Parliament or Regulation made under an Act or By law or the Regulation of any Municipal or Statutory Authority, subject to the following provisions and subject also to the terms, conditions and sums insured of this section.

Provided that:

- (a) the work of reinstatement, must be commenced and carried out within a reasonable period, failing which we will not pay more than the amount which would have been payable under the Policy if the work of reinstatement had been commenced and carried out with reasonable dispatch;
- (b) The work of reinstatement may be carried out wholly or partially upon any other site, if the requirements of the Act, Regulation or By-law necessitate it, subject to our liability not being increased.
- (c) Our total liability under this clause 'Extra cost of reinstatement' will be limited to:
  - (i) the sub limit of liability shown in the current Policy Schedule for 'Extra cost of reinstatement' which shall be in addition to the sum insured; or
  - (ii) if no such sub-limit of liability is stated, and the damage is less than fifty percent (50%) of the Replacement Cost of the Buildings or Contents, our liability shall be limited to the extra cost necessarily incurred in reinstating the damaged Business Property only;
- (d) the amount recoverable shall not include the additional costs incurred with complying with any such Act, Regulation or By-law or requirement with which You have been required to comply prior to the happening of the damage.

The underinsurance condition of the Business Property cover section of the Policy will not be applied to the amount payable under this clause.

## Method of settlement – Indemnity

If the basis of settlement is shown in the Policy Schedule as Indemnity, we will pay the cost to repair or replace the insured property less an equitable amount for age, wear, tear, depreciation and will make an adjustment for the general condition and remaining useful life of the individual item or components that are damaged.

We will also pay, in accordance with the 'Extra Cost of Reinstatement' clause, the additional costs required to comply with the requirements of any statutory authority or by-laws, provided you were not required to comply with any of the by laws prior to the loss or damage occurring.

The Underinsurance/average condition in this section is amended to read:

In the event of loss or damage to property we shall be liable for no greater proportion of the loss or damage than the sum insured at the location bears to eighty percent (80%) of the current value of the property insured, provided that our liability shall not exceed the sum insured stated against each item in the Policy Schedule.

## Output replacement

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

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

## Floor space ratio index (Plot ratio)

Where Buildings are damaged and the cost of reinstatement is more than 50% of the cost of reinstatement if the Buildings had been totally destroyed and reinstatement of such damage is limited or restricted by:

- (a) any Act of Parliament or regulation thereunder, or
- (b) any by-law or regulation of any municipal or other statutory authority

resulting in either case in the reduction of the floor space ratio index (plot ratio) of the site, then we shall pay in addition to the amount payable on reinstatement of such Buildings the difference between:

- (i) the actual costs incurred in reinstatement subject to the reduced floor space ratio index (plot ratio), and
- (ii) the estimated cost of reinstatement at the time of damage had the reduced floor space ratio index (plot ratio) not applied.

Provided that our total liability for reinstatement or replacement value, additional costs of compliance and under this 'Floor Space Ratio Index (Plot Ratio)' clause shall not exceed the sum insured in respect of the Buildings which are the subject of the claim.

## Branded goods

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

## What You are covered for

We will cover You for loss or damage caused by the events listed under 'Defined Events Cover' and 'Accidental Damage Cover' to Your Business Property which occurs during the Period of Cover.

The current Policy Schedule shows what You have covered and the method of settlement.

## Defined events cover

We cover You for loss or damage at the Business Premises caused by the following defined events:

1. Bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks, fixed appliances, fixed pipes or other systems used to hold or carry liquid (including the reasonable cost of identifying and locating the cause of damage) but we will not cover the repair or replacement of such apparatus, appliances, tanks, pipes or other systems which give rise to the damage.
2. Earthquake, volcanic eruption, subterranean fire or tsunami.  
We will not pay for the first \$20,000 or 1% of the sum insured at the damaged Business Premises (whichever is the lower amount) of each claim caused by earthquake, volcanic eruption, subterranean fire or tsunami.  
Within 72 hours of an occurrence following earthquake, volcanic eruption, subterranean fire or Tsunami.
3. Fire, lightning or explosion.
4. Impact by:
  - (a) a Vehicle designed primarily for use on land.
  - (b) an animal
  - (c) trees or branches of trees. This cover includes the reasonable costs associated with the removal and disposal of the tree or branches, which caused the damage.
  - (d) communication masts, towers, antennae or satellite dishes.
  - (e) Aircraft or water craft
  - (f) meteorites or debris from an Aircraft, rocket or satellite.
  - (g) a falling building or other structure or part thereof.
5. Malicious damage, including damage by burglars or thieves, other than damage caused by You or anyone who permanently or temporarily lives with You.
6. Riots, civil commotions, strikes or locked out workers or persons taking part in labour disturbances including resultant acts of any lawfully constituted authority.
7. Storm, tempest, rainwater, snow, sleet, wind, hail but not:
  - (a) by water from or action of the sea, tidal wave, storm surge, high water or Flood.
  - (b) to gates, fences, retaining walls, shade cloth, exterior textile awnings or blinds which exceeds \$25,000 in respect of any one occurrence for loss or damage.
  - (c) to property in the open air unless such property is a permanent structure designed to function without the protection of walls or roof.
  - (d) erosion, subsidence, landslide, collapse or any other movement of earth.
  - (e) caused by water entering the Buildings through an opening in the wall or roof made for the purpose of alterations, additions, renovations, or repairs.
8. Escape of molten material from its intended confines on or about the Business Premises but excluding:
  - (a) the cost of repairing any fault which permitted such escape,
  - (b) the cost of retrieving or removing escaped material from any escape channel or catchment area designed for the purpose,
  - (c) loss of or damage to such escaped material,
  - (d) loss or destruction of or damage to furnace linings, crucibles, moulds, other containers or ladles from which molten material escapes.

## Accidental damage cover

We will cover You for accidental loss or damage to Your Business Property at the Business Premises other than the events or items listed in 'What You are not covered for under Accidental damage cover'.

The maximum amount we will pay for accidental damage cover for any occurrence is the lesser of \$250,000 or the total sum insured for Buildings and Contents unless a higher amount is specified in the current Policy Schedule as the accidental damage sum insured.

## What You are not covered for under Accidental damage cover

We will not pay for claims under 'Accidental damage cover' for:

1. loss or damage caused by any defined events cover in this section
2. loss or damage caused by events or to the items listed under general exclusions
3. loss or damage insurable under any other section or sections of this Policy
4. Business Property to the extent insurable under the General Property cover section
5. for damage which occurs as a result of Your failure to repair or prevent bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks or fixed pipes used to hold or carry liquid within a reasonable amount of time of discovering an occurrence
6. unexplained disappearance or unexplained inventory shortage, whether resulting from clerical or accounting errors or shortages in supply or delivery of materials to or by You
7. loss or damage caused by demolition, other than demolition by or ordered by a public authority, if the value of the demolition work exceeds \$500,000 or 20% of the total sum insured on Buildings and Contents, whichever is the lesser
8. pollution or contamination of Business Property unless caused by a defined event
9. theft, except where the Business Premises 'Buildings' insured by the owner under this Policy section are tenanted under a lease agreement by another party, person or entity not named in the Policy, in which case, the insured owner will be entitled to be indemnified against loss by theft of their Business Property (as defined in this section for 'Buildings') at the Business Premises in accord with the terms and conditions of the 'Theft cover section' of this Policy regardless of whether it is selected in this Policy or otherwise.

The maximum we will pay in respect to any loss under this additional protection provided under this Business Property cover section in relation to theft shall be limited to \$20,000 in total any one occurrence happening during the currency of the Policy.

## Additional benefits – Business Property cover

The following additional benefits are provided if You have selected the Business Property cover section:

### Capital Additions

We cover additions to Your Buildings, Contents, and specified items obtained or built during the Period of Cover to an amount not exceeding 20% of the total sum insured on Buildings, Contents and specified items or \$500,000 whichever is the lesser, in respect of property insured at any one Situation. This additional benefit is in addition to Your sum insured.

### Directors and Employees personal property

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

Cover is limited to \$5,000 for any one employee. This additional benefit provides cover to You. It does not provide any insurance cover to any director or employee.

### Prevention of imminent damage

We will pay up to \$50,000 for necessary costs You incur to extinguish a fire on or in the vicinity of Your Business Premises which causes or threatens property damage or for necessary costs to prevent or diminish imminent damage to Your property by any other insured peril.

We will not pay under this additional benefit for:

1. any fines, penalties or liability incurred by You
2. any loss or damage to Your property.

This additional benefit is in addition to Your sum insured.

### Fire Brigade attendance fees

We will pay up to \$50,000 for any statutory charges payable by You to a fire brigade or fire fighting authority for attendance at a fire or chemical emergency involving insured property. This additional benefit is in addition to Your sum insured.

### Government fees

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

The cost of government fees is included in the sum insured for Business Property.

### Professional fees

If Business Property has been damaged and the damage is covered by the Business Property cover section, we will pay the reasonable professional fees incurred to rebuild or repair Your Buildings and Contents. The cost of professional fees and legal costs are included in the sum insured of the property lost or damaged.

### Discharge of mortgages

If Business Property has been damaged and the damage is covered by the Business Property cover section, where the sum insured is not otherwise exhausted, we will pay up to the balance of the sum Insured, for the reasonable legal costs to discharge a mortgage or mortgages on Buildings or Contents following settlement of a claim on the basis of a total loss whether actual or constructive.

Where the sum insured is exhausted, in respect of the discharge of a mortgage on Buildings only, we will pay up to an additional ten percent (10%) of the total sum insured on Buildings, for the reasonable legal costs to discharge a mortgage or mortgages following settlement of a claim on the basis of a total loss whether actual or constructive.

### **Removal of debris**

If Business Property has been damaged or destroyed and is covered by the Business Property cover section, we will pay the reasonable costs incurred for the demolition, dismantling, necessary temporary repairs, cleaning up and/or removal, storage and disposal of debris from the Business Premises. We will also pay for Your legal liability for the cost of removal of debris from adjoining premises, property, services, roadways and waterways as well as on the site. We will pay You up to \$50,000 or 20% of the total sum insured on building and Contents shown on the Policy Schedule for the damaged premises whichever is the lesser (in addition to the sum insured) or the higher amount shown in the current Policy Schedule for removal of debris or if this is insufficient and You have not exhausted Your sum insured on the damaged items requiring demolition and/or removal of debris, we will pay up to the remaining balance of the sum insured.

### **Rewriting of Records**

We will pay You, in addition to Your sum insured, up to \$25,000 or any higher amount shown in the current Policy Schedule for Rewriting of Records, for clerical and professional costs incurred by You to re-write Your necessary business records if they are damaged by an occurrence which You are covered for in the Business Property cover section. We will not pay You for any financial loss caused by the loss of Your records under this additional benefit

### **Seasonal increase in Stock**

If You have insured Stock as a separate item to Your Contents, the sum insured on Stock is increased by 50% or \$75,000, whichever is the lesser amount, for:

1. (a) eight (8) weeks prior to and including Christmas Day;  
(b) three (3) weeks after and including 26 December;
2. (a) six (6) weeks prior to and including Easter Tuesday;  
(b) one (1) week after but not including Easter Tuesday.
3. (a) 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 or celebration, and  
(b) one (1) week after the same festive, religious or ethnic event or celebration.

Any other period shown on the current Policy Schedule, in lieu of the covers in 1-3 above.

If Your sum insured for Stock is included in another item on the current Policy Schedule we will only apply the increase to the portion of the sum insured which relates to Stock.

### **Temporary protection and security guards**

If Business Property has been lost or damaged and is covered by the Business Property cover section, we will pay for the cost of temporary protection, including employment of security guards, to safeguard the property insured:

- (a) where the sum insured is not otherwise exhausted, we will pay the reasonable costs and expenses reasonably incurred; and
- (b) when the sum insured becomes exhausted, we will pay an additional amount of up to \$25,000, pending repair or replacement, consequent upon damage for which a claim is payable.

