

# Commercial/Retail/Industrial

## Business Pack Insurance Policy



POLICY

QM515

This Policy is underwritten by QBE Insurance (Australia) Limited  
ABN 78 003 191 035, AFS Licence No. 239545 of 82 Pitt Street, Sydney



# COMMERCIAL/RETAIL/INDUSTRIAL POLICY

## Welcome to QBE Commercial

In this policy booklet you'll find all the information you need to know about the type of cover(s) available, our terms and conditions, and making a claim.

Please read this booklet and make sure that you are satisfied with what we offer.

Unless we have already agreed to issue a cover note, insurance protection only begins when we receive and accept your completed application form and the premium.

This booklet and the insurance schedule we send you form your legal contract with us, so please keep them together in a safe place.

Please do not hesitate to contact your broker or financial service provider if you have any questions about this policy booklet or your insurance cover.

## About QBE Commercial

QBE Commercial is part of QBE Insurance (Australia) Limited, a member of the QBE Group.

QBE Commercial manages over \$1.5 billion in Total Gross Written Premium and distributes its products through professional general insurance intermediaries. QBE Commercial has built up a strong reputation in the intermediary market and will continue to grow within the QBE Group.

QBE is a household name in Australian insurance, backed by sizeable assets, and well known as a strong and financially secure organisation.

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## IMPORTANT INFORMATION

### Insurer

The Policy is underwritten by QBE Insurance (Australia) Limited, ABN 78 003 191 035, AFS Licence No. 239545 of 82 Pitt Street, Sydney.

### Please check the schedule details

Please check that the Schedule accurately states what You have insured. Especially check that the Limits of Liability are adequate.

### Your Duty of Disclosure

The law requires You to tell Us everything You know (or could reasonably be expected to know in the circumstances) which is relevant to Our decision to insure You and the terms on which We insure You.

This duty applies before You enter into a contract with Us, that is before We accept Your application for insurance and also before each time You renew, extend, vary or reinstate the Policy.

Each person named as the Insured has the same duty.

### Penalty for Non-disclosure

If You do not tell us everything that is relevant, we may:

- reduce or refuse to pay a claim
- cancel Your Policy, or
- if You act fraudulently, invalidate the Policy from its beginning and not be bound by it.

### You don't need to tell us anything which

- reduces the risk
- is of common knowledge
- We already know, or ought to know in the ordinary course of Our business, or
- We indicate We do not want to know.

If You are not sure that something is relevant, it is best to disclose it anyway.

Also be sure to notify us of any changes which affect Your Policy.

### 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.

### Other party's interests

You must tell Us about all parties (e.g. financiers, lessors) to be covered by this insurance.

## Contracts or Agreements

We will not cover any liability or obligation assumed by You under any contract, agreement or warranty which would not have otherwise arisen or been implied by law unless You have told Us about them and We have noted them on the Schedule.

## Underinsurance

The following Sections of the policy

1. Fire Section – Gold
2. Fire Section – Silver
3. Business Interruption section

have an underinsurance or average provision. The provision means that if you under-insure your property, we do not have to pay your claim in full but only a proportion of it. We work out whether you have under-insured and the proportion of our payment by reference to the replacement value of the property in question.

## 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 Financial Services Provider 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 Financial Services Provider 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.

## 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) and its principles when collecting and handling your personal information. QBE Commercial 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 may need to disclose personal information to our reinsurers, (who may be located overseas), insurance intermediaries, insurance reference bureaus, 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.

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.

Please contact your Financial Services Provider to obtain a copy of the QBE Commercial Privacy Promise information brochure. A copy of the brochure may also be obtained from any QBE Commercial office or from our website at [www.qbecommercial.com](http://www.qbecommercial.com)

## Definitions

The following definitions shall apply to the words used in Your Policy, unless otherwise defined in the Cover Sections.

Definitions	Meaning
Australia	Australia and all of its States and Territories including all external Territories.
Buildings	<p>a permanently fixed structure that consists of a roof and external walls, that completely enclose an area beneath the roof when doors and windows that form part of the structure are closed.</p> <p>Buildings also include:</p> <ul style="list-style-type: none"> <li>(a) carports, pergolas and canopies</li> <li>(b) barns and outbuildings</li> <li>(c) storage sheds and tanks</li> <li>(d) walls, fences, gates and letter boxes</li> <li>(e) all permanent fittings and fixtures to any Building</li> <li>(f) external fixed: <ul style="list-style-type: none"> <li>(i) swimming pools, saunas and spas</li> <li>(ii) gangways between Buildings, and</li> <li>(iii) lights and signs</li> </ul> </li> <li>(g) flag and power poles</li> <li>(h) communications masts, aerials, antennae and dishes</li> <li>(i) fixed floor coverings</li> <li>(j) paths and driveways</li> <li>(k) foundations of any Building</li> <li>(l) structural improvements to any Building</li> <li>(m) piers and jetties</li> <li>(n) underground and above ground services connected to a Building, and</li> <li>(o) tenant's leasehold improvements to any Building.</li> </ul>

Definitions	Meaning
Contents	<p>all Stock, business furniture, machinery, plant and equipment, and includes antiques, curiosities and works of art limited to \$2,000 any one article; belonging to You or for destruction or damage for which You are responsible or for which You have assumed responsibility to insure prior to the occurrence of any destruction or damage.</p> <p>Contents also includes:</p> <ul style="list-style-type: none"> <li>(a) Customers' goods for which You are responsible or for which You have assumed responsibility to insure prior to any destruction or damage.</li> <li>(b) the cost of repair or replacement of necessary patterns, models, moulds, dies and lasts but not limited unless repaired or replaced to the value standing in your financial records</li> <li>(c) improvements, alterations, decorations, fittings and additions to leased buildings which have been made by You and for which You are not entitled to be reimbursed by the lessor in the event of destruction or damage.</li> </ul> <p>Contents does not include money, security documents, stamps or explosives.</p>
Cover section	the individual coverage document that We give You that attaches to and forms part of Your Policy when this is shown in the Schedule, for example Burglary Section or Glass Section.
Electronic data	facts, concepts, and information converted to a form usable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for such equipment.
Endorsement	an individual endorsement document that We give You that attaches to and forms part of Your Policy. This document varies the terms and conditions of Your Policy.
Excess	the first amount of each claim. The amount of the Excess is shown in the Schedule.

Definitions	Meaning
Flood	the covering of normally dry land with: <ol style="list-style-type: none"> <li>1. water released or that has escaped from the normal confines of:                             <ol style="list-style-type: none"> <li>(a) any watercourse whether natural or altered</li> <li>(b) any lake whether natural or altered, or</li> <li>(c) any reservoir, canal or dam, or</li> </ol> </li> <li>2. water that cannot enter any watercourse, lake reservoir, canal or dam because of:                             <ol style="list-style-type: none"> <li>(a) water already contained within these normal confines, or</li> <li>(b) water that has already been released or has escaped from any of these normal confines.</li> </ol> </li> </ol>
Period of insurance	the Period of Insurance shown in the Schedule.
Pollutants	any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acid, alkalis, chemicals or waste. Waste includes but is not limited to material to be recycled, reconditioned or reclaimed.
Premises	the buildings, outbuildings, yards, and land used by You for Your business at the location shown in the Schedule
Premium	the amount(s) shown in the Schedule that You have to pay inclusive of all charges for the cover We provide.
Proposal	the proposal document You complete for this insurance.
Policy Schedule	the Schedule document that We give You that attaches to and forms part of Your Policy.
Stock	all stock in trade at the Premises, including work in progress and property of others held on consignment, and when the word Stock is used in the Schedule to describe a Category of property insured, it is agreed that We accept the designations used in Your books and records.
Sum Insured	the Sum Insured shown in the Schedule.
We, us or our	QBE Insurance (Australia) Limited, ABN 78 003 191 035.
Year	a period of 365 consecutive days or 366 consecutive days in a leap year.
Your Business	the, occupation, trade or profession described in the Schedule carried on at and from the Premises (and no other for the purpose of this insurance).
You or your	the person(s) or parties shown as the Insured in the Schedule.

Definitions	Meaning
Your Policy	<ol style="list-style-type: none"> <li>1. this document</li> <li>2. the Cover Sections</li> <li>3. the Schedule, and</li> <li>4. any Endorsements</li> </ol> that together are to be considered as one document.

## Fire section – Gold

### Introduction

This Cover Section forms part of Your Policy and must be read together with the General Conditions and Limitations of Cover, the Schedule, the Proposal and any Endorsements. Provided that this Cover Section forms part of Your Policy only when Fire Section - Gold is shown in the Schedule and only for the Period of Insurance indicated.

### Definitions

The following definitions shall apply to words used in this Cover Section and to words used in Endorsements that apply to this Cover Section.

Definitions	Meaning
Breakdown	the actual breaking, seizing, deformation or melting of any part of the Property while it is in use that is caused by mechanical, electrical or electronic defect that results in sudden and total loss of operation that requires repair or replacement before the Property can resume normal operation.
Damage	accidental physical damage, destruction or loss. Damaged has a corresponding meaning to Damage.
Declared value	the total of the individual Declared Insurance Values shown in the Schedule that apply to Buildings and Contents at the Premises.
Excluded property	the following items unless they are shown in the Schedule as being covered: <ol style="list-style-type: none"> <li>1. furs, jewellery, gold, silver, platinum, pearls, diamonds, sapphires, rubies and other precious stones unless these items are Stock</li> <li>2. Money</li> <li>3. glass, unless such glass is directly Damaged by:                             <ol style="list-style-type: none"> <li>(a) fire, lighting, explosion, impact, storm and tempest or earthquake</li> <li>(b) riot, civil commotion, persons taking part in industrial disputes, or</li> </ol> </li> </ol>

Definitions	Meaning
Excluded property (continued)	<p>(c) persons acting maliciously, other than where such glass is cracked or broken through its entire thickness</p> <p>4. Property in transit outside of the Premises other than Property that is covered by Extension of Cover C1. Restricted Transit</p> <p>5. aircraft, locomotives, rolling stock and watercraft whilst in water and watercraft that are not Stock</p> <p>6. registered motor vehicles including but not limited to motor cycles, caravans and trailers</p> <p>7. animals, other than animals contained within a Building and owned as Stock if Damaged by fire, lightning or explosion</p> <p>8. (a) bridges, docks, tunnels and wharves</p> <p>(b) jetties and piers that do not form part of a Building covered by this Cover Section</p> <p>(c) earth, gravel and other unsealed driveways and roads</p> <p>9. dams, canals, reservoirs other than tanks and their contents</p> <p>10. standing timber, growing crops, plants, land including top soil and fill, landscaping, gardens and pastures; provided that this Excluded Property 10. does not apply to landscaping plants and gardens when the cost of reinstating Damage to a Building exceeds 50% of the Replacement Cost of the Building when they are used to restore landscaping and gardens to a condition similar to that immediately prior to the Damage</p> <p>11. property being constructed, built, erected, altered or dismantled, including all associated materials or supplies</p> <p>provided that this does not apply to:</p> <p>(a) such property if the total value of this work is less than \$250,000 and it is also less than 20% of the Limit of Liability for the Premises concerned, and</p> <p>(b) that portion of the Building or part of any Property that is not directly affected by such work</p> <p>12. mining property and any equipment located beneath the surface of the ground</p> <p>provided that this Exclusion does not apply to underground services connected to a Building.</p>

Definitions	Meaning
Excluded property (continued)	13. any pressure vessels (including any boilers) that are legally required to be tested, inspected or certified when the Damage is directly caused by explosion or implosion of such pressure vessels.
Limit of liability	the amount shown in the Schedule as the Limit of Liability for a specific Premises. Provided that this is the maximum amount that We will pay for all Damage that arises out of any one source or original cause at a specific Premises unless it is specifically stated in this Cover Section that payments are made in addition to this amount.
Money	coins, bank notes or negotiable instruments such as but not limited to cheques, stamps, vouchers and tickets.
Pollution or Contamination	the discharge, dispersal, release or escape of any type of Pollutant or contaminant into or upon property, land, atmosphere or any water course or body of water including but not limited to ground water.
Property	any tangible property both real or personal of every kind and description belonging to You or that You are responsible for. Provided that this does not include: <ul style="list-style-type: none"> <li>1. personal Property of directors and employees, that is not on the Premises, and</li> <li>2. items defined as Excluded Property.</li> </ul>
Reinstatement	to restore that part of the Property that is Damaged so that the function, output and construction are similar to that part of the Property when it was new, by repairing it or at Our option replacing that part of the Property with similar new property.
Replacement cost	the cost to replace Property with new Property that has similar function, output and construction to that of the original Property when it was new. This shall include all charges, fees and costs such as but not limited to architects, engineers and other consultants fees necessarily incurred when replacing this property.

### Cover

We will pay up to the Limit of Liability in accordance with the Basis of Settlement for Property that is Damaged at a Premises during the Period of Insurance.

## Basis of settlement

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

### 1. (a) Business Records

for Damage to business books, plans, computer records, patterns and other business records, We will pay the cost of recreating the documents that are Damaged. In addition, this cover includes Damage to business records of Your customers at the Premises but limited to a maximum of \$50,000 any one loss

### (b) Property awaiting Demolition

for Damage to Property awaiting demolition, We will pay for the salvage value of the building materials and landlord's fixtures and fittings where such fixtures and fittings are included as part of the Declared Values for Building, and

### (c) All other Property that is Damaged

for all other Property that is Damaged We will pay for the cost of Reinstatement.

### 2. Rebuilding at another location

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

Provided that:

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

## Limitations of cover

### 1. Limit of Liability

- (a) We will not pay more than the Limit of Liability that applies to the specific Premises where the Damage happens.
- (b) The Limit of Liability for a specific Premises will be reduced by any payment made or due to be made by Us following Damage covered by this Cover Section at that Premises.

### 2. Directors and Employees Property

Cover for Damage to the personal property of directors and employees of your business for:

- personal property used solely for business purposes, and provided:
  - the person to whom the personal effects belong is not named as an insured

is limited to a maximum of \$5,000 any one person and \$15,000 in the aggregate for any one loss. There is no cover for any property belonging to you or any person named as the insured on your Policy Schedule.

### 3. Under-insurance

For each specific Premises if the Declared Value at the time such Damage occurs is less than 80% of the Replacement Cost of all Property located at that Premises at the time such Damage occurs, then when there is a claim for Property which exceeds 5% of the Declared Value, We will pay that proportion of the cost of Reinstatement that the Declared Value bears to 80% of the Replacement Cost of all property at that Premises.

Provided that any additional costs incurred when You comply with the requirements of any lawful authority (as described in Extension of Cover - A, 1. Extra Cost of Reinstatement) will be omitted from the calculation of the Replacement Cost.

### 4. Excess

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

### 5. Exclusions

Cover is further limited by the Exclusions that follow.