If an occurrence results in a claim being paid under this cover section and another cover section of the Policy, the highest single limit under the relevant cover section applies. The benefit of Temporary Protection and Security Guards shall not be cumulative under this Policy.

### **Undamaged foundations**

If foundations are not destroyed following an occurrence and any Government or Statutory Authority requires reinstatement of the Business Property to be carried out on another site, the abandoned foundations will be considered as destroyed. If the resale value of the original building site is increased due to the presence of the abandoned foundations, the increase in resale value will be paid to us at the time of sale.

### **Playing surfaces**

We will pay, up to the greater of \$50,000 or the amount shown in the current Policy Schedule for playing surfaces, for the cost of repairing damage to outdoor playing surfaces at the Situation, caused by:

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

This additional benefit is in addition to the sum insured.

### **Landscaping**

Loss, damage or destruction by the defined events (other than storm, tempest or rainwater) to growing plants, shrubs, garden plots and lawns (including rock work, retaining walls, ornamentation and edging pertaining thereto) and resultant expenses necessarily incurred in cleaning, clearing and/or repairing drains, gutters, sewers and the like, all contained in or on or forming part of or implicitly pertaining to the Buildings insured, up to

but not exceeding \$50,000 or 20% of the sum insured at the Business Premises specified in the Policy Schedule in respect of any one loss. This additional benefit is included in the sum insured of the Buildings covered by this section.

### **Loss of land value**

Up to \$100,000 for the reduction in land value, which shall be the value certified by the Valuer General or other competent person or authority selected by us, that results from the requirements of any statutory authority that does not allow rebuilding (or only partial rebuilding) at the Business Premises following loss or damage covered by this section.

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 for Buildings at the Situation where the damage happened.

The underinsurance condition does not apply to this additional benefit, which is in addition to the sum insured.

### **New premises – temporary cover**

We will temporarily extend cover provided by this section to property at any new Situation first occupied by You during the Period of Cover provided that:

- (a) this temporary cover period is limited to the lesser of:
  - (i) 30 days from the date You acquire or commence using the premises, or
  - (ii) the expiry date of the current Period of Insurance, or
  - (iii) the date on which the property ceases to belong to You
- (b) the property is used for the business described in the Policy Schedule
- (c) the property is of similar type to that already insured under this cover section
- (d) the new premises comprise Buildings of similar construction, fire and burglary protection as featured in any premises currently described in the Policy Schedule
- (e) You must provide to us full details of the new premises within 30 days of the commencement of this temporary cover. If we agree to continue the cover You must pay any additional premium that we may require.

The maximum we will pay for this additional benefit is 20% of the highest sum insured shown on the Policy Schedule for each item of property.

### **Temporary removal**

We also cover Your insured Business Property while temporarily removed to any other premises within the Commonwealth of Australia.

Provided that:

- (a) We will not cover motor Vehicles or trailers, Watercraft, caravans or motorcycles unless they are:
  - (i) Stock in trade of the business; or
  - (ii) forklift trucks or similar appliances that are normally used for hauling or lifting goods at Your Business Premises.
- (b) We will not cover Stock in trade that is on consignment to other parties unless it is owned by You or is property for which you are responsible.
- (c) The maximum amount we will pay for this additional benefit will be 20% of the sum insured.
- (d) This additional benefit will not apply to any property insured, which has been removed for a period greater than 90 days without our prior written consent.

### **Limited transit**

Business Property is covered, up to the lesser of \$50,000 or twenty percent 20% of the sum insured for Contents including Stock, if it is in transit in or on any Vehicle owned or operated by You anywhere in Australia away from Your Business Premises, including storage during the transit, but only for damage caused by fire or explosion, wind or earthquake, acts of malicious persons or by collision or overturning of the conveying Vehicle.

## **Optional extension to the Business Property cover**

### **Flood**

When 'Flood' is shown in the current Policy Schedule, we will cover loss of or damage to Business Property caused by Flood.

### **Strata title mortgagee(s) interest**

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

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

We will pay the mortgagee the lowest of:

- (a) the sum insured shown on the Policy Schedule
- (b) the amount to repair the damage to a condition similar to but no better than when new
- (c) if the body corporate (or similar) partially covers the loss, then the difference between what the body corporate's insurance pays and the cost of the damage, or

(d) the amount sufficient to discharge the mortgage held by You over the unit at the date of the damage.

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

We only pay a claim if:

- (a) a claim would be payable under defined events 1 to 8 of the Business Property cover section (and not subject to any exclusions or other limitation in the Policy)
- (b) the Policy of the body corporate or similar does not apply or only partially covers the loss, and
- (c) the mortgagee requires You to discharge Your mortgage.

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

## What You are not covered for under this section

1. We will not pay for loss or damage under the Business Property cover section caused by:

(a) tenants

intentional loss or damage caused by Your tenants other than damage caused by fire or explosion

(b) wear and tear

(i) birds, insects, mice, rats or other vermin

(ii) rust, corrosion, or oxidation

(iii) mildew, mould, rotting, disease, contamination, pollutants, or industrial fallout

(iv) inherent vice, change of colour, loss of weight, loss of volume, change in flavour, change in texture

(v) variation in temperature, variation in humidity, variation in controlled atmosphere

(vi) wear, tear, fading or gradual deterioration

provided that this Exclusion 1(b) shall not apply to subsequent loss or damage to Your Business Property occasioned by a peril (not otherwise excluded) resulting from any event referred to in this Exclusion.

(c) movement of foundations

(i) vibration, heaving, creeping, shrinking, settling, or expansion of foundations or supports of Business Property

(ii) erosion, subsidence or earth movement unless caused suddenly by a defined event

(iii) collapse of Business Property unless caused suddenly by a defined event

(d) faulty work

(i) error in, omission of or wrong design

(ii) faulty materials or faulty workmanship

provided that this Exclusion 1(d) shall not apply to subsequent loss or damage to Your Business Property occasioned by a peril (not otherwise excluded) resulting from any event referred to in this Exclusion.

(e) cessation of work

partial or complete cessation of work, process, operation or activity caused by strikes, labour disputes or locked out workers except as a result of physical loss or damage to the Business Property committed by persons taking part in strikes or labour disputes, or by locked out workers

(f) incorrect siting of Business Property

(g) heat

spontaneous combustion, fermentation, heating or any process involving the direct application of heat

provided that this Exclusion 1(g) shall be limited to the item or items of Your Business Property immediately affected and shall not extend to other Business Property damaged as a result of such spontaneous combustion, fermentation or heating or process involving the direct application of heat.

(h) Flood

(i) the sea

the action of water from the sea, tidal wave or high water

(j) self-explosion of boilers or other pressure vessels.

We do not cover damage to the boiler or pressure vessel where the boiler or pressure vessel:

(i) is not solely used for domestic purposes, or

(ii) has a value of more than \$200,000.

However we do cover resultant damage to other Business Property.

2. We will not pay under the Business Property cover section for:

(a) legal liability

any legal liability You incur to pay compensation, damages, fines, or penalties

- (b) breakdown
  - cost to repair or replace Business Property due to:
    - (i) mechanical, hydraulic, electrical or electronic breakdown, malfunction, breakage or failure unless caused by an insured occurrence
    - (ii) Computer virus
    - (iii) access to Your computer systems and records by any person not on Your Business Premises
- 3. We will not pay for loss or damage under the Business Property cover section arising from demolition ordered by government or public or local authorities due to failure by You or Your agents to obtain the necessary permits.

## **Specific conditions applicable to this section**

### **Designation of property**

For the purpose of determining under which item any property is insured, we agree to accept the designation under which such property appears in Your books of account.

### **Tenants Actions**

If a tenant of Yours or a tenant of Your landlord (but not You) without Your consent, causes or contributes to any loss or damage covered by this section which is in breach of any terms or conditions, we will cover You for Your loss or damage as per this section, provided

1. You have taken all reasonable actions, as soon as You become aware of conditions causing the breach, to have the tenant comply with the terms
2. You notify us within a reasonable amount of time of becoming aware of the breach
3. You agree to pay a reasonable increase in premium for the additional risk.

### **Underinsurance/average**

For each occurrence under the 'Business Property cover section', we will not be liable for more than that proportion of damage which; in respect of Buildings, Contents, Stock and specified items the sum insured on the total amount for Buildings, Contents, Stock and specified items at the Situation, at the time of the commencement of each Period of Cover bears to eighty percent (80%) of the full insurable value of such Buildings, Contents, Stock and specified items;

Conditions:

1. Our liability is limited to the sum insured at the Situation as shown in the Policy Schedule.
2. This clause will not apply if the amount of any damage does not exceed ten percent (10%) of the sum insured at the Situation.

Example;

Total value \$200,000

80% of value = \$160,000

Sum insured \$144,000

Therefore if a \$100,000 loss occurs, we would pay  $(\$144,000 / \$160,000) \times \$100,000 = \$90,000$

We would pay \$90,000.

Any additional costs incurred to comply with the requirements of any statutory authority, by-laws or regulations shall be omitted from the calculation of our proportion.

### **Release**

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

### **Leased building clause**

Without prejudicing Your position under this cover section, You may agree to enter into a lease for occupancy of any building or a lease for hiring of property where the terms of the lease include a disclaimer clause in favour of the lessor to the owner.

### **Storage premises**

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

## Business interruption cover section

### Words with special meaning applicable to this section

Some words have special meaning wherever they appear in this section. These words and their meanings are listed below.

<b>Word or term</b>	<b>Meaning</b>
Damage	actual physical loss, destruction or Damage from the operation of a peril or event insured against under the 'Business Property cover section', the 'Theft cover section', the 'Money cover section', the 'Glass cover section' or the 'General Property cover section' of Your Policy.
Indemnity Period	the period beginning with the occurrence of the Damage during which the results of Your Business are affected by the Damage and ending at the expiration of the maximum period specified in the current Policy Schedule or, in the case of Weekly Revenue, ending at the earliest of either the expiration of the maximum period specified in the Policy Schedule or when Weekly Revenue during that period equals or exceeds 95% of Standard Weekly Revenue.
Rent Receivable	the amount of the rent received or receivable (including base rental, Turnover rental and contributions to outgoings) from the letting of property at the Business Premises.

There are three Parts available in this section:

- Part A – Annual Revenue basis
- Part B – Weekly Revenue basis
- Part C – Insurable Gross Profit basis

Your Policy Schedule indicates which Part has been selected by You.

## Part A – Annual Revenue basis

### Words with special meaning for Part A

Some words have special meaning wherever they appear in this Part. These words and their meanings are listed below.

<b>Word or term</b>	<b>Meaning</b>
Annual Revenue	the Revenue earned during the twelve months immediately before the date of the Damage.*
Revenue	the Money paid or payable to You as a: <ul style="list-style-type: none"><li>• Wholesaler or retailer of goods – for goods sold and delivered in the course of Your Business less the cost of any related purchases (after any discounts).</li></ul>
Revenue (continued)	<ul style="list-style-type: none"><li>• Professional practitioner or consumer services provider – for services rendered and work performed in connection with Your Business.</li><li>• Property owner – by tenants (being Rent Receivable).</li></ul>
Standard Revenue	the Revenue earned within that period during the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period.*

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

## What You are covered for

In the event of interruption of or interference with Your Business in consequence of Damage occurring during the Period of Cover we will pay You in respect of each item selected by You and shown in the current Policy Schedule, the amount of the loss resulting from such interruption or interference.

Provided that:

- (a) the payment is in accordance with the basis of settlement provision for the item
- (b) we have admitted liability in respect of such Damage under the relevant section of Your Policy, or would have, except for the application of an Excess, and
- (c) our liability in no case will exceed in respect of each item the sum insured shown in the current Policy Schedule for that item.

The insurance under this section provides protection with regard to loss under:

**Item 1.** Revenue

**Item 2.** Additional increase in cost of working

**Item 3.** Accounts receivable

**Item 4.** Claim preparation expenses

## Basis of settlement

### Item 1. Revenue

This item is limited to the loss of Revenue and increase in the cost of working.

The amount payable as indemnity under Item 1 will be:

- (a) in respect of the loss of Revenue:
  - the amount by which the Revenue earned during the Indemnity Period falls short of the Standard Revenue, in consequence of the Damage, and
- (b) in respect of the Increase in cost of working:
  - the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Revenue which, but for the additional expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the amount of reduction in Revenue thereby avoided, less any sum saved during the Indemnity Period in respect of such charges and expenses of Your Business payable out of Revenue as may cease or be reduced in consequence of the Damage.

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

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

**Item 2.** Additional increase in cost of working – see 'Common Clauses to Parts A, B and C'.

**Item 3.** Accounts receivable – see 'Common Clauses to Parts A, B and C'.

**Item 4.** Claim preparation expenses – See 'Common Clauses to Parts A, B and C'.

## Part B – Weekly Revenue basis

### Words with special meaning for Part B

Some words have special meaning wherever they appear in this Part. These words and their meanings are listed below.

Word or Term	Meaning
--------------	---------

Weekly Revenue	<p>the Money paid or payable to You each week as a:</p> <ul style="list-style-type: none"><li>• Wholesaler or retailer of goods – for goods sold and delivered in the course of Your Business less the cost of any related purchases (after any discounts)</li><li>• Motel operator – in respect of facilities, accommodation, food and drink made available and services rendered in connection with Your Business, less the cost of any related purchases (after any discounts) and laundering and cleaning expenses.</li><li>• Professional practitioner or consumer services provider – for services rendered and work performed in connection with Your Business.</li><li>• Property owner – by tenants (being Rent Receivable).</li></ul>
Standard Weekly Revenue	<p>the average of the Weekly Revenues in that period during the fifty two (52) weeks immediately before the date of the Damage which corresponds with the Indemnity Period, adjusted as may be necessary for trends, variations in or other circumstances affecting Your Business, so that the adjusted figure will represent as far as possible the weekly results which, but for the Damage, would have been obtained during the relative period after the Damage.</p>

### What You are covered for

In the event of interruption of or interference with Your Business in consequence of Damage occurring during the Period of Cover we will pay You in respect of each item selected by You and shown in the current Policy Schedule, the amount of the loss resulting from such interruption or interference.

Provided that:

- the payment is in accordance with the basis of settlement provision for the item
- we have admitted liability in respect of such Damage under the relevant section of Your Policy, or would have, except for the application of an Excess, and
- our liability in no case will exceed in respect of each item the sum insured shown in the current Policy Schedule for that item.

We will not pay any claim under this Part where the interference or interruption to Your Business is for a period of less than three days.

The insurance under this Part provides protection with regard to loss under:

- Item 1.** Weekly Revenue
- Item 2.** Additional increase in cost of working
- Item 3.** Accounts receivable
- Item 4.** Claim preparation expenses

### Basis of settlement

- Item 1.** Weekly Revenue

This item is limited to the loss of Weekly Revenue and the amount payable as compensation under this item will be the amount by which the Weekly Revenue during the Indemnity Period falls short of the Standard Weekly Revenue in consequence of the Damage.

- Item 2.** Additional Increase in Cost of Working – See 'Common Clauses to Parts A, B and C'.
- Item 3.** Accounts Receivable – See 'Common Clauses to Parts A, B and C'.
- Item 4.** Claim Preparation Expenses – See 'Common clauses to Parts A, B and C'.

## Part C – Insurable Gross Profit basis

### Words with special meaning for Part C

Some words have special meaning wherever they appear in this Part. These words and their meanings are listed below.

<b>Word or Term</b>	<b>Meaning</b>
Annual Rent Receivable	the Rent Receivable during the twelve months immediately before the date of the Damage.*
Annual Turnover	the Turnover during the twelve months immediately before the date of the Damage.*
Gross Profit	<p>the amount by which the sum of the Turnover and the amount of the closing Stock and work in progress exceeds the sum of the opening Stock and work in progress and the amount of the Uninsured Working Expenses.</p> <p>Note: The amount of the opening and closing Stocks will be arrived at in accordance with Your normal accounting methods, due provision being made for depreciation.</p>
Rate of Gross Profit	the Rate of Gross Profit, expressed as a percentage, earned on the Turnover during the financial year immediately before the date of the Damage.*
Shortage in Turnover	the amount by which the Turnover during a period will, in consequence of the Damage, fall short of the part of the Standard Turnover which related to that period.
Standard Rent Receivable	the Rent Receivable during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period.*
Standard Turnover	the Turnover during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period.*
Turnover	the amount (less discounts allowed) paid or payable to You for goods sold and delivered and for services rendered in the course of Your Business at the Business Premises.
Uninsured Working Expenses	the working expenses of Your Business which You have elected not to insure under this section, and which are specified in the current Policy Schedule.

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

### What You are covered for

In the event of interruption of or interference with Your Business in consequence of Damage occurring during the Period of Cover we will pay You in respect of each item selected by You and shown in the current Policy Schedule, the amount of the loss resulting from such interruption or interference.

Provided that:

- (a) the payment is in accordance with the basis of settlement provision for the item
- (b) we have admitted liability in respect of such Damage under the relevant section of Your Policy, or would have, except for the application of an Excess, and

(c) our liability in no case will exceed in respect of each item the sum insured shown in the current Policy Schedule for that item.

The insurance under this Part provides protection with regard to loss under:

- Item 1.** Gross Profit
- Item 2.** Additional increase in cost of working
- Item 3.** Accounts receivable
- Item 4.** Claim preparation expenses
- Item 5.** Rent Receivable

## **Basis of settlement**

### **Item 1. Gross Profit**

This item is limited to the loss of Gross Profit due to a reduction in Turnover and the increase in Your cost of working.

The amount payable as indemnity under this item will be:

- (a) in respect of reduction in Turnover:
  - the sum produced by applying the Rate of Gross Profit to the Shortage in Turnover during the Indemnity Period, and
- (b) in respect of the increase in cost of working:
  - the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for the additional expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of reduction thereby avoided, less any sum saved during the Indemnity Period in respect of such charges and expenses of Your Business payable out of Gross Profit as may cease or be reduced in consequence of the Damage.

Provided that if the sum insured for this item at the commencement of each Period of Cover is less than the sum produced by applying the Rate of Gross Profit to eighty percent (80%) of the Annual Turnover (or its proportionately increased multiple where the Indemnity Period exceeds twelve months), the amount payable will be reduced so that we will be liable for no greater proportion of the loss under this item than that which the sum insured bears to eighty percent (80%) of the Annual Turnover (or its proportionately increased multiple, if appropriate).

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

- Item 2.** Additional increase in cost of working – See Common Clauses to Parts A, B and C.
- Item 3.** Accounts receivable – See Common Clauses to Parts A, B and C.
- Item 4.** Claim preparation expenses – See Common Clauses to Parts A, B and C.
- Item 5.** Loss of Rent Receivable

This item is limited to loss of Rent Receivable and additional expenditure.

The amount payable will be:

- (a) in respect of loss of Rent Receivable:
  - the amount by which the Rent Receivable during the Indemnity Period falls short of the Standard Rent Receivable, in consequence of the Damage, and
- (b) in respect of additional expenditure:
  - the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Rent Receivable which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the amount of the reduction in Rent Receivable thereby avoided, less any sum saved during the Indemnity Period in respect of such of the expenses and charges payable out of the Rent Receivable as may cease or be reduced in consequence of the Damage.

Provided that if the sum insured for this item is less than eighty percent (80%) of the Annual Rent Receivable (or its proportionately increased multiple where the Indemnity Period exceeds twelve months), the amount payable will be reduced so that we will be liable for no greater proportion of the loss under this item than that which the sum insured bears to eighty percent (80%) of the Annual Rent Receivable (or its proportionately increased multiple, if appropriate).

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

## **Common Clauses to Parts A, B and C**

The following clauses are applicable to Parts A, B and C.

### **Departmental**

If Your Business is conducted in departments or business units the independent trading results of which are ascertainable, the provisions of Item 1 will apply separately to each department affected by the Damage. For the purposes of this clause, the Rent Receivable from letting of property at the Business Premises will be regarded as the proceeds of one such department.

## Sum Insured

Our liability to You will in no case exceed in respect of each item the sum insured expressed against that item in the current Policy Schedule. 'Additional Benefits' are within the total sum insured of this section and not additional to the total sum insured.

### Item 2. Additional increase in cost of working

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

### Item 3. Accounts receivable

Under this item we will pay You up to the amount shown in the current Policy Schedule for all sums due to You from debtors that You are unable to collect because of Damage to records of accounts receivable. We will also pay collection expenses in Excess of normal collection costs made necessary because of the Damage as well as interest charges at the ruling rate of Your bank on any loan to offset impaired collections pending repayment of such sums made uncollectible by such Damage. If You cannot accurately establish the total amount of accounts receivable outstanding as at the date of the Damage, the amount will be computed as follows:

- (a) determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the Damage occurs
- (b) calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the year immediately preceding the month in which the Damage occurs, as compared with such average for the same months of the preceding year
- (c) the amount determined under (a), increased or decreased by the percentage calculated under (b) above, will be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said Damage occurs
- (d) the amount determined under (c) above will be increased or decreased in conformity with the normal fluctuation in the amount of accounts receivable during the fiscal month involved, consideration being given to the experience of Your Business since the last day of the last fiscal month for which statements have been rendered less:
  - (i) the amounts of such accounts evidenced by records not suffering Damage or otherwise established or collected by You
  - (ii) an amount to allow for probable bad debts that would normally have been uncollectible by You
  - (iii) all unearned interest and service charges, and
  - (iv) settlement or term discounts normally allowed.

### Item 4. Claim Preparation and Proving Expenses

In addition to the amount payable under General Condition 'Claim preparation expenses' of this Policy and clause 1 Gross Profit in the Basis of Settlement we will pay You up to the amount shown in the current Policy Schedule for the costs of such reasonable professional fees as may be payable by You and other such reasonable expenses necessarily incurred by You and not otherwise recoverable, for preparation and negotiation of claims under this section.

## Accumulated Stocks

In adjusting any loss, account will be taken and equitable allowance made, if any loss of Turnover in consequence of the Damage is postponed by reason of the Revenue or Weekly Revenue or Gross Profit (as the case may be) being temporarily maintained from accumulated Stocks.

## Alternative trading

If during the Indemnity Period, goods are sold, work is performed or services are rendered elsewhere than at the Business Premises for the benefit of Your Business either by You or by others acting on Your behalf, the Money paid or payable in respect of such sales, work or services will be brought into account in arriving at the Annual Revenue, Weekly Revenue or Turnover (as the case may be) during the Indemnity Period.

## New business

In the event of Damage occurring at the Business Premises before the completion of the first year's trading of Your Business, the defined terms 'Standard Revenue', 'Annual Revenue', 'Standard Weekly Revenue', 'Rate of Gross Profit', 'Standard Turnover' and 'Annual Turnover' shall instead have the following meanings wherever they appear in this section:

'Standard Revenue' means the Revenue achieved between the date of commencement of Your Business and the date of the Damage, converted to the selected Indemnity Period.

'Annual Revenue' means the actual Revenue achieved during Your first year of operations, from the commencement of Your Business to the date of the Damage, converted to a 12-month equivalent figure.

'Standard Weekly Revenue' means the amount calculated by averaging the Weekly Revenues obtained during the period from the date of the commencement of Your Business to the date of the Damage.

'Rate of Gross Profit' means the proportion that the Gross Profit bears to the Turnover during the period between the date of commencement of Your Business and the date of the Damage.

'Annual Turnover' means the actual Turnover achieved during Your first year of operations, from the commencement of Your Business to the date of the Damage, converted to a 12-month equivalent figure.