## Exclusions

1. We will not pay for Property while it is undergoing any process where Damage results from it being processed.
2. We will not pay for any legal liability that You have other than legal liability specifically provided for in this Cover Section.
3. We will not pay for Damage caused by or arising from:
  - (a) theft, other than physical damage to Property at the Premises during theft or any attempted theft
  - (b) the incorrect siting of Buildings as a result of error in design or specification, faulty workmanship or non-compliance with requirements of any lawful authority
  - (c) demolition ordered by any lawful authority as a result of failure by You to comply with any lawful requirement
  - (d) any unexplained inventory shortage or disappearance of Property
  - (e) Pollution or Contamination of Property except when caused directly by fire, lightning, explosion, impact by aircraft or other aerial devices or articles dropped from them, riot, civil commotion, persons taking part in an industrial dispute, persons acting maliciously, earthquake, storm, the bursting, overflowing and discharging of water tanks, apparatus or pipes, sprinkler leakage or impact by any road vehicle or animal
  - (f) Flood

- (g) storm, rainwater, wind, hail or snow; provided that this Exclusion 3(g) is limited to Damage to retaining walls or to property in the open air unless such property forms part of a permanent structure designed to function without the protection of walls or roof
  - (h) the action of water from the sea, tidal wave or high water  
provided that this Exclusion 3 (h) will not apply if Damage to Property is caused by such action as a direct consequence of an earthquake, subterranean fire or volcanic eruption.
  - (i) erosion, landslide, mudslide, rockslide, subsidence, settling, seepage, shrinkage or expansion of earth, vibration or earth movement  
provided that this Exclusion 3(i) will not apply if Damage to Property is caused by or arises out of earthquake, subterranean fire or volcanic eruption.
4. We will not pay for any Damage to Property undergoing demolition, but this Exclusion shall not apply to all contents, plant and machinery associated with such Property.
  5. We will not pay for consequential loss of any kind.
  6. We will not pay for Damage caused directly by or arising directly from:
    - (a) Breakdown
    - (b) gradually operating causes such as but not limited to wear and tear, mildew, corrosion, disease, oxidation, fading, tree roots, evaporation, change in flavour, colour, temperature or texture
    - (c) vermin, insects, termites
    - (d) latent defect, inherent defects, faulty workmanship, faulty material, structural defects or faulty design
    - (e) the cessation, interruption or retarding of any process or operation either totally or partially
    - (f) fraud or dishonesty by You or Your directors, partners, employees, officers or any other persons who have an interest in the Property
    - (g) deliberate and unauthorised corruption, amendment or erasure of data by You or Your directors, partners, employees, officers or any other person who has an interest in the Property whether acting alone or in collusion with any other person
    - (h) the gaining of access by any person other than You or Your directors, partners, employees, officers or any other persons who have an interest in the Property, to Your computer via any communication system that is used by Your computer system
    - (i) the operation or presence of any computer program that alters or erases data or programs in a manner that is undesired by You
    - (j) computer virus, being 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

- (k) explosion or implosion of any pressure vessels (including any boilers) that are legally required to be tested, inspected or certified
- (l) scratching, denting, chipping or defacing; except when caused directly by fire, lightning, explosion, impact by aircraft or other aerial devices or articles dropped from them, riot, civil commotion, persons taking part in an industrial dispute, persons acting maliciously, earthquake, storm, the bursting, overflowing and discharging of water tanks, apparatus or pipes, sprinkler leakage or impact by any road vehicle or animal
- (m) scratching, biting and chewing by any animal or bird.

Provided that this Exclusion 6 will not apply to any Damage to Property that is not otherwise excluded that results from any of these causes.

### Extension of cover – A

When Damage to Property at a specific Premises is covered by this Cover Section then provided that We do not pay more in the aggregate than the Limit of Liability shown for that Premises, We will pay for the following costs that are incurred as a result of that Damage:

#### 1. Extra Cost of Reinstatement

- (a) The additional costs incurred by You in complying with the requirements of any lawful authority that are imposed after the Damage but limited to costs directly relating to that portion of the Building actually Damaged, or
- (b) If the Reinstatement cost of the Damaged Building is more than 50% of the Replacement Cost of the whole Building then We will pay the additional costs incurred by You in complying with Statutory Regulations that are invoked after the Damage for both the Damaged and undamaged portion of the Building.

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

#### 2. Temporary Repairs

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

#### 3. Demolition and Debris Removal

The reasonable costs incurred by You for:

- (a) the demolition and removal of Property that is Damaged
- (b) the demolition and removal of any property including undamaged property that is necessary to allow Reinstatement of the Damaged Property, and

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

Provided that this Extension of Cover is limited to the lesser of:

- (a) \$100,000, or
- (b) 20% of the Limit of Liability for the Premises where the Damage happened.

#### 4. Loss of Land Value

The reduction in land value that results from the requirements of any legal authority that does not allow rebuilding or only allows partial rebuilding at the Premises.

Provided that:

- (a) this shall be calculated by subtracting the land value after rebuilding or after We have agreed that rebuilding is not possible from the land value before the Damage, and
- (b) this Extension of Cover is limited to the lesser of:
  - (i) \$100,000, or
  - (ii) 20% of the Limit of Liability for the Premises where the Damage happened.

#### 5. Floor Space Ratio or Index

When the cost of rebuilding a Building that is Damaged costs more than 50% of the Replacement Cost of the entire Building, and rebuilding is only permissible subject to a reduced floor space to land area ratio or index, then We will also pay the cost of rebuilding that would have been incurred had a reduced floor space ratio or index not been applicable, less the actual incurred cost of rebuilding in accordance with the reduced floor space ratio or index, including the additional costs incurred to meet the requirements of any lawful authority as described in Extension of Cover A, 1. Extra Cost of Reinstatement.

#### 6. Undamaged Foundations

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

Provided that:

- (a) We will not pay more than the actual cost of foundations necessary to support the new Building at the new location, and

- (b) when the land value of the Premises with such foundations is greater than the land value of the Premises without such foundations, then

We will deduct the difference between these values from the amount otherwise payable by this Extension of Cover.

### Extension of cover – B

Following Damage covered by this Cover Section to Property at a specific Premises We will pay in addition to the Limit of Liability for that Premises the following costs that result from the cause of that Damage:

#### 1. Fire Fighting Costs

The cost of refilling fire fighting appliances and any additional cost incurred by You while extinguishing fires at or adjoining the Premises or threatening to involve such Property. Provided that the wages of any full time members of a works fire brigade are not covered by this Extension of Cover and this Extension of Cover is limited to \$25,000 during the Period of Insurance.

#### 2. Exploratory Costs

The reasonable cost incurred by You to find the source of a leak when liquids have caused Damage to Property. Provided that this Extension of Cover is limited to \$25,000 during the Period of Insurance.

#### 3. Temporary Protection and Watchmen

The costs reasonably incurred by You to protect the Property including the cost of temporary repairs and the hiring of watchmen. Provided that this Extension of Cover is limited to \$25,000 during the Period of Insurance.

#### 4. Capital Additions

Reasonable costs incurred by You for the Reinstatement of Damage to:

- (a) Building alterations, and
- (b) other capital additions

that have been carried out at a specific Premises during the Period of Insurance.

Provided that:

- (a) this Extension of Cover does not apply to:
  - Property that can not be correctly designated to a Category that has a Declared Value shown in the Schedule for that specific Premises, and
- (b) this Extension of Cover is limited in the aggregate during the Period of Insurance to the lesser of:
  - (i) \$250,000, or
  - (ii) 20% of the Limit of Liability for that specific Premises.

#### 4. Discharge of Mortgage Costs

The legal costs associated with the discharge of any mortgages on Buildings that are considered by Us to be a total loss.

Provided that the maximum amount We shall pay for such costs is \$25,000.

## Extensions of cover – C

### 1. Restricted Transit

We will cover Contents shown in the Schedule for Damage during transit in a vehicle owned by You or operated by You within Australia that is caused by:

- (a) collision or overturning of the conveying vehicle
- (b) fire or explosion
- (c) wind or earthquake, or
- (d) acts of malicious persons.

Provided that the most We will pay under this Extension of Cover is the lesser of \$25,000 or 10% of the Contents Sum Insured.

### 2. New Premises Temporary Cover

We will temporarily extend the cover provided by this Cover Section to Property at any premises that is used by Your Business for the first time during the Period of Insurance. Provided that:

- (a) this temporary cover is limited to a period of 14 consecutive days from the day that You first use the new premises
- (b) this temporary cover is not available to Property that cannot be correctly designated to one of the Categories of Property that has a Declared Value shown in the Schedule
- (c) this temporary cover is only available to Property that is of a similar type to that insured by this Cover section
- (d) this temporary cover is limited to the Declared Value of all Property, or if more than one Premises is shown in the Schedule then this limitation will apply to the highest Declared Value that applies to a Premises shown in the Schedule
- (e) the new premises has Buildings, fire protection and security features that are similar to those at one of the Premises (shown in the Schedule), and
- (f) You provide Us with full details of the new premises within 14 days of You first using the new premises.

### 3. Automatic Reinstatement

At each Premises when the Limit of Liability is reduced following Damage covered by this Cover Section We will automatically increase this reduced limit to its value immediately before the Damage.

Provided that You pay or agree to pay the additional premium that We require.

### 4. Disposal of Salvage

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

### 5. Other Parties / Waiver Of Subrogation

We automatically extend cover to include all other parties that have an insurable interest in the Property including:

- (a) lessors, financiers, trustees, mortgagees, owners, and
- (b) Statutory Authorities that You have legally contracted not to seek recovery from, and
- (c) others who are specifically noted in Your records.

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

### 6. Stock Seasonal or Festive Increase

The Limit of Liability for Stock is increased by 30% for losses occurring during the days specified in the Schedule under the heading Seasonal or Festive Increase, up to a maximum number of 110 days, or

If no days are specified, the 30% increase for Stock will apply to:

- (a) the 60 days immediately before Christmas Day and 10 days immediately thereafter, and
- (b) the 30 days immediately before Easter Sunday and 10 days immediately thereafter.

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

### 7. Temporary Removal to other Premises

We will extend the cover provided by this Cover Section to Property while it is temporarily removed from a Premises (shown in the Schedule) to some other premises in Australia.

Provided that:

- (a) this Extension of Cover is not provided to Property in transit
- (b) this Extension of Cover is only available to Property that can be correctly designated to a Category that has a Declared Value shown for the Premises at which this Property is normally located, and
- (c) the most We will pay under this Extension of Cover is the lesser of \$100,000 or 20% of the Declared Value that applies to this Property at the Premises at which the Property is normally located.

### 8. Minimisation of Damage

We will pay for the reasonable cost of removing Property from the Premises and any Damage resulting from the removal if the Premises are threatened by fire or any other event insured by any Cover Section of Your Policy.

Provided that the purpose of the removal was to prevent or minimise Damage.

## Special Condition

### Sprinkler/Alarm Installations

If You are responsible for any fire or smoke detection equipment, fire alarm equipment, or sprinkler equipment at a Premises, then

We will not pay for Damage caused by:

- (a) fire or smoke, or
- (b) water used to extinguish or control fire, unless all such equipment that You are responsible for is maintained in good condition and is working effectively at all times.

Provided that this Special Condition will not apply when the disconnection or interruption of:

- (a) such equipment, or
- (b) the power supply to such equipment, or
- (c) the water supply to such equipment,

is caused by normal maintenance activities that result in a disconnection or interruption that lasts for less than 48 consecutive hours or is caused by other circumstances that are beyond Your control.

## Fire section – Silver

### Introduction

This Cover Section forms part of Your Policy and must be read together with the General Conditions and Limitations of Cover, the Schedule, the Proposal and any Endorsements. Provided that this Cover Section forms part of Your Policy only when Fire Section - Silver is shown in the Schedule and only for the Period of Insurance indicated.

### Definitions

The following definitions shall apply to words used in this Cover Section and to words used in Endorsements that apply to this Cover Section.

Definitions	Meaning
Breakdown	the actual breaking, seizing, deformation or melting of any part of any Property while that Property is in use that is caused by mechanical, electrical or electronic defect within the Property that causes sudden malfunction that requires repair or replacement before the Property can resume normal operation.
Damage	accidental physical damage, destruction or loss. Damaged has a corresponding meaning to Damage.
Insured event	any of the Insured Events that are shown in this Cover Section under the heading Cover.
Money	coins, bank notes or negotiable instruments such as but not limited to cheques, stamps, vouchers and tickets.
Pollution or contamination	the discharge, dispersal, release or escape of any type of Pollutant or contaminant into or upon property, land, atmosphere or any water course or body of water including but not limited to ground water.

Definitions	Meaning
Pre damage value	the value of the Property that is Damaged immediately before the Damage. This value must take account of wear and tear, maintenance, construction, general condition and the anticipated future useful life of the Property.
Property	any tangible property both real or personal of every kind and description belonging to You or that You are responsible for. Provided that this does not include personal property of directors and employees, that is not on the Premises.
Reinstatement	to restore that part of the Property that is Damaged so that the function, output and construction are similar to that part of the Property when it was new, by repairing it or at Our option replacing that part of the Property with similar new property.
Replacement cost	the cost to replace Property with new Property that has similar function, output and construction to that of the original Property when it was new. This shall include all charges, fees and costs such as but not limited to architects, engineers and other consultants fees necessarily incurred when replacing this property.
Total sum insured	the amount shown in the Schedule as the Total Sum Insured for a specific Premises.

### Cover

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

#### 1. Fire, Lightning and Explosion

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

Provided that We will not pay for Damage to any pressure vessels (including any boilers) that are legally required to be tested, inspected or certified when the Damage is directly caused by the explosion or implosion of such pressure vessels.

#### 2. Impact

Impact caused by:

- (a) vehicles, mobile equipment or their loads
- (b) watercraft
- (c) animals

- (d) fallen trees or branches, but not if the loss or damage is caused by You or a person acting with your express or implied consent felling or lopping trees.
- (e) communication masts, towers, antennae or dishes
- (f) aircraft, spacecraft, meteorites, or space debris including articles dropped therefrom, including sonic boom.

### 3. Malicious Damage

Malicious damage that is not caused by You and includes malicious damage caused during industrial disputes, riots and civil commotions. Provided that this does not include:

- (a) the theft or disappearance of any Property
- (b) glass which is cracked through its entire thickness.

### 4. Storm, Hail and Water

Storm, wind, hail, water including rainwater, or snow.

Provided that this does not include Damage:

- (a) to retaining walls
- (b) caused by erosion, landslide, mudslide, rockslide or subsidence
- (c) to items in the open, unless part of a permanent structure designed to function without the protection of walls or roof
- (d) that occurs gradually
- (e) by Flood, or
- (f) by the action of the sea, tidal wave or high water.

### 5. Molten Material

Escape of molten material from its normal container or safety devices,

but excluding Damage to the molten material, its normal container and the cost of locating or rectifying the cause of the escape.

### 6. Accidental Damage

- (a) Loss of or damage to Buildings or Contents caused by any accident except loss or damage caused by:
  - (i) Insured Events 1 to 5 or by any event or circumstance excluded therein
  - (ii) theft or any attempt thereat or armed hold-up;
  - (iii) fraudulent or dishonest acts by Your employees
  - (iv) wear and tear, fading, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good
  - (v) the action of birds, moths, termites or other insects, vermin, rust or oxidation, mildew, mould, wet or dry rot, corrosion, change of colour, dampness of atmosphere or other variations in temperature, evaporation, disease, inherent vice or latent defect, loss of weight, change in flavour, texture or finish

- (vi) error or omission in design, plan or specification or failure of design

- (vii) faulty materials or faulty workmanship

- (viii) any order of any government, public or local authority including the confiscation, nationalisation, requisition, repossession of or damage to any property

- (ix) incorrect siting of buildings as a result of incorrect design or specification

- (x) unexplained inventory shortage, unexplained disappearance, disappearance resulting from clerical or accounting errors or shortage in the supply or delivery of materials to or from You

- (xi) consequential loss of any kind

- (xii) machinery breakdown, electrical or electronic breakdown, boiler or pressure vessel explosion or implosion

- (xiii) computer virus

- (xiv) any person deliberately switching off or disconnecting the power supply.