'Standard Turnover' means the Turnover achieved between the date of commencement of Your Business and the date of the Damage, converted to the selected Indemnity Period.

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

## **Additional Benefits**

This section is extended to include the following Additional Benefits. Additional Benefits 1 to 11 inclusive are payable provided that the sum insured expressed against the relevant item(s) in the Policy Schedule is not otherwise exhausted.

We will pay You (depending on the Part of this section which is applicable to You) for:

- (a) loss of Revenue
- (b) loss of Weekly Revenue, or
- (c) loss of Gross Profit, resulting from interruption of or interference with Your Business as a result of Damage occurring during the Period of Cover to, or as a direct result of:

### **1. Customers and suppliers – unspecified**

Unspecified property at the premises of Your suppliers or customers of goods or materials or at storage premises neither owned nor operated by You where You store goods or materials, all within the Commonwealth of Australia, provided that our liability will not exceed 20% or the percentage shown in the Policy Schedule of the sum insured applicable to this section.

### **2. Prevention of access**

- (a) property, or intervention of any lawful authority resulting from threat of Damage to property within a 50-kilometre radius of the Business Premises, which prevents access to or hinders the use of the Business Premises.
- (b) property forming part of or contained in a complex of which the location forms part.

### **3. Public utilities**

any land-based telecommunications system or any electricity, gas or water supply systems within the Commonwealth of Australia, provided that where public supply is not at or immediately adjacent to Your premises the interruption of supply extends for greater than 48 hours.

### **4. Computer facilities**

computer installations, including ancillary equipment and data processing media, utilised by You in the Commonwealth of Australia other than at the Business Premises.

### **5. Roads, bridges and railway lines**

roads, bridges and/or railway lines within the Commonwealth of Australia over which raw materials and other Stock are conveyed to or from the Business Premises.

### **6. Storage sites/temporary removal**

Your property stored or being processed at any premises in the Commonwealth of Australia not occupied by You. Our total liability under this additional benefit will not exceed 20% of the sum insured.

### **7. Transit**

Your property while in transit by road, rail, sea or air within the Commonwealth of Australia and outside of the Business Premises occupied by You, up to an amount not exceeding 10% of the sum insured in respect of any one occurrence.

### **8. Explosion of pressure vessels**

Damage to pressure vessels including boilers, compressors or economisers by self-explosion or collapse.

### **9. Documents**

Damage to documents and electronic data files belonging to or held in trust by You, while in transit or while at the premises not occupied by You but limited to 20% of the sum insured or the amount shown in the Policy Schedule, whichever is the greater.

### **10. Motor Vehicles owned or operated by You**

Damage during the Period of Cover to any registered Vehicles or trailers owned or operated by You, while such Vehicles are at the Business Premises or at other premises in Australia but not on a public thoroughfare.

### **11. Infectious disease, etc.**

we will also pay You for interruption or interference with Your Business due to closure or evacuation of the whole or part of the Business Premises during the Period of Cover by order of a competent government, public or statutory authority as a result of:

- (a) bomb threat, vermin or pests or defects in the drains or other sanitary arrangements, occurring at the Business Premises
- (b) an outbreak of an infectious or contagious human disease occurring within a 20-kilometre radius of the Business Premises, however there is no cover for highly pathogenic Avian Influenza or any disease declared to be a quarantinable disease under the Quarantine Act 1908 (as amended) irrespective of whether discovered at the location of Your premises, or out-breaking elsewhere
- (c) injury, illness or disease caused by the consumption of food or drink provided and consumed on Your Business Premises during the Period of Cover
- (d) murder or suicide occurring at the Business Premises, or
- (e) shark or crocodile attack occurring within a 20-kilometre radius of the Business Premises during the Period of Cover.

## 12. Salvage sale

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

- (a) Clause (a) of Item 1 'Gross Profit' of this section shall, for the purpose of such claim, read as follows:
  - (i) In respect of reduction in Turnover: the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period (less the Turnover for the period of the salvage sale) shall, in consequence of the Damage, fall short of the Standard Turnover, from which shall be deducted the Gross Profit actually earned during the period of the salvage sale.
- (b) The definition of Shortage in Turnover shall, for the purpose of such claim, mean: the amount by which the Turnover during a period (less the Turnover for the period of the salvage sale) shall, in consequence of the Damage, fall short of the part of the Standard Turnover which relates to that period, from which shall be deducted the pay-roll paid out of the proceeds of the salvage sale.

## 13. Turnover output

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

## 14. Government incentives

Gross Profit is extended to include the loss of any Government approved incentives, subsidies or market development allowances You are entitled to in relation to Your Business.

## 15. Contractual fines and penalties

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

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

The amount payable shall not exceed 20% of the total sum insured for Gross Profit.

## Optional benefits

The following Optional benefit does not apply automatically. It will apply when You have requested its inclusion in this section, and the current Policy Schedule has been endorsed by us noting the inclusion.

### 1. Goodwill

Following Damage to any building at Your Business Premises we will pay, up to the sub-limit of liability shown in the current Policy Schedule for 'Goodwill', for the actual cost of goodwill incurred by You when purchasing a business in order to maintain Your Business activities. Provided that:

- (a) we will only pay these goodwill costs when the building that is damaged cannot or will not be repaired or rebuilt due to any refusal by any owner or lessor other than You to repair or rebuild; and any restrictions imposed by any legal authority, and
- (b) the purchase of the business is incurred because You were unable to continue Your Business at the Business Premises as a result of the Damage to the buildings not being repaired, and
- (c) the cause of the Damage to the buildings would have been covered by the Business Property cover section of Your Policy had that building been insured under that section, and
- (d) the business that is purchased is similar to Your Business.

## Special conditions applicable to this section

### Adjustment of premium

We will reduce Your premium for Part A – Revenue or

Part C – Insurable Gross Profit cover at the end of each Period of Cover if the Revenue or Gross Profit (as the case may be) earned during the previous 12 months accounting period is less than the sum insured. The adjustment rate is 50% of the difference between the premium payable for the Revenue or Gross Profit sum insured and for the Revenue or Gross Profit earned.

Any payment made by us for a claim under Part A – Revenue or Part C – Insurable Gross Profit is to be included in the Revenue or Gross Profit earned for the purpose of this adjustment.

### Books of account

Any particulars or details contained in Your books of account or other business books or documents that may be required by us for investigating or verifying any claim made under this section may be produced and certified by Your auditors and their certificate will be prima facie evidence of the particulars and details to which the certificate relates.

## Theft cover section

### What You are covered for

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

1. any person who forcibly and violently enters or attempts to enter the Business Premises
2. any person unlawfully concealed on the Business Premises
3. any person who threatens or commits physical violence to You, Your employees or other persons
4. armed hold-up at the Situation.

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

### How we will pay Your claim

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

#### Method of settlement – reinstatement or replacement value

We will pay Your cost to:

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

#### Method of settlement - Indemnity

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

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

### Additional benefits: Theft cover section

#### Additional benefits included in Your sum insured

Where a sum insured is shown on the Policy Schedule for contents or total contents and where that sum insured has not been otherwise exhausted, cover is extended to include:

#### Theft (limited) without forcible and violent entry

- (a) loss or damage, limited to \$10,000 for any one occurrence, by theft or attempted theft of Business Property other than electronic equipment, Stock or customers' goods,
- (b) loss or damage, limited to \$20,000 (unless a higher amount applicable to this paragraph (b) is shown in the current Policy Schedule against the above heading) for any one occurrence, by theft or attempted theft of Your electronic equipment which is not Stock.
- (c) loss of the buildings at the Business Premises if caused by theft, limited to \$10,000 for any one occurrence,

occurring during the Period of Cover from the Business Premises without forcible and violent entry but excluding theft or attempted theft from any open-sided structure such as, but not limited to verandas or yards or other open spaces even if they are partially or fully enclosed. This additional benefit does not cover loss as a result of unexplained disappearance, unexplained or inventory shortage, clerical or accounting errors or shortage in supply or delivery to or from the Business Premises.

#### Damage to Business Premises

the repair of Your Business Premises and property contained inside. We will not pay for damage that is or can be covered in the Business Property cover section, the Money cover section and the Glass cover section. The maximum amount we will pay for this additional benefit is the total of:

- (a) the remaining sum insured for each item covered after payment of a claim, and
- (b) the sub-limit (if any) shown in the current Policy Schedule for this additional benefit.

#### Permanently fixed (non-portable) apparatus

Theft, whether following forcible and violent entry or otherwise, of permanently fixed (non-portable) apparatus or appliances, owned by You or for which You are legally responsible or have assumed a responsibility to insure, attached to the building other than by means of a flexible or tensile cord to a power point but limited to an amount not exceeding:

- (a) \$10,000; or
- (b) the balance of the sum insured on either contents or total contents whichever is the lesser.

## **Additional benefits in addition to Your sum insured**

### **Seasonal increase of cover**

All theft cover sums insured are increased by 50% for:

- (a) eight (8) weeks prior to and including Christmas Day;
- (b) three (3) weeks after and including 26 December;
- (c) six (6) weeks prior to and including Easter Tuesday;
- (d) one (1) week after but not including Easter Tuesday.
- (e) 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 or celebration, and
- (f) one (1) week after the same festive, religious or ethnic event or celebration.

Any other period shown on the current Policy Schedule, in lieu of the covers in (a) to (f) above.

### **Temporary protection and security guards**

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

### **Locks, keys and combinations**

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

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

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

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

### **Rewriting of Records**

The cost of additional clerical and professional costs, limited to \$25,000 any one occurrence, incurred by You to rewrite Your necessary business records if they are damaged by an occurrence which You are covered for in the Theft cover section:

- (a) computer systems
- (b) records, documents, manuscripts, securities, deeds
- (c) specifications, plans, drawings.

### **Property of directors, and employees**

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

Cover is limited to \$2,500 any one item and \$10,000 overall in respect of any one loss. This additional benefit provides cover to You. It does not provide any insurance cover to any director or employee.

### **Temporary removal**

We also cover Your insured Business Property while temporarily removed to any other premises within the Commonwealth of Australia.

Provided that:

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

### **Death following assault**

If any person is injured while protecting or attempting to protect the property from theft and death results from that injury within twelve (12) months, we will pay \$10,000 to the estate of that person. If You are also insured under the Money cover section, the benefits payable for death following assault shall not be cumulative and shall be limited to \$10,000 in the aggregate.

### **Employee dishonesty**

We will pay You for loss of Business Property by theft or dishonesty by any of Your employees occurring during the Period of Cover, which is discovered within forty five days of its occurrence. Exclusion 3, of 'What You are not covered for under this section', so far as it relates to loss or damage due to theft or attempted theft committed by an employee, does not apply to this additional benefit. Our liability under this additional benefit

is limited to \$5,000 for any one occurrence. If You are also insured under the Money cover section, the benefits payable for employee dishonesty shall not be cumulative and shall be limited to \$5,000 in the aggregate per occurrence.

### **Tenanted premises**

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

### **Additional premises – Provisional cover**

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

- (a) the business described in the Policy Schedule, and
- (b) property insured described in the Policy Schedule.

Our maximum liability under this additional benefit is limited to twenty percent (20%) of the highest sum insured shown in the Policy Schedule in relation to each item of property insured.

Full details of such additional property are to be supplied to us within 30 days of Your commencement of the use of the property. We may require an additional premium before we will insure such property.