- (b) We will not cover loss or damage to:

- (i) shrubs or pot plants

- (ii) live animals, birds or fish or any other living creature

- (iii) any property in transit

- (iv) any item insurable under the Glass Section of this Policy

- (v) property during the course of, and as a result of, its processing

- (vi) alterations and additions when the value of work exceeds 10% of the sum insured or \$250,000 whichever is the lesser.

- (c) The total amount payable under Insured Event 6 for any one item or items which are subject to loss or damage from any one event are limited to the lesser of:

- (i) the sum insured under that item, or

- (ii) an amount equal to ten percent (10%) of the total sum insured at the Location, subject to a maximum of \$50,000; provided that You shall bear the first \$100 (or the amount specified in the Schedule, whichever is the greater) of each and every claim arising out of one event.

## Basis of settlement

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

### 1. (a) Business Records

for Damage to business books, plans, computer records, patterns and other business records, We will pay the cost of recreating the documents that are Damaged. In addition, this cover includes Damage to business records of Your customers at the Premises but limited to an amount equal to 10% of the Contents Sum Insured or \$50,000, whichever is the lesser.

### (b) Property Awaiting Demolition

for Damage to Property awaiting demolition, We will pay the salvage value of the building materials and landlord's fixtures and fittings where such fixtures and fittings are included as part of the Sum Insured for Buildings, and

### (c) All other Property that is Damaged

for all other Property that is Damaged We will pay for the cost of Reinstatement.

### 2. Rebuilding at another location

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

Provided that:

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

## Limitations of cover

### 1. Sum Insured

- (a) We will only pay up to the Sum Insured shown for Buildings and Contents at a specific premises.
- (b) For each specific Premises where Damage happens, the Sum Insured for Property that suffers Damage will be reduced by any payment made or due to be made by Us following Damage covered by this Cover Section.

### 2. Total Sum Insured

- (a) We will not pay more than the Total Sum Insured that applies to the specific Premises where the Damage happens.
- (b) The Total Sum Insured will be reduced by any payment made or due to be made by Us following Damage covered by this Cover Section.

### 3. Directors and Employees Property

Cover for Damage to the personal property of directors and employees of your business for:

- personal property used solely for business purpose, and provided:
- the person to whom the personal effects belong is not named as an insured

is limited to a maximum of \$5,000 any one person and \$15,000 in the aggregate for any one loss. There is no cover for any property belonging to you or any person named as the insured on your Policy Schedule.

### 4. Under-insurance

For each specific Premises if the Sum Insured at the time such Damage occurs is less than 80% of the Replacement Cost of all Property located at that Premises, then when there is a claim for Property which exceeds 5% of that Sum Insured, We will pay that proportion of the cost of Reinstatement that the Sum Insured bears to 80% of the Replacement Cost of all property at that Premises.

Provided that any additional costs incurred when You comply with the requirements of any lawful authority (as described in Extension of Cover – A, 1. Extra Cost of Reinstatement) will be omitted from the calculation of the Replacement Cost.

### 5. Excess

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

### 6. Exclusions

Cover is further limited by the Exclusions that follow.

## Exclusions

### 1. Unless shown in the Schedule, We will not pay for Damage to:

- (a) furs, jewellery, gold, silver, platinum, pearls, diamonds, sapphires, rubies and other precious stones unless these items are Stock
- (b) Money
- (c) Property in transit outside the Premises other than Property that is covered by Extension of Cover C – 1. Restricted Transit
- (d) aircraft, locomotives, rolling stock and all watercraft whilst in water and watercraft that are not Stock;
- (e) registered motor vehicles including but not limited to motor cycles, caravans and trailers
- (f) animals; other than animals within a Building at the Premises and owned as Stock, whereby the Building was Damaged by fire, lightning, explosion impact, storm or tempest

- (g) (i) bridges, docks, tunnels and wharves
- (ii) jetties and piers that do not form part of a Building covered by this Cover Section
- (iii) earth, gravel and other unsealed driveways and roads
- (h) dams, canals, reservoirs other than tanks, and their contents
- (i) standing timber, growing crops, plants, land including top soil and fill, landscaping, gardens and pastures; provided that this Exclusion 1.(i) does not apply to landscaping plants and gardens when the cost of Reinstating Damage to a Building exceeds 50% of the Replacement Cost of the Building when they are used to restore landscaping and gardens to a condition similar to that immediately prior to the Damage
- (j) property being constructed, built, erected, altered or dismantled, including all associated materials or supplies; provided that this Exclusion 1.(j) does not apply to:
  - (i) such property if the total value of work is less than \$250,000 and it is also less than 20% of the Sum Insured shown for Buildings at the specified Premises, and
  - (ii) that portion of the Building or part of any Property that is not directly affected by such work
- (k) mining property and any equipment located beneath the surface of the ground; provided that this Exclusion 1.(k) does not apply to underground services connected to a Building
- (l) Property while it is undergoing any process where Damage results from its being processed
- (m) Property undergoing demolition; provided that this Exclusion 1.(m) shall not apply to Contents, plant and machinery associated with such Property.
- (n) Scratching, biting and chewing by any animal or bird.

### Extensions of cover – A

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

#### 1. Extra Cost of Reinstatement

- (a) The additional costs incurred by You in complying with the requirements of any lawful authority that are imposed after the Damage but limited to costs directly relating to that portion of the Building actually Damaged, or
- (b) If the Reinstatement cost of the Damaged Building is more than 50% of the Replacement Cost of the whole Building then We will pay the additional costs incurred by You in complying with Statutory Regulations that are invoked after the Damage for both the Damaged and undamaged portion of the Building.

Provided that We will not pay for any costs that would have been incurred when complying with Statutory Regulations that applied to the Property or Premises prior to the Damage. These additional costs can be omitted from the calculation of the Replacement Cost of Property, as required in the Under-insurance clause.

#### 2. Temporary Repairs

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

#### 3. Demolition and Debris Removal

The reasonable costs incurred by You for:

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

Provided that this Extension of Cover is limited to the lesser of:

- (a) \$100,000, or
- (b) 20% of the Total Sum Insured for the Premises where the Damage happened.

#### 4. Loss of Land Value

The reduction in land value that results from the requirements of any legal authority that does not allow rebuilding or only allows partial rebuilding at the Premises.

Provided that:

- (a) this shall be calculated by subtracting the land value after rebuilding or after We have agreed that rebuilding is not possible from the land value before the Damage, and
- (b) this Extension of Cover is limited to the lesser of:
  - (i) \$100,000, or
  - (ii) 10% of the Sum Insured shown for Buildings at the Premises where the Damage happened.

#### 5. Floor Space Ratio or Index

When the cost of rebuilding a Building that is Damaged costs more than 50% of the Replacement Cost of the entire Building, and rebuilding is only permissible subject to a reduced floor space to land area ratio or index, then We will also pay the cost of rebuilding that would have been incurred had a reduced floor space ratio or index not been applicable, less the actual incurred cost of rebuilding in accordance with the reduced floor space ratio or

index, including the additional costs incurred to meet the requirements of any lawful authority as described in Extension of Cover A – 1. Extra Cost of Reinstatement.

#### **6. Fees and Costs**

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

### **Extensions of cover – B**

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

#### **1. Fire Fighting Costs**

The cost of refilling fire fighting appliances and any additional cost incurred by You while extinguishing fires at or adjoining Premises or threatening to involve such Property.

Provided that the wages of any full time members of a works fire brigade are not covered by this Extension of Cover and this Extension of Cover is limited to \$25,000 during the Period of Insurance.

#### **2. Exploratory Costs**

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

Provided that this Extension of Cover is limited to \$25,000 during the Period of Insurance.

#### **3. Temporary Protection and Watchmen**

The costs reasonably incurred by You to protect the Property including the cost of temporary repairs and the hiring of watchmen.

Provided that this Extension of Cover is limited to \$25,000 during the Period of Insurance.

#### **4. Capital Additions**

Reasonable costs incurred by You for the Reinstatement of Damage to:

- (a) Building alterations, and
- (b) other capital additions; that have been carried out at a specific Premises during the Period of Insurance. Provided that:

- (a) this Extension of Cover does not apply to:
  - (i) Property that cannot be correctly designated to a Category that has a Declared Value shown in the Schedule for that specific Premises, and
  - (ii) Property that can be Categorised as Stock, and
- (b) this Extension of Cover is limited in the aggregate during the Period of Insurance to the lesser of:
  - (i) 250,000, or
  - (ii) 20% of the Sum Insured declared at that specific Premises.

#### **5. Landscaping**

Notwithstanding Insured Events 6 (b) (i) the cost of loss of or damage to Landscaping which shall include trees, shrubs, plants and lawns, including expenses reasonably incurred in clearing, cleaning or repairing drains, gutters, sewers, pipes, tanks or fixed apparatus resulting from an Insured Event (other than Event 4).

Our liability shall not exceed the sum of \$1,000 any one loss.

### **Extensions of cover – C**

#### **1. Restricted Transit**

We will cover Contents shown in the Schedule for Damage during transit within Australia that is caused by:

- (a) fire or explosion
- (b) wind or earthquake, or
- (c) acts of malicious persons.

Provided that the most We will pay under this Extension of Cover is the lesser of \$25,000 or 10% of the Contents Sum Insured.

#### **2. New Premises Temporary Cover**

We will temporarily extend the cover provided by this Cover Section to Property at any new premises that is used by Your Business for the first time during the Period of Insurance. Provided that:

- (a) this temporary cover is limited to a period of 14 consecutive days from the day that You first use the new premises
- (b) this temporary cover is only available to property that is of a similar type to that insured by this Cover Section
- (c) this temporary cover is limited to the Sum Insured of all Property, or if more than one Premises is shown in the Schedule then this limitation will apply to the highest Sum Insured that applies to a location shown in the Schedule
- (d) the new premises has Buildings, fire protection and security features that are similar to those at one of the Premises (shown in the Schedule), and
- (e) You provide Us with full details of the new premises within 14 days of You first using the new premises.

#### **3. Automatic Reinstatement**

At each Premises when a Sum Insured and a Total Sum Insured is reduced following Damage covered by this Cover Section We will automatically increase these reduced amounts to their value immediately before the Damage.

Provided that You pay or agree to pay the additional premium required by Us.

#### **4. Disposal of Salvage**

We will not sell or dispose of any salvage without giving You the opportunity to buy it at its salvage value, but this Extension does not allow You to abandon property to Us.

**5. Other Parties/Waiver of Subrogation**

We automatically extend cover to include all other parties that have an insurable interest in the Property including:

- (a) lessors, financiers, trustees, mortgagees, owners
- (b) Statutory Authorities that You have legally contracted not to seek recovery from
- (c) others who are specifically noted in Your records, and

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

**6. Stock Seasonal or Festive Increase**

The Limit of Liability for Stock is increased by 30% for losses occurring during the days specified in the Schedule under the heading Seasonal or Festive Increase, up to a maximum number of 110 days, or

If no days are specified, the 30% increase for Stock will apply to:

- (a) the 60 days immediately before Christmas Day and 10 days immediately thereafter, and
- (b) the 30 days immediately before Easter Sunday and 10 days immediately thereafter.

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

**7. Temporary Removal to other Premises**

We will extend the cover provided by this Cover Section to Property while it is temporarily removed from a Premises shown in the Schedule to some other premises in Australia.

Provided that:

- (a) this Extension of Cover is not provided to Property in transit
- (b) the most We will pay under this Extension of Cover is the lesser of \$100,000 or 20% of the Sum Insured for the Category of Property that applies to this Property at the Premises at which the Property is normally located.

**8. Minimisation of Damage**

We will pay for the reasonable cost of removing Property from the Premises and any Damage resulting from the removal if the Premises are threatened by fire or any other Insured Events by any Cover Section of Your Policy provided that the purpose of the removal was to prevent or minimise Damage.

**Optional extensions of cover**

If shown in the Schedule the following extensions shall apply:

**Transit Fire / Collision / Overturning**

When Transit is shown in the Schedule We will provide cover for Damage to Property in a vehicle owned by You or operated by You while in transit within Australia that is caused by fire, collision or overturning of this vehicle. Provided that this Extension of Cover is limited to \$10,000

**Special Condition**

**Sprinkler / Alarm Installations**

If You are responsible for any fire or smoke detection equipment, fire alarm equipment or sprinkler equipment at a Premises, then

We will not pay for Damage caused by:

- (a) fire or smoke, or
- (b) water used to extinguish or control a fire, unless all such equipment that You are responsible for is maintained in good condition and is working effectively at all times.

Provided that this Special Condition will not apply when the disconnection or interruption of:

- (a) such equipment, or
- (b) the power supply to such equipment, or
- (c) the water supply to such equipment, is caused by normal maintenance activities that result in a disconnection or interruption that lasts for less than 48 consecutive hours, or is caused by other circumstances that are beyond Your control.

**Business Interruption section**

**Introduction**

This Cover Section forms part of Your Policy and must be read together with the General Conditions and Limitations of Cover, the Schedule, the Proposal and any Endorsements.

Provided that this Cover Section forms part of Your Policy only when Business Interruption Section is shown in the Schedule and only for the Period of Insurance indicated.

**Definitions**

The following definitions shall apply to words used in this Cover Section and to words used in Endorsements that apply to this Cover Section.

Definitions	Meaning
Additional Uninsured Working Expenses	those expenses that are shown as Additional Uninsured Working Expenses in the Schedule for this Business Interruption Cover Section.
Damage	damage, destruction or loss. Damaged has a corresponding meaning to Damage.
Income	Income from: <ol style="list-style-type: none"> <li>1. Your Business at the Premises for goods sold, work done, services rendered, and</li> <li>2. the renting or leasing of any part of the Premises</li> </ol> less: <ul style="list-style-type: none"> <li>(a) working expenses, freight, packing, bad debts, purchases of goods, materials, components, or stock, and</li> </ul>

Definitions	Meaning
Income <i>(continued)</i>	(b) any other Additional Uninsured Working Expenses shown in the Schedule.
Indemnity period	<p>the period that starts on the date of the Damage and ends not later than the number of weeks or months stated in the Schedule after the date of the Damage during which the productivity of the Business is affected as a consequence of the Damage.                      Provided that such period shall not exceed the period shown in the Schedule as the Indemnity Period.                      Insured Damage:</p> <p>1. In relation to Your property,                      “Insured Damage” means Damage to Your property when both the property that is Damaged and the cause of the Damage are covered by:</p> <p>(a) Your Policy under one or more of the following Cover Sections:</p> <ul style="list-style-type: none"> <li>(i) Fire</li> <li>(ii) Burglary</li> <li>(iii) Money</li> <li>(iv) Glass</li> <li>(v) Business Special Risks, or</li> </ul> <p>(b) another insurance policy that insures Your property and names You as the insured, provided that:</p> <ul style="list-style-type: none"> <li>(i) We receive written confirmation of the extent of cover from the insurer who issued this other policy, and</li> <li>(ii) cover for both the property that is Damaged and the cause of the Damage would have been covered under one of the Cover Sections shown in 1.(a) above had that Cover Section formed part of Your Policy.</li> </ul> <p>2. In relation to property referred to in this Cover Section under the heading Extensions of Cover, Insured Damage means Damage to such property located in Australia.                      Provided that this Damage would have been covered under one of the Cover Sections shown in 1.(a) above had such Property been insured under that Cover Section as part of Your Policy when the Damage happened.</p>
Interruption	interruption or interference.
Loss of Income	loss or reduction of Your Income that occurs during the Indemnity Period.