### **What You are not covered for under this section**

1. We will not pay under the Theft cover section for loss of or damage to:
  - (a) Money and negotiable instruments in Excess of \$250
  - (b) jewellery, furs, bullion, property made of gold or silver or precious stones exceeding \$10,000 any one loss and \$2,000 any one item unless they are Stock
  - (c) motor Vehicles unless they are Stock
  - (d) glass unless it is Stock
  - (e) property not contained in a locked building, unless insured under Additional benefits 'Theft (limited) without forcible and violent entry' and 'Permanently fixed (non-portable) apparatus'.
2. We will not pay under the Theft cover section for loss of or damage to property caused by:
  - (a) any person lawfully on Your Business Premises
  - (b) any person who does not steal or intend to steal property.
3. We will not pay under the Theft cover section for loss of or damage to property caused by or in any way contributed to by dishonest acts by You, Your directors, partners, employees or any members of Your Family, other than by an employee following forcible and violent entry.
4. Loss from a safe, strongroom or security enclosure opened by a key or by the use of details of a combination, either of which has been left on Your Business Premises while closed for business, is not covered for more than the sum insured on Business Property anywhere on the premises outside Business Hours.
5. We will not pay under the Theft cover section for unexplained disappearances or unexplained shortages, whether resulting from clerical or accounting errors or shortages in supply or delivery of materials to or by You.

### **Optional benefit applicable to the theft cover section**

The current Policy Schedule will show if the following optional benefit, which is in addition to the 'Theft (limited) without forcible and violent entry' Additional Benefit, is covered.

#### **Theft without forcible and violent entry**

Theft of Business Property in the open air but within the boundaries of the Situation or contained in an unlocked building, up to the amount shown in the current Policy Schedule for 'theft without forcible and violent entry'.

# Money cover section

## Words with special meaning

Some words have special meaning wherever they appear in this section. These words and the meanings are listed below:

<b>Word or Term</b>	<b>Meaning</b>
Financial Service Provider	a bank, building society or credit union or an agency for any of these.
Safe	a burglar-resistant container which 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. Safe includes Automatic Teller Machines.
Strongroom	a burglar-resistant structure constructed of masonry and steel which 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.

## What You are covered for

We cover You for loss of or damage to Money which occurs during the Period of Cover as a result of the Defined events shown on the current Policy Schedule.

### Defined events

#### Money in transit

Money in Your personal custody or in the custody of persons authorised by You whilst in transit within Australia but not Money in a private residence or any Vehicle left unattended.

Money in transit includes Money whilst contained in the night Safe, night depository chute, or automatic teller machine of any financial services provider. Our liability ceases at the time Your financial services provider ceases trading on the next business day following deposit therein.

#### Money on Business Premises

Money contained in Your Business Premises:

- (a) during Business Hours
- (b) outside Business Hours
- (c) at any time while contained in a locked Safe or Strongroom.

#### Money in private residence

Money contained in:

- (a) Your home, or
- (b) in the home of a person authorised by You

when it has been taken home for safe keeping from Your Business Premises or the place of collection until the time Your Financial Service Provider ceases trading on its next full trading day.

## How we will pay Your claim

We will pay You up to the sum insured shown on the current Policy Schedule for each of the Defined events.

In the case of securities (which shall mean certificates of Stock, bonds, coupons and all other types of securities), the basis of valuation shall be:

- (a) if the securities can with our approval be replaced, the cost of replacement paid or payable by You, or
- (b) if the securities cannot or are not to be replaced by You, the greater of
  - (i) the price for which You purchased them, or
  - (ii) the closing market value on the last business day prior to the date of discovery by You of the loss or destruction of the securities, or if the time of discovery by You is after the close of the market, their closing market value on the day of discovery by You of the loss or destruction of the securities,
- (c) in the case of a loss of subscription, conversion or redemption privileges through the loss of any security, the value of such privileges immediately preceding the expiration thereof, such valuation being in the currency in which the loss was sustained. Losses sustained in currencies other than Australian dollars shall be settled by converting the amount of loss to Australian dollars at the market rate at the time of settlement of the loss or such other rates as may have been expressly agreed with us. If there is no market price or value on the relevant day

stated herein, then the value shall be agreed between You and us, or in default thereof, we and You shall submit to arbitration and be bound by the decision of the umpire.

In the case of travellers' cheques, discount house vouchers or lottery tickets, the basis of valuation shall be the original purchase price incurred by You.

## **Additional benefits to the Money cover section**

The following additional benefits shall apply only following loss of or damage to Money or any attempt thereat, insured by this section.

### **Additional benefits included in Your sum insured**

#### **Counterfeit currency**

We will pay for losses sustained by You due to the acceptance in good faith in exchange for merchandise, Money or services, of counterfeit Australian currency notes up to an amount not exceeding \$250 in any one Period of Cover.

### **Additional benefits in addition to Your sum insured**

#### **Locks, keys and combinations**

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

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

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

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

#### **Loss of or damage to Safes, Strongrooms and cash carrying bags**

If Money is stolen or there is an attempt at stealing Your Money from Your Safe or Strongroom, we will pay You:

- (a) the cost of opening the Safe or Strongroom and to repair or replace any loss or damage to the Safe or Strongroom that was caused by the theft or attempt
- (b) if Money is stolen or if there is an attempt at stealing Your Money, we will pay for loss of or damage to Your cash carrying bag that was caused by the theft or attempt.

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

#### **Temporary protection and security guards**

We will pay You the costs necessarily and reasonably incurred by You in effecting temporary protection and the employment of guards/watchmen to safeguard the insured property as a result of theft or attempted theft of Money occurring during the Period of Cover and that is insured under this cover section. The maximum amount we will pay for each occurrence is \$10,000. If an occurrence results in a claim being paid under this cover section and another cover section of the Policy, the highest single limit under the relevant cover section applies. The benefit of Temporary Protection and Security Guards shall not be cumulative under this Policy.

#### **Seasonal increase of cover**

All Money Cover sums insured are increased by 50% for:

- (a) eight (8) weeks prior to and including Christmas Day;
- (b) three (3) weeks after and including 26 December;
- (c) six (6) weeks prior to and including Easter Tuesday;
- (d) one (1) week after but not including Easter Tuesday.
- (e) 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 or celebration, and
- (f) one (1) week after the same festive, religious or ethnic event or celebration.

Any other period shown on the current Policy Schedule, in lieu of the covers in (a) to (f) above.

#### **Bank and public holidays extension**

The sums insured for Money cover are automatically increased by 100% or \$75,000 whichever is the lesser on days that are gazetted bank or public holidays. This increase shall apply up until bank closing time on the next business day after such holiday. This additional benefit does not apply to damage to Safes and Strongrooms and seasonal increases.

#### **Death following assault**

If any person is injured while protecting or attempting to protect Money from theft or attempted theft and death results from that injury within twelve months, we will pay the estate of that person \$10,000. This amount is in addition to any amount we pay for loss of Money. If You are also insured under the Theft cover section, the benefits payable for death following assault shall not be cumulative and shall be limited to \$10,000 in the aggregate.

## **Employee dishonesty**

We will pay You for loss of Money by theft or dishonesty by any of Your employees occurring during the Period of Cover, which is discovered within forty-five days of its occurrence. Exclusion 1(c), of 'What You are not covered for under this section', so far as it relates to loss or damage due to theft or attempted theft committed by an employee, does not apply to this additional benefit. Our liability under this additional benefit is limited to \$5,000 for any one occurrence. If You are also insured under the Theft cover section, the benefits payable for employee dishonesty shall not be cumulative and shall be limited to \$5,000 in the aggregate per occurrence.

## **Traveller's Money**

Cover under this part is extended to include loss of Money belonging to You, occurring while such Money is in Your personal custody, or in the custody of Your employee, up to the lesser of \$10,000 or the amount specified on the Policy Schedule for Defined event 'Money in transit', while travelling outside of Australia in connection with Your Business.

## **Additional premises – Provisional cover**

Cover is extended to include Money at, or in transit to or from any new Business Premises occupied by You after the commencement of the Period of Cover, within Australia, for 30 days from first being used by You (unless the Period of Cover or Your occupancy of such premises ends sooner, whichever shall first occur), but the cover is limited to:

- (a) the business described in the Policy Schedule, and
- (b) the Money insured described in the Policy Schedule.

Our maximum liability under this additional benefit is limited to 20% of the sum insured shown in the Policy Schedule in relation to each item of Money covered under this section.

Full details of such additional property are to be supplied to us within 30 days of Your commencement to use the property. If we agree to cover Money at the additional location, we may require payment of an additional premium.

## **Optional benefits**

(The following optional benefits do not apply unless stated in the current Policy Schedule.)

### **1. Employee dishonesty**

Exclusion 1(c) and 'Additional benefits in addition to Your sum insured' 'Employee dishonesty' of this section are deleted.

Definition applicable to this optional benefit – "employee(s)" means any person employed by You under a contract of service or apprenticeship but does not include:

- (a) any director, partner, trustee or principal except when performing acts within the scope of the usual duties of an employee,
- (b) any broker, factor, commission agent, consignee, contractor or other agent of the same general character.

### **The indemnity**

We will pay You for loss of Money or property (for property - as defined in the Theft cover section of this Policy), caused by theft, fraud or dishonesty by any of Your employees provided that the loss:

- (a) occurs during the Period of Cover
- (b) is discovered no later than 12 months after expiry of the Period of Cover or termination of employment of the employee, whichever occurs first.

The maximum amount we will pay for all claims during the Period of Cover is the amount specified on the Policy Schedule for this additional benefit.

### **Automatic extensions applicable to employee dishonesty cover section**

Unidentified employees – If a loss is alleged to have occurred as the result of the fraud or dishonesty of any one or more of Your employees and You are unable to positively identify them we will pay for the loss provided that You are able to provide evidence at Your expense that the loss was due to the fraud or dishonesty of one or more employees.

Retroactive cover – The insurance provided under this Additional benefit also applies to any loss by fraud or dishonesty committed during the currency of any previous Policy provided that:

- (a) The discovery period in such previous Policy has expired
- (b) The fraud or dishonesty is discovered within
  1. The period of this Policy, or
  2. Twelve (12) months of the termination of this Policy or twelve (12) months after termination of the employment of the employee concerned, whichever shall first occur
- (c) the cover we provide will fall within and not be in addition to the sum insured shown in the current Policy Schedule.
- (d) We shall not be liable for any loss arising from an act of fraud or dishonesty committed more than twelve (12) months before the inception of this section of the Policy.

### **What You are not covered for under the employee dishonesty optional benefit**

We will not pay for any loss of Money or property:

1. resulting from any further act of fraud or dishonesty after You first discover that the employee has previously engaged in provable dishonest conduct or has previous convictions for dishonest acts.
2. if the only proof of loss is shortage revealed by accounting records or inventory Stock-take.

3. discovered more than twelve (12) months after the Period of Cover has expired or more than twelve (12) months after the termination of employment of the employee concerned.
4. that is not reported to us within 21 days of the discovery of any act of fraud or dishonesty on the part of any employee or any other matter in respect of which a claim may arise.
5. beyond the limit of cover stated in this additional benefit in respect of any one employee and all employees, even if the dishonest conduct continued during more than one Period of Cover.

**Special conditions applicable to employee dishonesty optional benefit**

To the extent permitted by law You must agree to withhold any salary, commission, Moneys or assets that are the property of any employee whose dishonesty has caused a claim under this cover section. Any such sum shall be deducted from the amount of the loss before any claim is made under this Policy.

In the event of the sum insured being reduced by the amount of any claim payable under this additional benefit, the sum insured may be reinstated by payment of appropriate additional premium, provided that the amount by which the sum insured is reinstated shall be available only in respect of acts of fraud or dishonesty committed after such reinstatement.

**2. Taxation audit costs**

We will cover the reasonable and necessary costs You incur following notification received during the Period of Cover of an audit or investigation by a federal or state Commissioner of Taxation relating to Your liability to pay income tax, fringe benefits tax, capital gains tax, wholesale and sales tax, payroll tax, goods and services tax or superannuation contributions tax in respect of Your Business up to the amount specified on the Policy Schedule for this additional benefit.

'Costs' means professional fees paid to accountants or registered tax agents who are not Your employees, for work undertaken in connection with the audit or investigation.

**What You are not covered for under Taxation Audit Costs**

We shall not be liable under this optional benefit:

- (a) for the imposition of any tax, fines, penalties, court costs, penalty tax or interest
- (b) for costs incurred after completion of the audit or investigation
- (c) where any proceedings were initiated, threatened or started prior to the commencement of the Period of Cover
- (d) arising from Your improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by a state or federal Commissioner of Taxation for the production of documents or the supply of information. Refusal or failure to comply will not be deemed improper, unwarranted or unjustified if You refuse or fail to comply upon the advice of Your accountant or tax agent
- (e) for costs from audits or investigations under customs legislation
- (f) for costs from audits or investigations of income received or earned, or where the source of income is, outside the Commonwealth of Australia or where the services giving rise to the claim are performed by persons or entities ordinarily resident outside Australia
- (g) arising out of any fraud or fraudulent act or omission committed by You or on Your behalf
- (h) arising from audits or investigations which result in You, or any person acting on Your behalf, becoming aware of any error or deficiency in any return of income or other documentation supplied to a state or federal Commissioner of Taxation and failing to notify the Commissioner of Taxation without delay.

**Special conditions applicable to Taxation audit costs**

You must lodge taxation and other returns within the time limits applicable to those returns as prescribed by statute or through extension of time granted by a Commissioner of Taxation.

You must make full and complete disclosure of all assessable income (including capital gains), as required by any relevant legislation.

In the event of a claim arising:

1. You must at all times keep us fully and continually informed of all material developments in relation to the claim and in relation to any audit
2. You must take all necessary and reasonable steps to minimise any delays and the amount of any costs incurred or likely to be incurred in connection with any audit
3. we or our duly appointed agent may make our own investigation into any matter which is or may be the subject of a claim, and

You must ensure that Your accountants, registered tax agent and/or solicitor must cooperate with us and where necessary, assist us in relation to any claim and assist us with any matter we wish to pursue with the Commissioner of Taxation which is or may be the subject of a claim

**What You are not covered for under this section**

1. We will not pay for loss or damage caused by:
  - (a) clerical or accounting errors
  - (b) errors in receiving or paying out Money
  - (c) dishonest acts of Your directors, partners, employees or any member of Your Family other than theft by an employee following visible forcible and violent entry.

2. We will not pay for loss of or damage to:
- (a) Money which was not discovered missing within ten working days of the loss or damage occurring
  - (b) Money whilst contained in an unlocked and unattended Vehicle
  - (c) Money from a Safe or Strongroom opened by a key or by use of a combination which has been left on the Business Premises outside Business Hours
  - (d) Money, except as provided under additional benefit – ‘Traveller’s Money’, whilst it is outside the Commonwealth of Australia.

## Machinery and electronic cover section

### Important Information

This Machinery and electronic cover section is divided into two parts, each with optional extensions for Your convenience. This insurance and the Policy Schedule are to be read together.

### Words with special meaning

Some words have special meaning wherever they appear in this section. These words and their meanings are listed below:

<b>Word or term</b>	<b>Meaning</b>
Dollar Excess	the amount specified in the Policy Schedule that You shall first contribute towards each claim, arising out of the one occurrence.
Excess	for the purposes of this Part, the Excess may be a Dollar Excess or a Time Excess. We will subtract the applicable Excess from the claim otherwise payable and we will then pay to You the amount of loss or damage up to the applicable Sum Insured or Limit Any One Loss.
Indemnity Period	the period beginning with the occurrence of the Insured Damage and ending no later than the number of months specified in the Policy Schedule during which the results of the business shall be affected in consequence of the Insured Damage.
Insured Damage	sudden and unforeseen physical loss or destruction of or damage to an Insured Item due to any cause not excluded under those Parts (and such extensions to those Parts) which You have selected to be insured under this section of Your Policy and which occurs at the Situation during the Period of Cover and which requires immediate repair or replacement to allow continuation of use.
Insured Item	any item specified in the current Policy Schedule.
Limit Any One Loss	the maximum amount we will pay for any one claim as specified in the Policy Schedule and applies where blanket cover has been selected.
Situation	the Situation specified in the Policy Schedule.
Sum Insured	the relevant sum stated opposite each Insured Item as specified in the Policy Schedule and applies where ‘specified items’ cover has been selected.
Time Excess	the number of operating days specified in the Policy Schedule during which You must bear the loss.

# Machinery cover – Part 1

## Words with special meaning for the purpose of Part 1

Some words have special meaning wherever they appear in this section. These words and their meanings are listed below.

<b>Word or Term</b>	<b>Meaning</b>
Plant and Machinery	electrical and mechanical items including electronic and other integral parts of the Insured Items including Boilers, Pressure Vessels and Pressure Pipe Systems as defined below.
Boilers, Pressure Vessels and Pressure Pipe Systems	the permanent structure of those Insured Items which are subject to internal steam, gas or fluid pressure (other than atmospheric pressure) including all direct attachments connected to the permanent structure and includes with respect to Boilers the rotating, reciprocating or electrical apparatus attached to them.

## What You are covered for

If any Insured Item of Plant and Machinery or any part of an Insured Item of Plant and Machinery specified in the Policy Schedule suffers Insured Damage we will indemnify You in respect of such loss or damage as provided in the basis of settlement clause. This insurance applies whilst the Insured Item is within the Situation and working or at rest or being dismantled, moved, reassembled or reinstalled for the purpose of cleaning, adjustment, inspection, repair, overhaul or relocation but only after completion of successful initial commissioning at the Situation.

## Basis of settlement

- In the event of Insured Damage under this part we will at our option pay You, up to the Sum Insured or Limit Any One Loss (whichever is selected) less the applicable Excess, the reasonable cost of repair or replacement necessary to return the Insured Item to its former state of operation including:
  - cost of dismantling, re-erection, cleaning up and removal of debris
  - replacement of refrigerant, lubricating or insulating oil lost from an Insured Item as a direct result of Insured Damage
  - charges for overtime and work on public holidays where necessarily and reasonably incurred
  - freight within the Commonwealth of Australia by any recognised scheduled service
  - overseas air freight by any recognised scheduled service and/or overseas labour, and
  - the cost of temporary repairs and/or hire of a temporary replacement item during the time taken to repair damage to any Insured ItemProvided the total of all these extra costs in clauses 1(c), 1(d), 1(e) and 1(f) are limited to 50% of the normal cost of repair payable under this part.
- All Insured Damage which can be repaired must be repaired, however should the item be uneconomical to repair due solely to the nature of the Insured Damage, settlement will be as follows:
  - The cost of replacement of the Insured Item by an item of similar function, type, capacity and quality in a condition equal to, but not better than, the condition of the Insured Item when new
  - The Sum Insured for the Insured Item.We will pay the lesser of 2(a) and 2(b).
- we shall not be required to replace the Insured Item exactly, but only as circumstances permit.
- The value of any salvage will be subtracted from any amount payable under this part.
- The amount of each claim otherwise payable shall be reduced by the amount of the Excess shown in the Policy Schedule.
- Where components or manufacturer's specifications are no longer available due to obsolescence, the basis of settlement will be the cost which would have been incurred if the components or specifications had still been available.
- Notwithstanding any other clause in this part our liability under this part shall not exceed the Sum Insured in respect of the Insured Item which has suffered Insured Damage.

## What You are not covered for under Part 1 and all extensions to Part 1

(In addition, the General exclusions apply.)

We will not pay for:

- The cost of:
  - replacement of expendable items such as belts, filters, fuses, electric heating elements, electrical contacts, thermostats, TX valves, cutting blades, crushing surfaces, parts made of glass, porcelain or ceramics, chains, seals, links, dies and moulds, conveyor belting, lubricants, fuel and any transfer media

- (b) replacement of unserviceable component parts worn through normal machine operation
- (c) adjustment, cleaning, purging or recharging of refrigeration or air conditioning equipment
- (d) replacement of refractory or brickwork forming part of an Insured Item.

unless necessary as part of the rectification of Insured Damage not otherwise excluded under this Part.

2. The cost of:

- (a) maintenance work including but not limited to the tightening of loose parts, recalibration or adjustments
- (b) alteration, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or as a separate operation
- (c) modification or alteration of insured plant to enable it to operate with a more ozone-friendly refrigerant gas as required by the UNEP (United Nations Environmental Protection) Montreal Protocol with respect to substances which deplete the ozone layer, unless conversion is necessitated by Insured Damage
- (d) replacement or repair, caused by gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation)
- (e) replacement of lighting equipment, reticulated electrical wiring, reticulated liquid and gas piping and ducting
- (f) repair of scratches chipping or discolouration to painted or polished surfaces, unless resulting from Insured Damage
- (g) repair of slowly developing deformation, distortion or fatigue of any part
- (h) repair of blisters, laminations, flaws or grooving even when accompanied by leakage
- (i) repairs to valves, fittings, glands, joints, gaskets, pipes, lines and connections which are defective or leaking
- (j) repairs to shaft keys requiring tightening, fitting or renewal
- (k) damage caused by the movement of foundations, masonry or brick work, or
- (l) removal or installation of underground pumps and well casings. Unless specifically noted on the Policy Schedule, this exclusion does not apply to submersible pumps.

3. Consequential loss of any kind or description whatsoever.

4. Insured Damage to any item being moved, if caused by dual lifting.

5. Anything to the extent You are entitled to recover the costs of labour or parts under a maintenance agreement, warranty, guarantee or indemnity in Your favour by the manufacturer of the relevant item or any other person.

## Machinery insurance Part 1 extensions

### Deterioration of Stock in cold storage

(Applies where indicated on the Policy Schedule as being operative.)

1. What You are covered for

We will indemnify You up to the Sum Insured for loss of or damage to the Stock as specified whilst contained in the cold storage spaces cooled by the Insured Items nominated in the Policy Schedule and caused by deterioration or putrefaction as a result of:

- (a) Insured Damage to the refrigeration machinery
- (b) operation of or failure to operate controls or protective devices within the refrigeration machinery; but this does not include loss caused by the manual operation or manual setting of controls or protective devices
- (c) contamination of the stored Stock by the accidental escape of refrigerant into the cold chamber
- (d) sudden leakage of refrigerant from the refrigeration machinery or pipe systems forming part of the refrigeration machinery occurring during the Period of Cover at the Situation, or
- (e) sudden and unforeseen failure of the public power supply.

Loss minimisation:

If deterioration occurs or is likely to occur to such Stock by any of the above causes 1(a), 1(b), 1(c), 1(d) or 1(e), we will pay any reasonable expenses incurred by You to prevent or minimise the loss of Stock.

2. Basis of settlement

- (a) we will pay the cost of replacement of the lost or damaged Stock calculated immediately prior to the loss or damage occurring or the contracted price from Your usual customer, whichever is the higher. We will not pay more than the Sum Insured stated in the Policy Schedule for the Stock.
- (b) The amount of each claim otherwise payable shall be reduced by the amount of the Excess shown in the Policy Schedule.

3. What You are not covered for under this extension

(In addition, the exclusions contained in Part 1 apply to this extension)

We will not pay for:

- (a) any loss or damage due to shrinkage, inherent defects or diseases
- (b) loss or damage caused by improper storage, collapse of the packing material or storage structure
- (c) penalties or delay or detention or consequential loss or damage or liability of any nature whatsoever, and

- (d) loss or damage following loss of public power supply due to:
    - (i) the deliberate act of any public power supply authority unless performed for the sole purpose of safeguarding life or protecting a part of the supply system
    - (ii) the decision by any public power supply authority to restrict or withhold supply excepting a scheme of rationing necessitated by damage to any part of the supply system
    - (iii) shortage of power generation fuel or water.
4. Seasonal increase of cover
- An increase of fifty percent (50%) in the limit of indemnity under this extension shall apply during the following periods:
- (a) eight weeks prior to and including Christmas Day;
  - (b) three weeks after and including 26 December;
  - (c) six weeks prior to and including Easter Tuesday;
  - (d) one week after but not including Easter Tuesday.
  - (e) six 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 or celebration, and
  - (f) one week after the same festive, religious or ethnic event or celebration.
- Any other period shown on the current Policy Schedule, in lieu of the covers in (a) to (f) above.