**Cover**

We will pay in accordance with the Basis of Settlement, Loss of Income that results from an Interruption of Your Business that is caused by any Insured Damage that happens at the Premises.

Provided that this Insured Damage happens during the Period of Insurance shown for this Business Interruption Cover Section.

**Basis of settlement**

**1. Loss of Income**

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

Provided that the Income You would have earned during the Indemnity Period had the Damage not occurred:

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

**2. Additional Expenditure**

We will also pay for additional expenditure necessarily incurred for the purpose of reducing a Loss of Income that is covered by this Cover Section.

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

**3. Auditors and Accountants**

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

**4. Departmental Clause**

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

## Limitations of cover

### 1. Sum Insured

During the Period of Insurance for this Cover Section We will not pay more than the Total Sum Insured shown in the Schedule.

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

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

### 2. Closure of Your Business

If during the Indemnity Period You permanently close Your Business for any reason (including involuntary closure) but not if consequent upon Insured Damage, then the Indemnity Period will end on the day You permanently close Your Business unless We agree in writing to continue this Period.

### 3. Under-Insurance

#### (a) Income

If the Annual Sum Insured for Income is less than 80% of the Income for the Year immediately prior to the date of the Damage, then We will only pay a proportion of the Loss of Income, and the proportion that We will pay will be the same as the proportion that the Annual Sum Insured for Income bears to 80% of the Income for the Year immediately prior to the date of the Damage.

#### (b) Annual Sum Insured

Provided that in 3(a) above the Annual Sum Insured for Income will be calculated by multiplying the Sum Insured by 12 and dividing this amount by the number of months shown in the Schedule as the Indemnity Period.

### 4. Excess

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

### 5. Time Excess (Computers)

The Indemnity Period for any Loss of Income that results from Insured Damage to computers, computer installations, computerised equipment or software shall not commence until one working day after the Insured Damage has occurred.

## Extensions of cover

Provided that the Total Sum Insured shown in the Schedule for this Cover Section is not exceeded:

### 1. Public Utilities

We will pay for Your Loss of Income that results from an Interruption of Your Business that is caused by Insured Damage to land based property located in Australia that belongs to or is under the control of any company or authority from whom You directly obtain electricity, gas, water, or communications services.

Provided that where the public supply undertaking is not at or immediately adjacent to Your Premises the interruption of supply is greater than 48 hours.

### 2. Retail or Commercial Complex

When Your Business is located within a multi-tenanted retail or commercial complex We will pay for Your Loss of Income that results from Insured Damage to any property that is not Your property within such retail or commercial complex.

Provided that cover is limited to 20% of the Sum Insured shown for Income.

### 3. Other Premises

We will pay up to 20% of the Sum Insured for Income, for each Loss of Income that results from an Interruption of Your Business that is caused by Insured Damage that occurs in Australia to the following property:

- (a) Property at the premises of any of Your suppliers, manufacturers, repairers, or processors of materials, components, or goods
- (b) Property at the Premises of any of Your customers and clients including any premises where You have property for repair
- (c) documents and Electronic Data belonging to or held in trust by You while in transit or while at premises not occupied by You
- (d) Your Property stored at any premises not occupied by You
- (e) Your Property while in transit outside of the Premises occupied by You
- (f) roads, bridges and railway lines over which Stock, components and materials are conveyed to and from the Premises; provided that Damage by Flood is excluded, and
- (g) computer installations including ancillary equipment and data processing media utilised by You.

### 4. Prevention of Access

We will pay for Your Loss of Income that results from an Interruption of Your Business that is caused by any loss of or restriction of access to Your Premises as a result of Insured Damage to property within a 20 kilometre radius of Your Premises.

### 5. Murder, Suicide and Infectious Disease

We will pay for Your Loss of Income that results from an Interruption to Your Business that is caused by:

- (a) any legal authority closing or evacuating all or part of the Premises as a result of:
  - (i) the outbreak of a human infectious or contagious disease at the Premises or within a 20 kilometre radius of the Premises, or
  - (ii) vermin or other animal pests at the Premises, or
  - (iii) hygiene problems associated with drains or other sanitary arrangements at the Premises

- (b) poisoning directly caused by the consumption of food or drink provided on the Premises
- (c) murder or suicide occurring at the Premises.

**6. Explosion of Boilers and Pressure Vessels**

We will pay for Your Loss of Income that results from an Interruption of Your Business that is caused by an explosion of a boiler or a pressure vessel at the Premises

Provided that when the explosion happened the boiler or pressure vessel complied with all legal requirements and in particular those requirements concerning the testing, inspection and operation of boilers and pressure vessels.

**7. Return Premium if Sum Insured is overstated**

If Your accountant or auditor certifies that Your actual Income for the Period of Insurance is less than the Income Sum Insured, then We will refund a proportion of the Premium based on the difference between the certified amount and the Sum Insured.

Provided that any claim for Income on this Cover Section shall be considered to be part of Your actual Income for the Period of Insurance.

**8. Automatic Reinstatement**

When the Total Sum Insured is reduced following Insured Damage, We will automatically reinstate the Total Sum Insured to its value immediately before the Insured Damage.

Provided that You pay or agree to pay the additional premium required by Us.

**Optional extensions of cover**

**1. Additional Increase in Cost of Working**

We will pay up to the Sum Insured shown for Additional Increase in Cost of Working in the Schedule for all costs not otherwise recoverable that are necessarily incurred by You in an attempt to maintain normal operations following Insured Damage.

This amount is additional to the Additional Expenditure costs payable under Basis of Settlement 2.

**2. Accounts Receivable (Book Debts)**

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

- (a) all amounts due to You that cannot be collected as a direct result of Damage to Your accounts receivable records, and
- (b) collection costs that would not have been incurred had Your accounts receivable records not been Damaged, provided that these collection costs are necessarily incurred to collect amounts that otherwise would not have been collected. Provided that We will not pay for:
  - (i) losses due to book-keeping or accounting errors or omissions

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

**3. Additional Claims Preparation Costs**

We will pay up to the Sum Insured shown in the Schedule for Additional Claims Preparation Costs for costs incurred in processing and certifying details of a claim under this Cover Section. (This amount is in addition to the claims preparation costs shown in the General Conditions and Limitations of Cover of Your Policy.)

Provided that before You incur these costs You obtain Our written approval which shall not be unreasonably withheld.

**Business Interruption section – Weekly income**

**Introduction**

This Cover Section forms part of Your Policy and must be read in conjunction with the General Conditions and Limitations of Cover, the Schedule, the Proposal and any Endorsements.

Provided that this Cover Section forms part of Your Policy when Business Interruption Section - Weekly Income is shown in the Schedule and only for the Period of Insurance indicated.

**Definitions**

The following definitions shall apply to words used in this Cover Section and in Endorsements that apply to this Cover Section.

Definitions	Meaning
Damage	accidental physical damage, destruction or loss. Damaged has a corresponding meaning to Damage.
Income	income from Your Business at the Premises for goods sold, work done and services rendered and income received from the renting or leasing of any part of the Premises.
Indemnity period	the period that: <ol style="list-style-type: none"> <li>1. starts three days after the date of the Damage, and</li> <li>2. ends not later than the number of weeks shown in the Schedule or when the weekly Income becomes greater than 90% of the average weekly Income for:                             <ol style="list-style-type: none"> <li>(a) the Year immediately prior to the date of the Damage, or</li> </ol> </li> </ol>

Definitions	Meaning
Indemnity period (continued)	<p>(b) the total period of Your Business operations prior to the date of the Damage if Your Business was in operation for less than a Year on the day of the Damage.</p> <p>Insured Damage:</p> <p>1. In relation to Your Property, “Insured Damage” means Damage to Your Property when both the Property that is Damaged and the cause of the Damage are covered by:</p> <p>(a) Your Policy under one or more of the following Cover Sections:</p> <ul style="list-style-type: none"> <li>(i) Fire</li> <li>(ii) Burglary</li> <li>(iii) Money</li> <li>(iv) Glass</li> <li>(v) Business Special Risks</li> <li>(vi) Electronic Equipment - Part A (Material Loss or Damage), or</li> </ul> <p>(b) another insurance policy that insures Your Property and names You as the insured, provided that:</p> <ul style="list-style-type: none"> <li>(i) We receive written confirmation of the extent of cover from the insurer who issued this other policy, and</li> <li>(ii) cover for both the Property that is Damaged and the cause of the Damage would have been covered under one of the Cover Sections shown in 1.(a) above had that Cover Section formed part of Your Policy.</li> </ul> <p>2. In relation to Property referred to in this Cover Section under the heading Extensions of Cover, Insured Damage means Damage to such Property located in Australia.</p> <p>Provided that this Damage would have been covered under one of the Cover Sections shown in 1.(a) above had such Property been insured under that Cover Section as part of Your Policy when the Damage happened.</p>
Interruption	interruption or interference.
Loss of Income	a loss or reduction of Your Income that occurs during the Indemnity Period.

## Cover

We will pay in accordance with the Basis of Settlement, for Loss of Income that results from an Interruption of Your Business that is caused by Insured Damage that happens at the Premises.

Provided that this Insured Damage happens during the Period of Insurance shown for this Business Interruption Cover Section.

## Basis of settlement

### 1. Loss of Income

For each specific week of the Indemnity Period the Loss of Income will be calculated by subtracting the Income earned that week from the Income You would have earned that week had the Damage not occurred.

Provided that the Income You would have earned during that week had the Damage not incurred:

- (a) will be calculated by reference to the Income for:
  - (i) a week that starts exactly a Year prior to the first day of the specific week, or
  - (ii) a week of Your normal business operation that corresponds most closely to the specific week if Your Business has operated for less than a Year at the start of the Indemnity Period, and
- (b) will be adjusted to take into account any:
  - (i) trends of business and other influences that would vary the Income
  - (ii) changes to how Stock, materials, finished goods or partially finished goods are used, purchased or sold, and
  - (iii) savings made during the Indemnity Period that reduce the normal cost of running Your Business.

### 2. Weekly Benefits For each week of the Indemnity Period:

- (a) We will pay for the Loss of Income as calculated and adjusted in 1. Loss of Income above

provided that this is limited to the amount shown for Weekly Income in the Schedule, or

- (b) We will pay the full amount shown for Weekly Income in the Schedule if the Income received is less than 10% of the average Weekly Income for:
  - (i) the Year immediately before the date of the Damage, or
  - (ii) the total period of Your Business operations prior to the date of the Damage if Your Business was in operation for less than a Year on the day of the Damage.

### 3. Auditors and Accountants

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

## Limitations of cover

### 1. Our Total Payment

Our total aggregate payment for Loss of Income is limited during the Period of Insurance for this Cover Section to an amount calculated by multiplying the amount shown in the Schedule for Weekly Income by the number of weeks shown in the Schedule as the Indemnity Period. Any limits stated under Extensions of Cover are within the amount shown in the Schedule as Weekly Income, they are not additional to such an amount.

#### Calculation Example

Our total aggregate payment for Loss of Income during the Period of Insurance = Weekly Income amount x Indemnity Period in weeks.

### 2. Period of Insurance

We will not pay for Loss of Income that results from an event that does not happen during the Period of Insurance shown for this Business Interruption Cover Section.

### 3. Closure of Your Business

If, following Insured Damage, You permanently close Your Business for any reason (including involuntary closure), the Indemnity Period will end on the day that You permanently close Your Business unless We agree in writing to continue this Period.

## Extensions of cover

The following extensions of cover apply, provided that the amount shown in the Schedule for Weekly Income is not exceeded:

### 1. Public Utilities

We will pay for Loss of Income that results from an Interruption of Your Business that is caused by Insured Damage to land based property located in Australia that belongs to or is under the control of any company or supply authority from whom You directly obtain electricity, gas, water, sewerage or communications services.

### 2. Other Premises

We will pay up to 20% of the amount shown in the Schedule for Weekly Income for each Loss of Income that results from an Interruption of Your Business that is caused by Insured Damage that occurs in Australia to the following property:

- (a) Property at the premises of any of Your suppliers, manufacturers, repairers, or processors of materials, components, or goods
- (b) Property at the Premises of any of Your customers and clients including any premises where You have Property for repair
- (c) documents and electronic data files belonging to or held in trust by You while in transit or while at premises not occupied by You
- (d) Your Property stored at any premises not occupied by You

- (e) Your Property while in transit outside of the Premises occupied by You
- (f) roads, bridges and railway lines over which Stock, components and materials are conveyed to and from the Premises; provided that Damage by Flood is excluded, and
- (g) computer installations including ancillary equipment and data processing media utilised by You.

### 3. Retail or Commercial Complex

When Your Business is located within a multi-tenanted retail complex We will pay for Your Loss of Income that results from Insured Damage to any property that is not Your property within such retail complex.

Provided that this cover is only provided for a maximum of 10 weeks.

### 4. Prevention of Access

We will pay for Loss of Income that results from an Interruption of Your Business that is caused by any legal authority preventing or restricting access to Your Premises as a result of damage to or threat of damage to property within a 20 kilometre radius of Your Premises.

### 5. Murder, Suicide and Infectious Disease

We will pay for Loss of Income that results from an Interruption of Your Business that is caused by:

- (a) any legal authority closing or evacuating all or part of the Premises as a result of:
  - (i) the outbreak of a human infectious or contagious disease at the Premises or within a 20 kilometre radius of the Premises
  - (ii) vermin or other animal pests at the Premises, or
  - (iii) hygiene problems associated with drains or other sanitary arrangements at the Premises
- (b) poisoning directly caused by the consumption of food or drink provided on the Premises, and
- (c) murder or suicide occurring at the Premises.

### 6. Explosion of Boilers and Pressure Vessels

We will pay for Loss of Income that results from an Interruption of Your Business that is caused by an explosion of a boiler or a pressure vessel; provided that when the explosion happened the boiler or pressure vessel complied with all legal requirements, and in particular those requirements concerning the testing, inspection and operation of boilers and pressure vessels.

## Optional extension of cover

### Increased Cost of Working

We will pay up to the Sum Insured shown in the Schedule for Increased Cost of Working for the additional costs necessarily incurred by You for the sole purpose of reducing a Loss of Income that is covered by this Cover Section.

## Burglary section

### Introduction

This Cover Section forms part of Your Policy and must be read together with the General Conditions and Limitations of Cover, the Schedule, the Proposal and any Endorsements. Provided that this Cover Section forms part of Your Policy only when Burglary Section is shown in the Schedule and only for the Period of Insurance indicated.

### Definitions

The following definitions shall apply to words used in this Cover Section and when used in Endorsements that apply to this Cover Section.