## Electronic cover – Part 2

### Words with special meaning for the purpose of Part 2

Some words have special meaning wherever they appear in the Electronic cover – Part 2 section. These words and their meanings are listed below:

Word or Term	Meaning
Electronic Data	means the information stored on the Electronic Data Media.
Electronic Data Media	means the discs or tapes used in the computer to store the information.
Electronic Plant	all computers, word processors including all ancillary equipment attached thereto, Software, other electronic equipment and associated air conditioning equipment as specified in the Policy Schedule as Insured Items.
Software	the collection of programs which cause a computer to perform a desired operation or series of operations.

### What You are covered for

If any Insured Item of Electronic Plant or any part of an Insured Item of Electronic Plant specified in the Policy Schedule suffers Insured Damage, we will indemnify You, as provided in the basis of settlement clause, in respect of the Insured Damage indicated by the terms of cover You have selected as stated on the Policy Schedule. Cover under Electronic cover – Part 2 applies while the Insured Item is:

- (a) working or at rest, and/or
- (b) being dismantled or moved for the purpose of cleaning, inspection, overhaul, repair or relocation or during such operations themselves or whilst being subsequently re-erected at the Situation
- (c) being moved to or from any service contractor away from the Business Premises but within Australia.

### Basis of settlement

1. In the event of Insured Damage to an Insured Item of Electronic Plant we will pay the cost of replacement or repairs necessary to return the Insured Item to its former state of operation including:
  - (a) cost of dismantling, re-erection, cleaning up and removal of debris
  - (b) charges for overtime and work on public holidays where necessarily and reasonably incurred
  - (c) freight within the Commonwealth of Australia by any recognised scheduled service
  - (d) overseas air freight by any recognised scheduled service or overseas labour

- (e) the cost of temporary repairs and/or hire of a temporary replacement item during the time taken to repair damage to any Insured Item provided that the costs in clauses 1(b), 1(c) 1(d) and 1(e) are limited to 50% of the normal cost of repair payable under this Part and shall be payable in addition to the Sum Insured or Limit Any One Loss (whichever is selected).
  - (f) any customs duties and dues.
2. No deduction will be made for depreciation of parts replaced except for valves, tubes (including picture and x-ray tubes) and light sources. We will deduct a proportion of the replacement cost of these items being the proportion which the period of use up to the time of failure bears to the normal service life expected by the manufacturer or supplier.
  3. All Insured Damage which can be repaired, must be repaired, however, should the item be uneconomical to repair due solely to the nature of the Insured Damage, settlement will be the lesser of the Sum Insured for the Insured Item as stated in the Policy Schedule or the cost of replacement of the insured item by an item of similar function, type, capacity and quality and in a condition equal to but not better than the condition of the insured item when new.
  4. The value of any salvage will be subtracted from the amount payable under this clause.
  5. If more than one Insured Item is lost or damaged in one occurrence, we will apply only the highest of the Excesses applicable to such Insured Items.
  6. the amount of each claim otherwise payable shall be reduced by the amount of the Excess shown in the Policy Schedule.

## **What You are not covered for under Part 2 and all extensions to Part 2**

We will not pay for:

1. Insured Damage to Electronic Data and Electronic Data Media, but subject to any extension selected by You
2. Insured Damage caused by atmospheric conditions, moisture or change in temperature unless directly resulting from damage to or malfunction of air conditioning equipment
3. The cost of:
  - (a) replacement of expendable items such as batteries, valves, x-ray and picture tubes, belts, chains, tapes, cards, ribbons, filters, tubes, electric heating elements or electrical contacts, or
  - (b) replacement of component parts worn through normal use or operation
 unless necessary as part of the rectification of Insured Damage not otherwise excluded under this Part.
4. The cost of:
  - (a) maintenance work
  - (b) alterations, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or as a separate operation
  - (c) replacement or repair following gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation
  - (d) repairs of scratches to painted or polished surfaces unless resulting from Insured Damage, or
5. anything to the extent You are entitled to recover the costs of labour or parts under a maintenance agreement or warranty, guarantee or indemnity in Your favour by the manufacturer of the relevant Insured Item or any other person.
6. Loss or damage caused by Computer viruses or other disruptive programming techniques
7. Consequential loss of any kind or description whatsoever.

## **Special conditions applying to Part 2**

This insurance only applies after completion of successful initial commissioning.

### **Electronic insurance Part 2 extensions**

#### **Electronic Data and Electronic Data Media**

(Applies where indicated on the Policy Schedule as being operative.)

1. What You are covered for

We will indemnify You for Insured Damage to the Electronic Data and Electronic Data Media insured under this extension as specified in the Policy Schedule caused solely as the result of Insured Damage covered under Part 2 to an Insured Item which is specified in the Policy Schedule.

We will extend cover under this Part 2 to include restoration of lost information which results from loss or damage to an Electronic Data processing system which is not owned by You and which You are not responsible to insure but which is being used by You at the time the loss or damage to that system occurs in circumstances which would give rise to indemnity under Part 1 if it was insured under Part 1.

2. Basis of settlement

We will pay You for such Insured Damage up to the Sum Insured less the applicable Excess specified in the Policy Schedule including:

- (a) the actual cost of replacement of lost or damaged Software and Electronic Data Media by new unused materials
- (b) any expenses which can be proved to have been incurred by You only for the purpose of restoring the Electronic Data by reproduction of data or information in a condition equivalent to that existing prior to Insured Damage and necessary to allow operation of the Insured

Item to continue in the normal manner. Lost Electronic Data may be reproduced in an updated form if the cost of doing so is no greater than that of reinstatement in the original form

and provided:

- (c) We shall only be liable for costs and expenses incurred within a period of twelve (12) months following the Insured Damage within the Period of Cover
- (d) This extension only applies whilst the insured Electronic Data Media is:
  - (i) at the Situation
  - (ii) at a media storage Situation, or
  - (iii) temporarily at an alternative Situation for processing purposes or in transit between any of these Situations.
- (e) The amount of each claim otherwise payable shall be reduced by the amount of the Excess shown in the Policy Schedule.

3. What You are not covered for under this extension

(In addition, the exclusions contained in Part 2 apply to this extension.)

We will not pay for:

- (a) Loss or distortion of Electronic Data contained on the Electronic Data Media while mounted in or on any machine for use or processing unless such loss or distortion occurs:
  - (i) at the Situation due to Insured Damage to an Insured Item which is specified in the Policy Schedule, or
  - (ii) at another Situation temporarily for processing purposes due to Insured Damage to the Insured Item which would be indemnifiable if the Insured Item were insured under Part 2.
- (b) Loss or distortion caused by Computer virus.
- (c) Wasting or wearing away or wearing out caused by or naturally resulting from ordinary use or working or gradual deterioration.
- (d) Loss or damage caused by atmospheric conditions, moisture or changes in temperature unless directly resulting from damage to air-conditioning equipment which would be indemnifiable if the equipment were insured under Part 2.
- (e) Consequential loss of any kind or description whatsoever.
- (f) Work undertaken without our approval other than for minor temporary or provisional repairs. There is no cover under this extension with respect to any Insured Item which has been operated without being satisfactorily repaired following Insured Damage.

4. Special condition – applying to Electronic Data and Electronic Data Media.

It is a condition precedent to indemnity under this extension that You must have duplicate copies of updated file media stored off site at alternative premises.

## Additional increase in cost of working

(Applies where indicated on the Policy Schedule as being operative.)

1. What You are covered for

- (a) We will indemnify You as set out in Basis of Settlement below up to the Sum Insured for any additional costs of operating Your Business directly resulting from interruption or interference to Your Business as defined in the Policy Schedule but only if:
  - (i) the interruption or interference is as a result of Insured Damage to an insured computer or word processor covered under Part 2, and
  - (ii) the interruption or interference is caused solely as a result of Insured Damage.

We will deduct from the amount payable by us any sum saved during the period of the interruption in respect of charges and expenses of the business which may cease or be reduced as a result of the Insured Damage, including any such savings occurring by reason of the interruption of the normal operation of the electronic operation of the data processing system.

To the extent that the Sum Insured by this extension is not otherwise exhausted, we will also pay for reasonable professional fees of accountants or auditors and any necessary and reasonable expenses payable by You for preparation and proving of valid claims under Parts 1 and 2.

2. Basis of settlement

- (a) We will pay You for the additional expenditure incurred over and above the normal expenses which would have been incurred by You for the operation of Your insured computer or word processor by the use of substitute equipment to maintain normal business operation during the interruption up to the Sum Insured specified in the Policy Schedule, less the applicable Excess including:
  - (i) the actual hire charges incurred for the rental of substitute equipment, and
  - (ii) the cost of additional personnel and transport expenses incurred with the use of the substitute equipment.
- (b) The Indemnity Period and the Time Excess shall commence upon the commencement of use of a substitute insured computer or word processor.
- (c) We shall be liable for additional expenditure incurred during the actual period of the interruption but not exceeding the period specified in the Policy Schedule as the Indemnity Period.
- (d) We will not be liable for loss, damage or costs incurred by You during the Time Excess.
- (e) The amount of each claim otherwise payable shall be reduced by the amount of the Excess shown in the Policy Schedule.

3. What You are not covered for under this extension

(In addition, the exclusions contained in Part 2 apply to this extension.)

We will not pay for:

- (a) The costs incurred during:
  - (i) interruption due to the carrying out of alterations, additions or improvements to the insured computer or word processor
  - (ii) interruption due to the carrying out of cleaning, adjustment, inspection or maintenance of the insured computer or word processor, or
  - (iii) the extension of any interruption due to any measure, restriction or regulation imposed by any government, public or local authority.
- (b) Additional costs incurred where the period of interruption otherwise applicable is increased beyond four (4) weeks due to delay in the repair or replacement of items manufactured outside Australia where such delay results from:
  - (i) measures, restrictions or regulations imposed by any government, public or local authority
  - (ii) the time required to procure replacement parts or complete items in overseas markets
  - (iii) the time required to transport or ship component parts or complete items between the Situation and any overseas place of repair or replacement
  - (iv) the time required to engage and transport overseas specialists or consultants to assist in or supervise local repairs.

4. Special condition – applying to Additional increase in cost of working

For the purpose of this extension only, Exclusion 5 of Part 2 does not apply.

### **Exclusions applying to Part 1 and Part 2 and all extensions**

Loss or damage caused by or arising from:

- (a) fire, smoke or soot
- (b) extinguishing a fire including subsequent demolition or repair work
- (c) lightning
- (d) chemical explosion (other than explosion of flue gas in Boilers)
- (e) impact of land-borne Vehicle, Aircraft or Watercraft
- (f) earthquake, subterranean fire or volcanic eruption
- (g) landslip or subsidence
- (h) storm, tempest, Flood, windstorm or cyclone
- (i) water escaping, discharged or leaking from any source which is external to the Plant and Machinery insured
- (j) theft or burglary
- (k) intentional or malicious damage, or
- (l) the carrying out of tests involving abnormal stresses, including the intentional overloading of any Insured Item.

### **Additional benefit applying to Parts 1 and 2**

#### **Additional items**

If You hire or purchase and commission at Your Business Premises any items similar to items already insured under this section, we will consider these items to be added to the insurance by this section, giving the same cover as for similar items already insured. Provided that:

- 1. cover for additional items shall not exceed the total Sum Insured for the items already insured under this part.
- 2. You give us written notice within 90 days of the hire or purchase and commissioning of the item(s) and pay the appropriate extra premium on a pro rata basis together with any applicable statutory charges.
- 3. the items are as far as You are aware, suitable for service, free from material defect and in sound working condition.
- 4. the items shall not be insured until successfully commissioned and all relevant statutory provisions for inspection and certification have been fulfilled.
- 5. the limits and Excess as shown on the Policy Schedule shall be the same as for similar items already insured.