Definitions	Meaning
Pre damage value	the value of the Property that is damaged immediately before the damage. This value must take account of wear and tear, maintenance, construction, general condition and the anticipated future useful life of the Property.
Property	the property shown in the Schedule as Insured Property.
Theft	theft or attempted theft.

### Cover

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

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

Provided that the Theft happens during the Period of Insurance.

### Limitations of cover

1. **Sum Insured and Reinstatement of Sum Insured**
  - (a) We will not pay more than the sum insured specified in the current Schedule for the Burglary Section.
  - (b) Following loss or damage covered by this Cover Section We will reduce the Sum Insured by an amount equal to any payments made or due to be made by Us.
  - (c) When a Sum Insured is reduced following a Theft We will automatically increase this reduced Sum Insured to its value immediately before the Theft, provided that:
    - (i) the maximum amount We will pay in any one Period of Insurance is limited to twice the Sum Insured, and

- (ii) You pay or agree to pay the additional premium We require.

2. **Cash Settlement**

If You request a cash settlement or if reinstatement is not carried out,

We will pay the lesser of:

- (a) an amount calculated by applying depreciation to the cost of reinstatement, or
- (b) the Pre Damage Value less the damaged value.

3. **Excess**

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

4. **Exclusions**

Cover is further limited by the Exclusions that follow.

### Exclusions

We will not pay for:

1. Theft from any open sided structure such as but not limited to verandahs, yards or other open spaces whether they are partially or fully enclosed by a Building or not
2. Theft when entry has been made using keys or security codes
3. Theft of money or negotiable instruments such as but not limited to cheques, stamps, vouchers and tickets
4. Theft of registered motor vehicles unless motor vehicles are specifically shown as insured in the Schedule for this Cover Section
5. consequential loss of any kind
6. the dishonest manipulation of any database or computer system
7. Theft involving shoplifting
8. Theft of tobacco, cigarettes or cigars, unless specified in the Schedule.

### Extensions of cover

1. **Damage to Premises**

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

2. **Directors and Employees Personal Effects**

When Contents is shown in the Schedule, then the cover provided by this Cover Section is extended to the personal property of Your directors and employees.

Provided that this cover is limited to a maximum of \$2,000 any one person and \$5,000 any one Theft.

### 3. New Premises - Temporary Cover

We will temporarily extend the cover provided by this Cover Section to Property at any premises that is used by Your Business for the first time during the Period of Insurance,

provided that:

- (a) this temporary cover is limited to a period of 14 consecutive days from the day that You first use the new premises
- (b) this temporary cover is not available to property that cannot be correctly designated to one of the Categories that are shown as insured in the Schedule
- (c) this temporary cover is only available to property that is of a similar type to that insured by this Cover Section
- (d) this temporary cover is limited to the Sum Insured, or  
if more than one Premises is shown in the Schedule then this limitation will apply to the highest Sum Insured that applies to a specific Premises shown in the Schedule
- (e) the new premises has Buildings and security features that are similar to those at one of the Premises (shown in the Schedule), and
- (f) You provide Us with full details of the new premises within 14 days of You first using the new premises.

### 4. Seasonal Increase

The Sum Insured for Stock, excluding any Cigarettes or Tobacco Goods, is increased by 30% for losses occurring during the days specified in the Schedule under the heading Seasonal or Festive Increase, up to a maximum number of 110 days, or

If no days are specified, the 30% increase for Stock excluding any Cigarettes or Tobacco Goods, will apply to:

- (a) the 60 days immediately before Christmas Day and 10 days immediately thereafter, and
- (b) the 30 days immediately before Easter Sunday and 10 days immediately thereafter.

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

### 5. Locks and Keys

If during the Period of Insurance keys used at the Premises are accidentally lost or stolen We will pay in addition to the Sum Insured the cost incurred to replace these keys and other costs that are necessarily incurred to restore the security of the Premises to the same level of security that existed prior to the loss of these keys.

Provided that the maximum amount that We will pay during the Period of Insurance is limited to \$5,000.

### 6. Temporary Protection and Watchmen

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

Provided that the maximum amount that We will pay during the Period of Insurance is limited to \$5,000.

### 7. Business Records

Following a Theft which is covered by this Cover Section We will pay in addition to the Sum Insured the costs necessarily incurred by You to re-create business books, plans, computer system records, patterns and other business records. Provided the maximum amount that We will pay during the Period of Insurance is limited to \$5,000 or as noted in the Schedule.

### 8. Theft Without Forcible Entry

Subject to the sum insured not being otherwise exhausted, We will cover You for losses of or damage to electronic equipment (excluding Stock) resulting from theft without forcible and violent entry from an office at the Location up to an amount of \$2,000.

## Optional extensions of cover

### 1. Theft Without Forcible Entry

If Theft Without Forcible Entry is shown in the Schedule then We will cover loss or damage to Property caused by Theft from any Buildings at the Premises, or of fixed Property within locked yards at the premises even if there is no visible, forcible and violent entry.

Provided that We will not pay for:

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

## Special Condition

### Alarm System

If any alarm system is fitted to the Premises and You are responsible for this system We will not pay for loss or damage by Theft unless the alarm system is:

1. maintained in good condition and is working effectively
2. regularly tested in accordance with the manufacturer's recommendations, and
3. engaged and operational during the time that the Premises are closed for business and are not attended by You or any of Your employees.

Provided that any interruption of the power supply or communications service that is used by such alarm system will not affect Your cover when this interruption is due to circumstances that are beyond Your control.

## Electronic Equipment section

### Introduction

This Cover Section forms part of Your Policy and must be read together with the General Conditions and Limitations of Cover, the Schedule, the Proposal and any Endorsements.

Provided that this Cover Section forms part of Your Policy only when Electronic Equipment Section is shown in the Schedule and only for the Period of Insurance indicated.

### Definitions

The following definitions shall apply to words used in this Cover Section together with words used in Endorsements that apply to this Cover Section.

Definitions	Meaning
Damage	the actual breaking, seizing, deformation, electrical burn-out or melting of any part of the Insured Property while that Insured Property is in use, caused by mechanical, electrical or electronic defect within the Insured Property that causes sudden malfunction and requires repair or replacement before the Insured Property can resume normal operation.
Computer	any electronic device that is used to: 1. store or process Data; or 2. control machinery.
Computer Virus	an executable programme or computer code segment that is self-replicating, requires a host programme or executable segment in which it can be contained, and which destroys or alters the host programme or other computer code or data, causing undesired programme or computer system operation.
Data	any facts, information or records that are stored on Media Material. Data does not mean Software.
Insured Plant	means plant that is shown in the Schedule.
Insured Property	the Insured Property that is shown in the Schedule.
Media Material	any optical disks or any magnetic medium that can be used to store Data or Software, such as but not limited to tapes, disks or cards.
Software	any instructions used to control the operation of a Computer provided that these instructions are recorded on Media Material.
Total New Replacement Value	the total of the installed prices of new Insured Property of equivalent make, model and current manufacture.

### Cover

We will pay up to the Sum Insured for the cost of replacing or at Our option repairing Insured Property that has suffered Damage at the Premises during the Period of Insurance.

### Limitations of cover

#### 1. Excess

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

#### 2. Exclusions

Cover is further limited by the Exclusions that follow.

### Exclusions

1. We will not pay for repair or replacement of:
  - (a) fuses and other devices designed for safety or protection that are Damaged through their normal operation
  - (b) electrical and electronic bulbs, tubes, x-ray tubes, contacts at which sparking or arcing occurs, heating elements and lighting facilities
  - (c) coin or card operated machines, audio compact-disc players, video and television receivers.
2. We will not pay for:
  - (a) any adjustments, additions, inspections, alterations, cleaning or maintenance of Insured Property, and
  - (b) Damage which is only discovered by diagnostic instruments.
3. We will not pay for Damage caused:
  - (a) by the application of any tool or process while Insured Property is being maintained, inspected, repaired, altered, modified or overhauled
  - (b) to Insured Property during initial installation or erection
  - (c) by or resulting from any deliberate act or deliberate neglect on Your part.
4. We will not pay for the repair or replacement of Insured Property when any party other than You has responsibility to repair or replace such Insured Property.
5. We will not pay for Damage caused by or arising from:
  - (a) the cleaning, testing, altering or repairing of Insured Property
  - (b) atmospheric conditions including but not limited to dryness, dampness and temperature, unless directly resulting from physical damage to an air-conditioning system used to control the atmosphere in which the Insured Property operates, and
6. We will not pay for Damage directly caused by:
  - (a) the presence or action of insects or vermin
  - (b) gradually operating causes such as but not limited to wear and tear, mildew, corrosion, fading, rusting or other forms of oxidation

- (c) error or omission in design, plan or specification
  - (d) failure of design
  - (e) faulty materials or faulty workmanship
  - (f) inherent vice or latent defect, or
  - (g) change in texture or finish.
7. We will not pay for any legal liability you may have to others.
8. We will not pay for any Damage to Data or Software unless:
- (a) these items are covered under the Optional Extensions of Cover, and
  - (b) accompanied by visible and identifiable physical loss or damage to the Media Material.
9. We will not pay for Damage caused by or arising from Flood.

### Basis of settlement

When Insured Property is Damaged during the Period of Insurance the following Basis of Settlement will apply:

1. Where an equivalent make and model or all parts necessary for repairs are obtainable from the manufacturer or their agents at listed prices, then for Insured Property which is:
  - (a) Damaged beyond repair, We will replace the Insured Property with new or equivalent makes and models
  - (b) Damaged and the Damage is repairable, We will restore the Damaged portion to a condition substantially the same as but not better or more extensive than its condition when new, provided that the work of restoration is carried out with reasonable dispatch.
2. Where an equivalent make and model or all parts necessary for repairs are not obtainable from the manufacturer or their agents at listed prices, then for Insured Property which is:
  - (a) Damaged beyond repair, We will replace the Insured Property with new equipment of equivalent make and model which is compatible with Your existing systems and programmes
  - (b) Damaged and the damage would have been repairable had all parts necessary for repairs been obtainable from the manufacturers or their agents at listed prices, We will pay the cost of repair to the nearest equivalent of current manufacture in respect of which all parts are obtainable from the manufacturer or their agents at listed prices.

### Extensions of cover

#### 1. Removal of Debris

Following Damage to Insured Property that is covered by this Cover Section We will additionally pay for removing, storing and disposing of debris. Provided that this is limited to 10% of the Sum Insured shown for Insured Property.

#### 2. Additional Insured Property

Cover is extended to include other Computers and peripheral equipment, of a similar class or type to that shown in the Schedule, delivered and installed after the commencement of the Period of Insurance, from the time of installation.

Provided that:

- (a) Cover does not apply to items hired by You
- (b) Such Computers are insured only to the same extent as already described in the Schedule
- (c) The total Sum Insured will not be increased by more than \$50,000 in respect of such Computers
- (d) You notify Us of the additional Computers in writing within 30 days of delivery
- (e) You pay any reasonable additional premium required by Us for the increased Sum Insured.

#### 3. Temporary Repairs and Expediting Costs

We will cover the reasonable additional expenses incurred in making a temporary repair to the Insured Property or in expediting a permanent Repair.

Provided that

Our total liability in respect of all such additional expenses will not exceed fifty percent (50%) of what the cost of repair would have been had such additional expenses not been incurred, or \$5,000 whichever is the lesser.

### Optional extensions of cover

If shown in the Schedule the following extensions shall apply:

#### 1. The Cost of Restoring Data

If The Cost of Restoring Data is shown in the Schedule then Cover under this Section is extended to include the costs incurred in reinstating, replacing, reproducing or restoring Data and Software where the loss of Data and Software is directly caused by Damage to Media Material, up to the amount shown in the Schedule for this Optional Extension.

#### 2. Increased Cost of Working

If Increased Cost of Working is shown in the Schedule We will pay for costs that are in excess of Your normal total Computer operating costs. Provided that:

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

## Glass section

### Introduction

This Cover Section forms part of Your Policy and must be read together with the General Conditions and Limitations of Cover, the Schedule, the Proposal and any Endorsements.

Provided that this Cover Section forms part of Your Policy only when Glass Section is shown in the Schedule and only for the Period of Insurance indicated.

### Definitions

The following definitions shall apply to words used in this Cover Section and Endorsements that apply to this Cover Section.

Definitions	Meaning
Advertising (or Identification) Signs	signs made from Glass or electrical illuminated signs permanently fitted to the Building or within the boundaries of the Premises.
Breakage	a fracture extending through the entire thickness of the Glass or in the case of laminated Glass or plastic or perspex, the entire thickness of the laminate, plastic or perspex. Broken has a corresponding meaning to Breakage.
Glass	Internal Glass or External Glass.
External glass	glass, plastic or perspex material used as glass fixed in external windows, doors, showcases, skylights forming part of the Premises.
Internal glass	glass or plastic material used as glass, perspex in internal partitions, windows and doors, glass in counters, glass forming shelves and/or stock restraints, interior showcases, fixed mirrors and other fixed internal glass including ceramic vitreous china urinals and toilet pans and hand basins.

### Cover

If Glass at the situation is accidentally Broken during the Period of Insurance, We will pay for the actual cost of replacing and fixing the Glass in its frame or in its normal location, with Glass of a similar type and quality to the Glass that is Broken.

### Limitation of cover

#### 1. Types of Glass

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

#### 2. Excess

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

#### 3. Exclusions

Cover is further limited by the Exclusions that follow.

### Exclusions

We will not pay for damage to:

- Property including Glass during installation or removal of Glass
- Glass that is stock, and
- Glass that is only scratched, chipped or discoloured.

### Extensions of cover

#### 1. Additional Benefits

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

- effect temporary repairs, install shuttering and employ watchmen or guards
- repair or replace:
  - frames, sign-writing, alarm tapes, reflective or security film and other coatings, or
  - fittings or Stock that are damaged as a result of Glass Breakage
- remove and refit fixtures and tiles to allow the repair or replacement of Broken Glass, and
- arrange after hours services, express delivery and labour at overtime rates.

Provided that the total of all payments under this Extension is limited to \$5,000 during the Period of Insurance.

#### 2. Extra Costs of Replacement

If Glass shown in the Schedule is Broken We will pay any additional costs incurred by You to comply with current building regulations that relate to the Glass that is Broken.

#### 3. Damaged Stock

If Glass shown in the Schedule is Broken We will pay to repair or replace stock that is damaged by such Broken Glass. Provided this Extension of Cover is limited to \$5,000 during the Period of Insurance.

#### 4. Advertising (or Identification) Signs

We will pay for Breakage of Advertising (or Identification) Signs occurring during the Period of Insurance. Provided that the total of all payments under this Extension of Cover is limited to \$5,000 during the Period of Insurance.

### Optional extensions of cover

#### 1. Advertising (or Identification) Signs

If Increased Cover on Advertising (or Identification) Signs is shown in the Schedule then the total for all payments provided under Extensions of Cover 4.– Advertising (or Identification) Signs is increased to the Limit shown in the Schedule.

## 2. Increased Additional Benefits

If Increased Additional Benefits are shown in the Schedule then the total for all payments provided under Extensions of Cover 1.– Additional Benefits is increased to the Limit shown in the Schedule.