#### **Repair costs**

The cost of consulting engineers' fees (excluding fees for preparing a claim) necessarily incurred with our written consent, in the reinstatement of Plant and Machinery and Electronic Plant. Provided that where the Sum Insured is exhausted we will pay an additional amount of up to \$5,000 in respect of this Additional benefit.

#### **Inflation Protection**

The Sum Insured on items of Plant and Machinery and Electronic Plant shall at the time of loss be increased according to the consumer price index by the proportion which the number of days since the commencement of the Period of Cover shall bear to the whole of such period.

## Conditions and exclusions applying to parts 1 and 2

### Conditions

1. Newly installed items

At the end of each Period of Cover You shall furnish us with details of any items newly installed or which have been deleted during the Period of Cover. Additional or return premiums shall be calculated corresponding to the type and value of the items and the Period of Cover from the time of completion of the successful commissioning of the items. Provided that our liability for all additional items will not exceed fifty percent of the total Sum Insured or limit of liability as stated in the Policy Schedule.

2. Inspection

You shall permit us or our representative at all reasonable times the right to inspect and examine any items insured by this insurance.

3. Claims and repair procedure

(See also the General Policy condition headed 'Claims')

In the event of any Insured Damage which might give rise to a claim under this insurance You must preserve the parts affected and make them available for inspection by us or our representative.

4. Upon notification of any loss or damage being given to us, You may carry out repairs or make good any minor damage, but in all other cases You must give us or our representative an opportunity to inspect the loss or damage before any repairs or alterations are effected. If no inspection is carried out by us or on our behalf within a period of time which is reasonable having regard to the location of the risk, weather conditions and/or other relevant factors, You may proceed with such repairs or replacement.

5. Nothing contained in this section or in any other condition of this insurance will relieve You of any obligation to take such steps as are necessary to ensure that the operation of the Insured Items is at all times carried out so as to minimise the risk of any claim being made under this insurance.

6. Insurance cover will cease for any Insured Item which has sustained damage and is operated unless it has been repaired properly and without delay.

7. You shall notify us in writing of any intended alterations of or departure from normal working conditions which You know (or a reasonable person in the circumstances could be expected to know) would materially increase the risk.

## Glass cover section

### Words with special meaning

Some words have special meaning wherever they appear in this section. These words and their meanings are listed below:

<b>Word or Term</b>	<b>Meaning</b>
Breakage	(a) for plate or sheet Glass or porcelain, a fracture extending through the entire thickness of the Glass or porcelain (b) for laminated Glass, a fracture extending through the entire thickness of a lamination but not any other damage or disfiguration.
External Glass	(a) external fixed Glass forming part of the Premises and any shatter resistant or reflective film attached thereto (b) ceramic tiled shop fronts
Glass	'Internal Glass', 'External Glass' and 'Specified Glass'
Internal Glass	(a) all Internal Glass, sinks, wash basins and sanitary ware and mirrors (other than hand mirrors) whilst in the Premises; and (b) showcase frames, display cabinets and counter frames.
Premises	the buildings at the Situation.
Sign	Glass or plastic that forms part of a Sign.
Specified Glass	Glass specifically designated in the Policy Schedule under Specified Glass.

## What You are covered for

We cover You under the Glass cover section for Breakage at the Situation of the Glass shown on the current Policy Schedule which occurs during the Period of Cover.

## What You are not covered for under this section

Under the Glass cover section we will not pay the cost to repair or replace broken Glass:

1. which is Stock
2. which is chipped or in poor condition when the Period of Cover commences
3. which is damaged during transit to or from Your Business Premises
4. while it is being fitted or removed from its frame or mounting brackets
5. which is part of any glasshouse, conservatory, radio, television screen, computer screen, vase, picture, crystal, crockery, china, or Glass item normally carried by hand.

## How we will pay Your claim

We will at our option either pay the cost to repair or replace broken Glass with Glass of similar or higher quality to comply with the requirements of The Standards Association of Australia, any statute or regulation.

## Additional benefits applicable to the Glass cover section

If a claim is payable by us under the Glass cover section we will also pay up to the greater of the limit defined below or the sum insured shown on the current Policy Schedule for the reasonable cost to replace or repair the following additional items:

### (a) External Glass

In the event of Breakage of External Glass, We will indemnify You for each of the following:

- (i) replacing sign writing or ornamentation affixed to the broken Glass.
- (ii) replacing burglar tape or wiring affixed to the broken Glass.
- (iii) replacing shatter resistant or reflective film affixed to the broken Glass.
- (iv) temporary shuttering, boarding up or other protection reasonably necessary for the safeguarding of the Premises or contents therein, pending replacement of the broken Glass.
- (v) replacing damaged window frames and tiled shop fronts, but with due allowance for wear and tear.

Our liability under this additional benefit during any one period of insurance is limited to \$7,500.

### (b) Destruction of Stock or contents

We will pay for destruction of, or damage to Your Stock or contents, caused by broken Glass following the Breakage of Glass where such Breakage constitutes an admissible claim under this section.

Our liability under this additional benefit during any one period of insurance is limited to:

- (i) the value at cost, of the Stock or contents destroyed or damaged, less any amount realised from the sale or salvage or;
- (ii) the sum of \$7,500, whichever is the lesser.

### (c) Signs

Glass or plastic which forms part of an illuminated Sign and which is damaged during the Period of Cover. This additional benefit is subject to a sub-limit of liability of \$7,500 or any higher sub-limit stated in the current Policy Schedule for 'Signs'. The admissibility of claims for damage to Signs shall not be contingent upon other damage to Glass.

### (d) Overtime

we will pay the reasonable costs for after-hours service by repairers, express delivery and overtime charges to repair or replace broken Glass. The maximum we will pay for this benefit is the amount shown on the current Policy Schedule.

### (e) Malicious damage

Malicious damage to External Glass. This additional benefit is payable even where there is no Breakage of External Glass.

# General Property cover section

## Words with special meaning

Some words have special meaning wherever they appear in this section. These words and their meanings are listed below.

Word or Term	Meaning
--------------	---------

General Property	means the property listed on the current Policy Schedule under the General Property cover section.
------------------	--

## What You are covered for

We cover You for physical loss or damage to General Property which occurs during the Period of Cover other than the exclusions in 'What You are not covered for'.

## What You are not covered for under this section

1. We will not cover loss or damage to General Property under the General Property cover section which is:
  - (a) covered under any other section of this Policy
  - (b) being constructed, erected, altered, manufactured, cleaned or repaired
  - (c) sporting equipment whilst in use.
2. We will not cover loss or damage caused by:
  - (a) Flood
  - (b) water from or action by the sea, tidal wave or high water
  - (c) fraudulent or dishonest acts, fraudulent misappropriation, embezzlement, forgery, counterfeiting, data corruption, unauthorised amendment of data, erasure by electronic or non-electronic means involving Business Property, committed by You or by any employee(s) of Yours or with Your knowledge, by any Family member(s), whether acting alone or in collusion with any other person(s) or unexplained disappearance or unexplained inventory shortage, whether resulting from clerical or accounting errors or shortages in supply or delivery of materials to or by You
  - (d) theft from a Vehicle or premises without either forcible and violent entry, armed hold-up or the direct threat of physical violence
  - (e) wear and tear, fading, scratching or marring, rust, corrosion, mildew, mould, contamination or pollution, wet or dry rot, change of colour, flavour, texture or finish, dampness of atmosphere, variations in temperature, evaporation, disease, inherent vice, latent defect, loss of weight, depreciation, gradual deterioration or developing flaws, normal upkeep or making good, smut or smoke from industrial operations (other than sudden or unforeseen damage resulting therefrom)
  - (f) erosion, subsidence, earth movement or collapse resulting from any of these
  - (g) kidnapping, bomb threat, threat of contamination, hoax, extortion or any attempt at any of these
  - (h) insects or vermin such as rats, mice, rabbits, possums and birds
  - (i) faulty materials
  - (j) faulty workmanship
  - (k) wrong or incorrect design, plan or specification or failure of design
  - (l) mechanical, electrical or electronic breakdown.

Exclusions (e), (f), (g), (h), (i), (j), (k) and (l) apply to the part first and immediately affected and do not extend to subsequent damage to other parts of the property occasioned by a peril which is not otherwise excluded.

3. We will not cover:
  - (a) General Property not being used by You in accordance with the manufacturer's instructions
  - (b) any legal liability of whatsoever nature
  - (c) consequential loss of any kind.

## How we will pay Your claim

Unless You have elected to insure for indemnity value, we will at our option either

1. pay You the replacement cost of the General Property at the time of loss or damage, or
2. repair the General Property to a condition equal to but not better or more extensive than its condition when new, or
3. replace the General Property with a new item that has the same features that are nearly the same as (but not less than) the item being replaced.

## **Additional benefit applicable to the General Property cover section**

### **Theft (limited) without forcible and violent entry**

Loss or damage by theft or attempted theft of general property other than stock and customers' goods occurring during the period of cover from the Business Premises without actual forcible and violent entry but excluding theft or attempted theft from any open-sided structure such as, but not limited to verandas or yards or other open spaces even if they are partially or fully enclosed. This additional benefit does not cover loss as a result of unexplained disappearance, unexplained or inventory shortage, clerical or accounting errors or shortage in supply or delivery to or from the business premises. A sub-limit of \$2,000 per occurrence applies to this additional benefit.

## **Optional benefit applicable to the General Property cover section**

The current Policy Schedule will show if the following optional benefit is covered:

### **Theft without forcible and violent entry**

Theft from premises without forcible and violent entry, to the extent not insured by the additional benefit headed 'Theft (limited) without forcible and violent entry' but limited in respect of any one occurrence to the sum insured stated in the current Policy Schedule against this optional benefit.

## **Cover options and extensions (where indicated on the Policy Schedule as applying)**

### **Fire, theft, collision and other expressed perils (cover option A)**

When cover option A is stated on the Policy Schedule, we will insure the items described in the Policy Schedule under this section for loss or damage caused by:

- (a) Fire, lightening, explosion, malicious damage or vandalism;
- (b) Theft following forcible and violent entry which causes visible damage to a locked Vehicle or building;
- (c) Theft of equipment securely attached to a Vehicle through use of locks or padlocks, which results in visible damage to the securing devices;
- (d) Collision or overturning of the conveying Vehicle.

### **Goods in transit**

When Goods in transit cover option is stated on the Policy Schedule, we will cover You up to the limit specified in the Policy Schedule for this cover option, less the Excess, for loss or damage to goods belonging to You or for which You are legally responsible, whilst in the normal course of transit by road Vehicle owned or operated by You anywhere in Australia, caused by the following insured events.

- (a) Collision or overturning of the conveying Vehicle.
- (b) Fire, lightning or explosion.
- (c) Theft resulting from forcible and violent entry evidenced by visible damage to the securely locked portion of a Vehicle containing Your item.

Additional exclusions applying to this cover option

We will not be liable under this cover option for loss of or damage to or as a result of:

- (i) delay, loss of market, consequential loss of any kind, depreciation or deterioration
- (ii) Money
- (iii) jewellery, watches, furs, antiques, paintings, works of art, precious metals or precious stones or articles composed of any of them
- (iv) explosives, petroleum products in bulk or gas in bulk
- (v) livestock
- (vi) cigarettes, tobacco, wines, spirits or other alcoholic beverages unless specified in the Policy Schedule
- (vii) collision or contact by the conveying Vehicle with the curb or uneven road surface
- (viii) theft by or in collusion with any of Your employees
- (ix) electrical or mechanical derangement unless damage is visible to the exterior of the machine.

How we will pay Your claim

In the event of a claim the value of goods lost or damaged shall be taken as;

- for goods sold - Your invoice value
- for goods purchased - the purchase price as shown on the invoice
- all other goods including plant transfers - market value.