## Money section

### Introduction

This Cover Section forms part of Your Policy and must be read together with the General Conditions and Limitations of Cover, the Schedule, the Proposal and any Endorsements. Provided that this Cover Section forms part of Your Policy only when Money Section is shown in the Schedule and only for the Period of Insurance indicated.

### Definitions

The following definitions shall apply to words used in this Cover Section and Endorsements that apply to this Cover Section.

Definitions	Meaning
Business Hours	Your Business and office hours including overtime hours when You are on the Premises for business purposes.
Locked	to engage locking mechanisms and activate all security features of a device so that the maximum level of security obtainable by the device is achieved.
Loss	accidental loss, damage or destruction. Lost has a corresponding meaning to Loss.
Money	current coins, bank notes or negotiable instruments such as but not limited to cheques, stamps, vouchers and tickets.
Safe	a burglar-resistant container that has been designed to resist fire and attack by hand-held or power-operated tools and has been specifically designed for the storage of Money and valuables.
Strongroom	a burglar resistant structure constructed of masonry and steel that has been designed to resist fire and attack by hand held or power operated tools and has been specifically designed for the storage of Money and valuables.
You or Your	is extended to include Your directors, officers, partners, employees, social clubs associated with Your business and if You are a registered club, club members while acting for You.

## Cover

### 1. Blanket Cover

When Blanket Cover is shown in the Schedule We will pay up to the Sum Insured for Loss of Money during the Period of Insurance at any of the Specified Locations described in 2. below.

### 2. Specified Locations

When specified locations is shown in the Schedule We will pay up to the Sum Insured shown in the Schedule for Loss of Money during the Period of Insurance for the following categories of Money:

- (a) Money in Transit (and Wages)
  - (i) Money in transit or in a nightsafe or automatic teller machine until removed by a bank employee; provided that this cover is only provided up until the close of business on the next bank trading day from the time the transit commenced.
  - (ii) Money on the Premises that has been withdrawn from a Bank specifically for the payment of any wages or salaries;
 

provided that:

    - this cover is only provided up until the close of business on the day of withdrawal after which this cover is limited to 40% of that specific withdrawal, and
    - cover is only provided if the Money is in a Locked Safe or Locked Strongroom during non Business Hours.
- (b) Money on the Premises during Business Hours when not contained in a Locked Safe or Locked Strongroom; provided that cover during non Business Hours is limited to \$1,000.
- (c) Money in a Locked Safe or Locked Strongroom.
- (d) Money in Your personal custody or the personal custody of an authorised person while in a private residence.

### Limitations of cover

#### 1. Excess

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

#### 2. Exclusions

Cover is further limited by the Exclusions that follow.

### Exclusions

We will not pay for:

1. theft from an unattended vehicle that is not Locked
2. theft from a Safe or Strongroom when the locking device is opened by:
  - (a) a key, a magnetic key or card, or similar device
  - (b) a sequence of numbers or letters, or numbers and letters, or

- (c) any combination of the security devices shown in 2(a) and 2(b) above, when these security devices are left unsecured on the Premises
- 3. theft from a Safe or Strongroom that is not Locked
- 4. shortage due to error or omission
- 5. Loss discovered more than 7 working days after such Loss
- 6. Loss due to fraudulent or dishonest acts by You provided that this Exclusion 6. does not apply to theft by Your employees following visible, forcible and violent entry
- 7. Loss due to the dishonest manipulation of any database
- 8. consequential loss of any kind
- 9. Money that You are not legally responsible for.

## Extensions of cover

### 1. Reinstatement of Sum Insured

When a Sum Insured is reduced following a Loss We will automatically increase this reduced Sum Insured to its value immediately before the Loss. Provided that:

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

### 2. Seasonal Increase

Each Sum Insured is increased by 30% for losses occurring during the days specified in the Schedule under the heading Seasonal or Festive Increase, up to a maximum number of 110 days, or

if no days are specified, the 30% increase will apply to losses occurring during:

- (a) the 60 days immediately before Christmas Day and 10 days immediately thereafter, and
- (b) the 30 days immediately before Easter Sunday and 10 days immediately thereafter. Provided that nothing in this Extension of Cover
  - (i) will be taken to extend the insurance beyond the Period of Insurance noted in the Policy Schedule
  - (ii) will not apply to the individual days mentioned under Extensions of Cover 4 -Bank Holiday Increase.

### 3. Additional Cover

In addition to the Sum Insured:

- (a) Damage to Safes or Strongrooms
 

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

### (b) Clothing and Personal Effects

if during a theft or attempted theft of Money, clothing or personal effects are Lost, then We will pay to repair or replace these items; provided that the total amount payable under this Extension of Cover is limited to \$2,000 any one person and \$5,000 in total during the Period of Insurance.

### (c) Keys, Locks and Combinations

if Blanket Cover or Money in Locked Safes or Locked Strongrooms is shown in the Schedule then:

- (i) We will pay up to \$5,000 to replace locks, keys, magnetic keys or cards or similar devices, or to change the sequence of numbers or letters, or numbers and letters to any safe or strongroom if:
  - keys, magnetic keys or cards or similar devices are accidentally Lost
  - the sequence of numbers or letters, or numbers and letters becomes known by any unauthorised person, or
  - circumstances have allowed the unauthorised duplication of keys, magnetic keys or cards or similar devices
- (ii) We will also pay the cost of opening Safes and Strongrooms following Loss of keys, magnetic keys or cards or similar devices

provided that the total amount payable under this Extension is limited to \$5,000 during the Period of Insurance.

### (d) Travellers Money

We will pay up to \$1,000 for Loss of Money in Your custody while You are travelling for Your Business anywhere in the world; provided that the total amount payable under this Extension is limited to \$1,000 during the Period of Insurance.

### (e) Temporary Protection and Watchmen

We will pay for costs necessarily incurred by You to safeguard the Premises following theft or attempted theft that is covered by this Cover Section, including but not limited to:

- (i) temporary repairs, or
- (ii) the employment of watchmen or guards

provided that the total amount payable under Your Policy is limited to \$5,000 during the Period of Insurance.

### 4. Bank Holiday Increase

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

provided that this Extension of Cover does not apply to:

- (a) damage to Safes and Strongrooms, and
- (b) the \$1,000 cover provided to Money on Premises during non Business Hours that is not in a Locked Safe or Locked Strongroom.

### Optional extension of cover

#### Additional Damage to Safes and Strongrooms

When Additional Damage to Safes and Strongrooms is shown in the Schedule then the \$5,000 limit for Extension of Cover

3. (a) – Damage to Safes and Strongrooms is increased to the limit shown in the Schedule.

### Special Condition

#### Alarm System

If any alarm system is fitted to the Premises and You are responsible for this system We will not pay for Loss or Damage by Theft unless the alarm system is:

1. maintained in good condition and is working effectively
2. regularly tested in accordance with the manufacturer's recommendations, and
3. engaged and operational during the time that the Premises are closed for business and are not attended by You or any of Your employees. Provided that any interruption of the power supply or communications service that is used by such alarm system will not affect Your cover when this interruption is due to circumstances that are beyond Your control.

## Engineering Plant section

### Introduction

This Cover Section forms part of Your Policy and must be read together with the General Conditions and Limitations of Cover, the Schedule, the Proposal and any Endorsements. Provided that this Cover Section forms part of Your Policy only when Engineering Plant Section is shown in the Schedule and only for the Period of Insurance indicated.

### Definitions

The following definitions shall apply to words used in this Cover Section and to words used in Endorsements that apply to this Cover Section.

Definitions	Meaning
Boilers and Unfired Pressure Plant	any structure that is subject to internal steam, gas or other fluid pressure other than normal atmospheric pressure and shall include: <ol style="list-style-type: none"> <li>1. fittings and direct attachments that are connected to the structure without any intervening valve, cock or tap, and</li> <li>2. supports for the structure and operating equipment such as furnace doors, access doors, combustion chambers, smoke boxes and casings.</li> </ol> Provided that this does not include: <ol style="list-style-type: none"> <li>(a) internal combustion engines</li> </ol>

Definitions	Meaning
Boilers and Unfired Pressure Plant ( <i>continued</i> )	(b) rotating, reciprocating or electrical devices, and (c) Pressure Pipe Systems.
Damage	any sudden unforeseen physical damage or destruction to any part of the Plant that prevents the Plant from operating normally and requires repair or replacement of the Plant before normal operation can be resumed. Damaged has a corresponding meaning to Damage.
Electrical, Electronic and Mechanical Plant	all integral parts of the Plant specified in the Schedule that are not Boilers and Unfired Pressure Plant or Pressure Pipe Systems.
Excluded Plant	<ol style="list-style-type: none"> <li>1. computers, electronic data processing equipment</li> <li>2. communications equipment including but not limited to telecommunication transmitting and receiving equipment</li> <li>3. audio visual, amplification and surveillance equipment</li> <li>4. lighting facilities</li> <li>5. research, diagnostic and electro medical equipment</li> <li>6. lifts, escalators, office machines</li> <li>7. coin or card operated machines</li> <li>8. storage tanks and vats</li> <li>9. any container used to contain explosive or inflammable gasses and liquids</li> <li>10. mobile machinery</li> <li>11. Building ducts, electrical wiring, water and gas piping</li> <li>12. hot water systems used for heating up to 500 litres of water to a temperature below 100 C (one hundred degrees Celsius), and</li> <li>13. Property hired by You, property not owned by You or not at the Premises.</li> </ol>
Expendable items	items and parts that are not normally reused or repaired or any item or part that requires periodic or frequent replacement including but not limited to: <ol style="list-style-type: none"> <li>1. electrical and electronic glass bulbs, tubes, x-ray tubes</li> <li>2. electrical contacts, heating elements, batteries</li> <li>3. wear plates, cutting edges, tools, dies, moulds, patterns, impression rollers, engraved cylinders</li> <li>4. fuses, sheer pins and other safety or protective devices that require a replacement after they have performed or attempted to perform their designed function, and</li> <li>5. tyres.</li> </ol>

Definitions	Meaning
Plant	<p>the following defined types of Plant when these are shown in the Schedule:</p> <ol style="list-style-type: none"> <li>1. Electrical, Electronic and Mechanical Plant</li> <li>2. Boilers and Unfired Pressure Plant</li> <li>3. Pressure Pipe Systems</li> </ol> <p>and the word Plant shall apply to any or all items shown in the Schedule as well as any or all components, or parts of these items. Unless specifically shown in the Schedule, Plant does not include Excluded Plant.</p>
Pressure Pipe Systems	<ol style="list-style-type: none"> <li>1. for Boilers and Unfired Pressure Vessels: any pipe systems with valves, fittings, traps and separators that contain steam, condensate, gas or other fluids that are pressurised by the Plant, including any piping between the Boilers and feed water pumps or injectors, and</li> <li>2. for refrigeration and air-conditioning equipment specified in the Schedule the interconnecting pipes and coils that contain a heat transfer medium.</li> </ol>
Wear or Gradual Deterioration	<ol style="list-style-type: none"> <li>1. the wearing or wearing out of Plant or property as a result of its normal operation</li> <li>2. the wearing or wasting away of material as a result of the normal operation of Plant or property</li> <li>3. mildew, disease, fading, erosion, corrosion, rust or other forms of oxidisation</li> <li>4. Damage resulting from atmospheric conditions, or</li> <li>5. slowly developing deformation or distortion.</li> </ol>

## Cover

We will pay in accordance with the Basis of Settlement for the cost of repairing or at Our option replacing:

1. Plant that is Damaged, and
2. property that is hit by flying fragments of Plant that has disintegrated following Damage to that Plant.

Provided that You are responsible for the property that is hit and this property is owned by You or in Your custody or control.

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

## Basis of settlement

The following basis of settlement applies:

1. Where an equivalent make and model or all parts necessary for repairs are obtainable from the manufacturer or their agents at listed prices, then for Plant or property which is:
  - (a) Damaged beyond repair, replacement by new equivalent makes and models.
  - (b) Damaged and the Damage is repairable, the restoration of the Damaged portion to a condition substantially the same as but not better or more extensive than its condition when new, provided that the work of restoration is carried out with reasonable dispatch.
2. For other Plant or property which is:
  - (a) Damaged beyond repair, replacement by new equipment of equivalent make and model which is compatible with Your existing systems.
  - (b) Damaged and the Damage would have been repairable had all parts necessary for repairs been obtainable from the manufacturers or agents at listed prices, the cost of repair to the nearest equivalent machine of current manufacture in respect of which all parts are obtainable from the manufacturer or their agents at listed prices. If similar parts are not obtainable, We will not pay more than the manufacturer's or supplier's latest list price.

## Limitations of cover

1. **Excess**  
You are liable for the Excess for each and every event that results in Damage.
2. **Maintenance Agreements**  
We will not pay for the repair or replacement of Plant and other property when any party other than You has responsibility to repair or replace such Plant or other property.
3. **Part Immediately Affected**  
Where Damage is confined to a part of the Plant or other property, We will pay the cost of repairing or at Our option replacing that part plus the dismantling or rebuilding costs that are necessarily incurred to repair or replace that part.
4. **Sum Insured**  
We will not pay more than:
  - (a) where the Plant is specified as a separate item, the applicable Sum Insured for that item less any applicable Excess.
  - (b) where the Plant is insured with other Plant collectively as a group the applicable Sum Insured shown in the Schedule, less any applicable Excess.

### 5. Conversion to Non CFC Refrigerant Operation

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

### 6. Exclusions

Cover is further limited by the Exclusions that follow:

## Exclusions

### 1. Expendable / Fragile / Heavy Wear Items

We will not pay for the cost of replacing or repairing:

- (a) Expendable Items
- (b) aesthetic defects that do not affect the function of the item of Plant or property such as but not limited to:
  - (i) chipped or scratched items, or
  - (ii) painted or polished surfaces that are damaged
- (c) glass and ceramic items or parts, and
- (d) tracks, conveyor belts and ropes.

### 2. Maintenance Items

Except where the repair or replacement is made necessary by Damage to other parts of the Plant:

- (a) We will not pay for the repair or replacement of joints, gaskets or seams, drive belts, filters, chains, brickwork, foundations or refractories, seals, shaft seals, flexible drives or flexible pipes, soft rollers, replacement of refrigerant, brine or any transfer media.
- (b) repair of any crack, fracture, blister, lamination, flaw or grooving which has not penetrated completely through the entire thickness of the material of the Plant, even though repair or renewal of the part affected may be necessary either immediately or a some future time.

### 3. Wear and Tear

We will not pay for Damage to Plant caused by or arising from Wear or Gradual Deterioration.

### 4. Maintenance and Alteration Costs

We will not pay for any alterations, additions, cleaning, adjustments, inspections or maintenance of Plant.

### 5. Existing Defects

We will not pay for Damage to any item of Plant that You knew was defective before the Damage occurred.

### 6. Consequential Loss

We will not pay for any loss of use or consequential loss.

### 7. Specified Events / Causes

We will not pay for Damage caused directly or indirectly by:

- (a) fire, smoke, soot, extinguishing of a fire or demolition following a fire, lightning, storm, wind, hail, snow, rain, Flood or earthquake, landslip, mudslide, rockslide, subsidence, or other earth movement or subterranean fire, volcanic eruption
- (b) malicious damage
- (c) theft or attempted theft
- (d) watercraft
- (e) impact caused by:
  - (i) vehicles or their loads
  - (ii) aircraft, space craft, meteorites, space debris
  - (iii) communication masts, towers, antennae or dishes
  - (iv) fallen trees or branches, or
  - (v) animals
- (f) any explosion other than Damage to Plant or property caused directly by the explosion of any Boilers and Unfired Pressure Plant shown in the Schedule that complied with all legal requirements when the explosion happened, in particular those requirements concerning the testing, inspection, and operation of this Plant
- (g) the use of any tool or process while repairing modifying, altering, overhauling or maintaining the Plant, (for example but not limited to Damage caused while machining a crankshaft or while applying heat to case harden or weld an item)
- (h) the installation, building or erection of Plant unless this follows dismantling of Plant for the purpose of cleaning, inspecting, repairing or movement within the Premises
- (i) the Plant being subject to testing or intentionally overloaded or operated in excess of its normal designed operating specification
- (j) the movement or attempted movement of any object that involves the use of or intended use of more than one machine including but not limited to cranes, and
- (k) either Your wilful act or by the wilful act of another committed with Your knowledge or consent, including the operation of any Plant which was known to be defective before the Damage occurred.

## Extensions of cover

### 1. Hire of Temporary Plant and Cost of Temporary Repairs

Following Damage that is covered by this Cover Section We will pay up to an additional fifty percent (50%) of the normal repair costs for:

- (a) the cost of hiring temporary plant
- (b) the cost of temporary repairs, and
- (c) the extra cost of expediting permanent repairs. Provided that these additional costs are limited in the aggregate to a maximum of \$2,000 for each event that results in Damage.

**2. Temporary Cover**

We will provide temporary cover for a period of up to 30 days for additional plant, that during the Period of Insurance is installed or brought into use. Provided that:

- (a) this plant is of a similar type to the Plant that is shown in the Schedule
- (b) the additional plant is free from known defects
- (c) the additional plant will not be covered until it has worked satisfactorily for 8 hours and has become Your responsibility
- (d) You supply details of any additional plant to Us in writing within the 30 days that immediately follow installation of this plant
- (e) the Sum Insured and Excess for the additional plant will be that specified for a similar item or group of items of Plant in the Schedule, and
- (f) You pay the premium that We require for this additional plant.

**Special Condition examinations**

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

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

**Optional extensions of cover (A) Deterioration of Stock**

**Cover**

If Deterioration of Refrigerated Goods is shown in the Schedule then We will pay up to the Sum Insured for deterioration or putrefaction of goods in cold storage which are cooled by refrigeration Plant shown in the Schedule.

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

- 1. a change in temperature solely caused by:
  - (a) Damage that is covered by this Cover Section
  - (b) malfunction or failure of thermostats, pressure controls or limiting devices; provided that this is not due to an error when operating or setting these items
  - (c) accidental interruption of the normal electricity supply, or
  - (d) sudden leakage of refrigerant from the Plant, or

- 2. contamination of the goods directly caused by sudden leakage of refrigerant from the Plant. We may at our option pay for the cost of replacement of the refrigerated goods or replace those goods.

Provided that: We will not pay for any goods which have passed their use by date or best before date nor will we pay for the disposal costs of these goods.

**Limitation of cover exclusions**

Cover is limited by the Exclusion that follows.

**Exclusions**

The following exclusion shall apply to this Optional Extension of Cover – (A) Deterioration of Stock. We will not pay for deterioration or putrefaction caused by:

- 1. the interruption of the normal electricity supply as a result of any deliberate act by the supply or generating authority or company, unless that act is performed specifically to protect life or any part of the electricity supply system and this act is not caused directly or indirectly by fire, Flood, storm or any other natural cause, or
- 2. inappropriate or improper storage, damage to packing materials or inadequate air circulation.

**Liability section**

**Introduction**

This Cover Section forms part of Your Policy and must be read together with the General Conditions and Limitations of Cover, the Schedule, the Proposal and any Endorsements. Provided that this Cover Section forms part of Your Policy only when Liability Section is shown in the Schedule and only for the Period of Insurance indicated.

**Definitions**

The following definitions shall apply to words used in this Cover Section and to words used in Endorsements that apply to this Cover Section.

Definitions	Meaning
Aircraft	any vessel, craft or thing made or intended to fly or move in or through the atmosphere or space.
Business	all activities and operations of Your Business shown in the Schedule including the ownership and tenancy of premises, private work carried out with Your consent by Your employees for any of Your directors or senior executive officers, and the provision or management of canteen, social or sports organisations for Your employees and internal first aid given by Your Medical Persons, fire and ambulance services.

## Liability section

Definitions	Meaning
Excess	the amount You first bear in relation to each Occurrence. The Excess applies to all amounts payable under this Cover Section including the indemnity provided under additional payments.
Hovercraft	any vessel, craft or device made to float on or in or travel on or through the atmosphere or water on a cushion of air provided by a downward blast.
Incidental contracts	(a) any written agreement or lease of real or personal property which does not impose on You: (i) an obligation to insure such property, or (ii) any liability regardless of fault (b) any written contract with any public authority for the supply of water, gas or electricity, but only to the extent of indemnifying any such authority in respect of liability arising out of Your Business other than contracts for the performance of work or provision of services by You.
Insured person	You and the parties described under the heading Cover For Others.
Medical persons	legally qualified medical practitioners, legally qualified registered nurses, dentists and first aid attendants.
North America	(a) the United States of America and Canada, and (b) any state or territory incorporated in, or administered by, the United States of America or Canada.
Occurrence	an event or series of events including continuous or repeated exposure to substantially the same general conditions which results, unexpectedly and unintentionally from Your standpoint, in Personal Injury or Property Damage during the Period of Insurance. All Personal Injury or Property Damage happening during the Period of Insurance attributable to one source or to a common cause or to the same general conditions shall be deemed to be one Occurrence.
Personal injury	(a) bodily injury, death, sickness, disease, shock, fright, mental anguish or mental injury (b) false arrest, false detention, wrongful imprisonment, malicious prosecution (c) wrongful entry or wrongful eviction or other invasion of privacy (d) defamation, libel and slander (e) assault and/or battery.

Definitions	Meaning
Products	anything which is or is deemed to have been manufactured, grown, extracted, produced, processed, sold, supplied, distributed, imported, exported, repaired, serviced, installed, assembled, erected or constructed by You (including packaging or containers thereof other than a vehicle) in the course of Your Business and after it has ceased to be in Your physical custody or under Your legal control.
Property damage	(a) physical injury to or loss of or destruction of tangible property including loss of use of that property at any time resulting therefrom (b) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by physical damage to or destruction of other tangible property.
Territorial limits	anywhere in the world.
Tools of trade	any vehicle which has attached as an integral part of such vehicle any equipment for mechanical digging, scraping, grading, drilling, lifting or levelling whilst such equipment is being used for the purpose for which such equipment was designed.
Vehicle	any machine and attachments thereto including a trailer designed to travel on wheels or on self-laid tracks and to be propelled by other than manual or animal power.
Watercraft	any vessel, craft or thing made to or intended to float on or in or travel on or through or under water.
You or your	For the purpose of this Cover Section only, the definition of You or Your is extended to include any of Your subsidiary companies now or hereinafter formed or constituted. Provided that: (a) any such incorporation is notified to Us within 90 days of the incorporation date (b) the newly incorporated company conducts the same type of business as Your Business (c) the newly incorporated company is incorporated in the Commonwealth of Australia.

## Cover

Subject to the Limits of Liability stated in the Schedule and the terms and conditions of this Cover Section, We will pay all sums which the Insured Person shall become legally liable to pay for compensation in respect of:

- Personal Injury
- Property Damage

happening during the Period of Insurance within the Territorial Limits as a result of an Occurrence in connection with Your Business or Products.

## Extensions of cover

### Additional payments

In addition to the Limits of Liability stated in the Schedule We will pay as additional payments all:

- Insured Person with Our written consent in the defence of any claim
- expenses incurred by the Insured Person for first aid to others
- reasonable expenses incurred by You for the temporary repair or shoring up or preservation of property which has been damaged
- interest accruing after entry of judgment against the Insured Person until We have paid, tendered or deposited in court such part of the judgment as does not exceed the Limit of Liability,

resulting from an Occurrence which is covered by this Cover Section, provided that:

- (a) if a payment exceeding the Limit of Liability has to be made to dispose of a claim, Our liability to pay any additional payments shall be limited to that proportion of the those amounts as the Limit of Liability bears to the amount paid to dispose of the claim
- (b) in the event of a claim covered by this Cover Section, being made against an Insured Person in any Court or before any other legally instituted body in North America, the Limits of Liability shall apply to such claim inclusive of all additional payments
- (c) We shall not be obligated to pay any compensation or additional payments, or judgment or to defend any suit after Our Limits of Liability have been exhausted by payment of claims, judgments and/or settlements.

### Cover for others

This Cover Section is extended to cover the following:

- (a) any of Your directors, executive officers or employees but only whilst acting within the scope of their duties in such capacity
- (b) any office bearer or member of the canteen, social, or sports organisations for Your employees and internal first aid given by Your Medical Persons, fire or ambulance services formed with Your consent, but only whilst acting within the scope of their activities in such capacity

- (c) any of Your directors or senior executives in respect of private work undertaken by Your employees for such director or senior executive, but only after they have obtained Your prior consent, to this private work to be undertaken
- (d) any principal but only for its liability for Personal Injury or Property Damage that is directly caused by Your performance of the work for that principal and only to the extent that We would cover You under this Cover Section for Your liability to that principal had the principal made a claim against You in respect of the circumstances giving rise to the principal's liability,

Provided that:

the work was carried out by You in an attempt to comply with a contract to perform work that was made between You and the principal; and Our liability shall not exceed the lesser of the minimum amount of liability insurance cover required by the contract to perform the work and the Limit of Liability shown in the Schedule; and For avoidance of doubt it is further provided that where a principal makes a claim under this clause, the Employer's Liability Exclusion shall apply so that We will not pay for that principal's liability for Personal Injury to any person in the service of either:

- (i) You, or
- (ii) that principal.

## Limit of liability

Our liability to pay compensation as a result of an Occurrence shall not exceed the Limit of Liability stated in the Schedule.

Our total aggregate liability to pay compensation in respect of or in any way related to Your Products during anyone Period of Insurance shall not exceed the Limit of Liability stated in the Schedule.

## Exclusions

We will not pay anything in respect of:

### 1. Employer's Liability

- (a) Personal Injury to any person arising out of, or sustained in the course of, the employment of such person in the service of any Insured Person, or through the breach of any duty owed to that person, where any Insured Person:
  - (i) is indemnified or entitled to be indemnified (either in whole or in part) in respect of claims for damages under a policy of insurance (which expression includes arrangements made by any Insured Person to provide accident insurance for any Insured Person's workers under a licence to self insure) arranged (whether by law or not) in accordance with any workers' compensation legislation or accident compensation legislation, or
  - (ii) would have been indemnified or entitled to be indemnified (either in whole or in part) had any Insured Person arranged a policy of insurance as required by such legislation.

- (b) Personal Injury to any person arising out of, or sustained in the course of, the employment of such person in any Insured Person's service in Western Australia, other than a person of whom any Insured Person is deemed to be an employer by reason only of Section 175 of the Workers' Compensation and Rehabilitation Act 1981 (WA).
- (c) mental anguish, shock or fright suffered by any person arising out of, or in the course of, that person's employment by, or service to, any Insured Person.
- (d) Personal Injury arising out of the wrongful or unfair dismissal, denial of natural justice, harassment, libel, slander, defamation, misleading representation, misleading advertising or humiliation of, or discrimination against, any person while in any Insured Person's service, prospective employment or while employed by any Insured Person.
- (e) which indemnity previously would have been provided in whole or in part under a policy of insurance arranged in accordance with any workers' compensation legislation or accident compensation legislation, but in respect of which indemnity has been withdrawn or reduced as a consequence of a change to the scope, terms, provisions, or requirements of such legislation made after the commencement of the current Period of Insurance of this Cover Section.
- (f) the imposition of any liability by the provisions of any workers' compensation legislation or accident compensation legislation or any industrial award, agreement or determination.

## 2. Vehicles

Personal Injury or Property Damage caused by or arising out of the use of or operation by an Insured Person of any Vehicle which is registered or in respect of which insurance is required by virtue of any legislation.

Exclusion 2. Shall not apply to an Insured Person's liability for Personal Injury or Property Damage arising from:

- (a) the actual loading, unloading, delivery or collection of goods to or from any Vehicle
- (b) the use of any Tool of Trade either on any site where an Insured Person is undertaking work or at Your premises

Clause 2 (b) does not extend cover to the use of any Tool of Trade, either on any site where an Insured Person is undertaking work or at Your premises, whilst in transit or whilst being used for transport or haulage.

- (c) the use or operation of any unregistered forklift either on any site where an Insured Person is undertaking work or at Your premises.

## 3. Property in the Physical or Legal Control

Property Damage to the following property that is not owned by You but which is in Your physical or legal control:

- (a) any Aircraft
- (b) any Hovercraft
- (c) any Watercraft that is not on dry land

- (d) any Vehicle leased to You
- (e) any Vehicles in a car park owned or operated by You for reward as a principal part of Your Business
- (f) all other property,

provided that We do cover Your liability for:

- (i) Property Damage to:
  - premises leased or rented to You
  - premises that You temporarily occupy in order for You to carry out work, and
  - personal effects of Your directors, employees and visitors

up to the Limit of Liability for General Liability
- (ii) Property Damage to all other property, but subject to cover being limited to a maximum of \$10,000 any one Occurrence and in the aggregate during any one Period of Insurance for such property Damage.

## 4. Re-performing or Completing Your Work

the cost of performing, completing, correcting or improving any work done or undertaken by an Insured Person.

## 5. Damage to Products

Property Damage to Products if the damage is attributed to any defect in them or to their harmful nature or unsuitability.

## 6. Recall of Products

the withdrawal, recall, inspection, repair, adjustment, replacement, removal, disposal or loss of use of the Products or of any property of which such Products form a part.

## 7. Products Guarantee

any Products warranty or guarantee given by You or on Your behalf.

Exclusion 7. shall not apply to the requirements of any Federal or State legislation as to product safety.

## 8. Pollution

- (a) Personal Injury or Property Damage directly or indirectly arising out of the discharge, seepage, migration, dispersal, release or escape of Pollutants into or upon any property, land, the atmosphere or any watercourse or body of water (including ground water)
- (b) Personal Injury or Property Damage directly or indirectly arising out of the discharge, seepage, migration, dispersal, release or escape of Pollutants caused by any Product that has been discarded, dumped, abandoned or thrown away by others
- (c) the cost of removing, nullifying or cleaning up Pollutants
- (d) the cost of preventing the escape of Pollutants.

Exclusion 8.(a) and (c) shall not apply where the claim arises from a sudden identifiable, unintended and unexpected event which takes place in its entirety at a specific time and place and occurs outside of North America, however the total aggregate Limit of Liability during any one Period of Insurance shall not exceed the Limit of Liability stated in the Schedule.

#### 9. Professional Liability

the rendering of or failure to render professional advice or service provided by or on behalf of an Insured Person or any error or omission connected therewith.

Exclusion 9. shall not apply in respect of:

- (a) Personal Injury or Property Damage arising therefrom providing such professional advice or service is not given for a fee, or
- (b) the rendering of or the failure of professional medical advice by Medical Persons employed by You to provide first aid or medical services on Your premises.

#### 10. Design, Specification, Formula

any design, plan, specification, formula or pattern provided by an Insured Person or any error or omission connected therewith.

Exclusion 10. shall not apply in respect of any design, plan, specification, formula or pattern about any Products, which is not given for a fee.

#### 11. Aggravated, Punitive or Exemplary Damages, Fines or Penalties

any fines, penalties, exemplary, punitive, liquidated, multiple or aggravated damages.

#### 12. Computers, Computer Software and Computer Consulting

- (a) Property Damage to Electronic Data, or any consequential loss resulting from such Property Damage, resulting from an Insured Person's use of any computer hardware and/or software
- (b) any claims based upon or arising from any act, error, or omission in the provision of computer services by any Insured Person or on their behalf.

#### 13. Watercraft, Aircraft, Hovercraft

Personal Injury or Property Damage caused by or arising directly or indirectly out of or in connection with:

- (a) (i) any Watercraft exceeding 8 metres in length, except where such Watercraft are owned and operated by others and used by an Insured Person for Business entertainment
- (ii) any Hovercraft
- (iii) any Aircraft
- (iv) any property used for the purpose of an airport or any Aircraft landing strip.
- (b) Your Products which an Insured Person knew or had reasonable cause to believe would be, or are installed in any Hovercraft, Aircraft or other aerial device.

#### 14. Defamation, Libel, Slander

the publication or utterance of a defamation, libel or slander:

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

#### 15. Contractual Liability

any liability or obligation assumed by an Insured Person under any agreement or contract except to the extent that:

- (a) the liability or obligation would have been implied by law
- (b) the liability or obligation arises from Incidental Contracts
- (c) the liability or obligation is assumed by an Insured Person under any warranty under the requirement of Federal or State legislation in respect to product safety
- (d) the liability or obligation is assumed under those agreements specified in the Schedule.

#### 16. Tobacco

the inhalation or ingestion of, or exposure to tobacco or tobacco smoke or any ingredient or additive present in any articles, items or goods which contain or include tobacco.

#### 17. Construction

Personal Injury or Property Damage caused by the demolition, underpinning, removal of support, dewatering, alteration, renovation, construction, erection of and/or addition to any building, structure, plant or equipment by or on behalf of an Insured Person except for contracts for alterations or renovations not exceeding in total cost the sum of \$200,000.

#### 18. Assault and Battery

Personal Injury or Property Damage arising directly or indirectly out of assault and battery committed by an Insured Person.

Exclusion 18. shall not apply when such assault and battery is committed for the purpose of preventing or eliminating danger to persons or property.

#### 19. Intentional Conduct

any alleged or actual fraudulent, dishonest, malicious, intentional or criminal act or omission of an Insured Person.

#### 20. Loss of Use

loss of use of tangible property which has not been physically injured, or lost or destroyed resulting from:

- (a) a delay in or lack of performance by or on behalf of an Insured Person in relation to any contract or agreement
- (b) the failure of the Products to meet the level of performance, quality, fitness or durability expressly or implied, warranted or represented by an Insured Person. Exclusion E20.(b) does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the Products after such Products have been put to use by any person or organisation other than You.

## 21. Territorial Limits

any liability:

- (a) occurring in North America
- (b) caused by or arising out of the Products knowingly exported by the Insured Person or its agents to North America
- (c) where claims are made upon an Insured Person outside Australia where the Insured Person is represented by a branch or company or firm or individual holding the Insured's power of attorney, or
- (d) where claims arise out of any contract entered into by an Insured Person under the terms of which work is to be performed outside Australia.

Exclusion 21. shall not apply to:

- (i) Products exported to North America without the knowledge of You, Your agents or employees
- (ii) Business visits by executives and salespersons normally resident in the Commonwealth of Australia.

## 22. Asbestos

or in any way connected with the existence, mining, handling, processing, manufacture, sale, distribution, storage or use of asbestos, asbestos products and/or products containing asbestos.

## 23. Internet Liability

- (a) Personal Injury or Property Damage arising directly or indirectly out of or in any way involving Your 'Internet Operations'. This exclusion does not apply to Personal Injury or Property Damage arising out of any material which is already in print by the manufacturer in support of its product, including but not limited to product use and safety instructions or warnings, and which is also reproduced on its site. 'Internet Operations' means the following:
  - (i) Use of electronic mail systems by You or Your employees, including part-time and temporary staff, contractors and others within Your organisation
  - (ii) Access through Your network to the world wide web or a public internet site by Your employees, including part-time and temporary staff, contractors and others within Your organisation

- (iii) Access to Your intranet (meaning internal company information and computing resources) which is made available through the world wide web for Your customers or others outside Your organisation, and
  - (iv) The operation and maintenance of Your web site. Nothing in this exclusion shall be construed to extend coverage under this Policy to any liability which would not have been covered in absence of this exclusion.
- (b) Property Damage to computer data or programs and their storage media arising directly or indirectly out of or caused by, through or in connection with:
- (i) the use of any computer hardware or software
  - (ii) the provision of computer or telecommunication services by You or on Your behalf
  - (iii) the use of computer hardware or software belonging to any third party, whether authorised or unauthorised including damage caused by any computer virus.

## Special Conditions

### 1. Reasonable Care and Precautions

Notwithstanding Condition 1.– Precautions, noted in the General Conditions and Limitations, the following is applicable for this Cover Section.

- (a) You must exercise reasonable care that only competent employees are employed and take reasonable measures to maintain all premises, fittings and plant in sound condition.
- (b) The Insured Persons shall take all reasonable care and precautions:
  - (i) to prevent Personal Injury or Property Damage losses
  - (ii) to prevent the manufacture, sale or supply of defective Products
  - (iii) to comply with all statutory obligations, by-laws or regulations imposed by any public authority for the safety of persons or property.
- (c) You shall at Your own expense withdraw, inspect, repair, replace, trace, recall or modify any of the Products containing any defect or deficiency of which You have knowledge or has reason to suspect.

### 2. Liability not to be Admitted

The Insured Persons shall not admit liability for or offer to or agree to settle any claim without Our written consent. We shall be entitled to take over and defend, any claim with full discretion in the conduct of that claim.

### 3. Subrogation

Any Insured Person shall at any time, at the request and expense of Us, permit all reasonable steps required to enforce any rights to which We would be entitled.

**4. Proper Law and Jurisdiction**

- (a) The construction, interpretation and meaning of the provisions of this Cover Section shall be subject to the determination by any competent jurisdiction within Australia.
- (b) In the event of any dispute arising under this Cover Section, including but not limited to its construction and/or validity and/or performance and/or interpretation, You will submit to the exclusive jurisdiction of any competent Court in the Commonwealth of Australia.

**5. Cross Liability**

When an Insured Person consists of more than one party, the Insured Person shall be considered as a separate Insured Person as though a separate policy had been issued to each of the said parties,

provided that Our Limits of Liability and Additional payments will apply as though there were not separate policies issued to each party.

## Business Special Risks section

### Introduction

This Cover Section forms part of Your Policy and must be read together with the General Conditions and Limitations of Cover, the Schedule, the Proposal and any Endorsements. Provided that this Cover Section forms part of Your Policy only when Business Special Risks Section is shown in the Schedule and only for the Period of Insurance indicated.

### Definitions

The following definitions shall apply to the words used in this Cover Section or when used in Endorsements that apply to this Cover Section.

Definitions	Meaning
Item	Items that are shown in the Schedule.
Pre damage value	the value of the Property that is Damaged immediately before the Damage. This value must take account of wear and tear, maintenance, construction, general condition and the anticipated future useful life of the Property.

### Cover

We will pay up to the Sum Insured for the cost of repairing or replacing Items described in this Schedule that are accidentally and physically lost or damaged during the Period of Insurance.

### Limitations of cover

**1. Territorial Limits**

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

**2. Excess**

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

**3. Obsolete Items or Improvements**

If an Item is lost or damaged and the Item cannot be:

- (a) replaced with a new item, or
- (b) repaired,

without improving the output, capacity or efficiency of that Item,

then cover is limited to the greater of:

- (a) the cost of replacing or at Our option repairing that Item less the value of all such improvements, or
- (b) 50% of the lowest cost of replacing that Item with a new item which has features that are as nearly the same as the Item being replaced.

Provided that cover is not provided in excess of the Sum Insured applicable to such Item.

**4. Cash Settlement**

If You request a cash settlement or if reinstatement is not carried out, We will pay the lesser of:

- (a) an amount calculated by applying depreciation to the cost of reinstatement, or
- (b) the Pre Damage Value less the damaged value.

**5. Exclusions**

Cover is further limited by the Exclusions that follow.

### Exclusions

**1. Excluded Causes**

We will not pay for loss or damage caused by or arising from:

- (a) the actual breaking, seizing, deformation or melting of any part of any Item while that Item is in use that is caused by mechanical, electrical or electronic defect within the Item that causes sudden malfunction that requires repair or replacement before the Item can resume normal operation
- (b) corruption or loss of data
- (c) vermin or insects
- (d) scratching, denting, chipping or other aesthetic defects that do not affect the operation or function of the Item, or

- (e) gradually operating causes such as but not limited to wear and tear, atmospheric conditions, mildew, corrosion, disease, fading, rusting or other forms of oxidation.

## 2. Faulty Workmanship and Materials

We do not pay for damage to those parts of an Item that are directly caused by faulty materials, faulty workmanship or latent defect.

## 3. Excluded Items

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

- (a) mobile plant, motorised vehicles, watercraft, video equipment
- (b) Stock
- (c) mobile telephones and radios, photographic equipment, sporting equipment, aerial devices, and
- (d) computers, electronic diaries, organisers or their accessories.

## 4. Consequential Loss

We will not pay for consequential loss of any kind other than physical damage that indirectly results from faulty materials, faulty workmanship or latent defect.

## Optional limitations

### 1. Restricted Cover

If Restricted Cover is shown in the Schedule then cover is limited to loss or damage caused by:

- (a) fire, storm, water, explosion, impact by a vehicle
- (b) earthquake, aircraft, malicious damage
- (c) collision or overturning of a vehicle
- (d) theft following visible, forcible and violent entry to locked vehicles, including locked tool boxes securely attached to the vehicle, or locked Premises, and
- (e) theft of equipment securely attached to a vehicle through use of locks or padlocks, which results in visible damage to the securing devices.

### 2. Fire Excluded

If the peril of Fire is shown as being excluded in the Schedule then loss or damage due to Fire is not covered by this Cover Section.

## General conditions and limitations of cover

### Cover

Subject to all of the terms and conditions contained in Your Policy and payment of the Premium We will provide You with the cover shown in the Cover Sections of Your Policy up to the appropriate amount shown in the Schedule or other limits shown in Your Policy.

### Approved Claim Preparation Costs

In addition to the amount of cover provided by each Cover Section We will pay up to \$20,000 for costs incurred by You when preparing a claim under a Cover Section, apart from the Liability Section.

Provided that before You incur these claim preparation costs You obtain Our written approval which shall not be unreasonably withheld to incur these costs.

### Emergency Mitigation Costs

In the case of an emergency, where You are required to prevent further loss or damage to Your Property as a direct result of that emergency, and the Property is covered by Your Policy, We give You the authority to arrange on Our behalf these emergency repairs.

### Limitations of cover

The cover provided by Your Policy is limited by the Limitations of Cover shown in the Cover Sections and the General Exclusions applicable to all Cover Sections that follow.

### When you are not covered

#### General exclusions applying to this Policy

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.

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 1, 2 or 3 above.

**4. Alteration of Risk**

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

- (a) You did not know of the alteration, or
- (b) You have notified Us of the alteration and We have agreed to accept the alteration to the risk.

**5. Acquisition of Companies**

Your Policy does not cover:

- (a) any company or other legal entity acquired or formed during the Period of Insurance, or
- (b) any property or liability associated with such company or any other legal entity or business undertaking or operation.

Provided that We have been notified in writing, We may, at Our option and subject to any additional Premium We may require, provide cover.

**6. Unoccupied Buildings and Premises**

Your Policy does not provide any cover at a Building or Premises after the Building or that Premises has been unoccupied by authorised persons for more than 60 consecutive days. Provided that:

- (a) cover will apply at an unoccupied Building or Premises if We have specifically agreed to this in writing
- (b) cover will resume when that Building or that Premises is again occupied by authorised persons, and
- (c) You agree to pay Us any additional premium that We may require.

**7. Electronic Date Recognition**

Your Policy does not cover claims arising directly or indirectly out of, or caused by, through or in connection with any Software or Device not being Electronic Date Compliant.

Electronic Date Compliant means that neither performance nor functionality is affected by dates prior to, and after the year 2000 and in particular:

- (a) no date value (including the current date) will cause any interruption in operation
- (b) date based functionality must behave consistently for dates prior to, during and after the year 2000
- (c) in all interfaces, output, display and data storage, the century in any date must be recognised as a leap year
- (d) all leap years and non-leap years must be correctly recognised

- (e) no particular date value is treated otherwise than as a date or used for special meanings
- (f) all information involving dates is correctly stored, retrieved, processed, recognised, calculated, sequenced, compared, managed, manipulated and presented including formulas involving dates in one century or in multiple centuries
- (g) the relevant Software or Device must correctly interface and inter-operate with any related Software or Device and date or date related information from them in accordance with the other requirements of this definition of Electronic Date Compliant. For the purpose of this Exclusion 5., date includes a period of time
- (h) Immediately send Us any claim, writ, summons, or full details of other relevant legal or other proceedings such as an impending prosecution or inquest You receive or become aware of
- (i) As far as possible preserve any products, appliances, plant or other items which might prove necessary or useful as evidence until We have had an opportunity of inspection.

Software or Device means any software, computer, hardware, equipment, media, microchip, integrated circuit, embedded system or similar device, whether Your property or not.

**8. Electronic Data**

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 as provided by Basis of Settlement of the Fire Section 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 labor 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 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 Section of the policy is current and Optional Extension of Cover 1. The Cost of Restoring data is insured we will also provide cover for losses to Electronic Data arising out of malicious damage, 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.

### 9. This Policy does not cover loss or damage resulting from or caused by:

- the lawful seizure, confiscation, nationalisation, or requisition of the property insured
- destruction of or damage to property by any government or public or local authority.

## Conditions

The following conditions apply to Your Policy:

### 1. Precautions

You must take all reasonable care to prevent or minimise loss, damage, injury, illness or liability including Your compliance with any law, by-law, ordinance or regulation that concerns the safety of persons or property.

### 2. Cancellation

You may cancel Your Policy or any Cover Section at any time. If You do cancel You must pay a pro-rata Premium for the time Your Policy or Cover Section has been in force plus Our cancellation fee. If You cancel Your Policy within the Cooling Off Period, We may apply Our cancellation fee only.

We may cancel Your Policy or any Cover Section subject to Section 60 of the Insurance Contracts Act 1984, by giving You written notice of Our proposed cancellation in person or by post to Your last known address.

Cancellation will take effect at the earlier of the following times:

- (a) when another contract of insurance is obtained that is intended to replace Your Policy or Cover Section, or
- (b) at 4.00 pm on the third business day after delivery of the cancellation notice to You at Your last known address.

After cancellation of Your Policy or any Cover Sections We will refund that part of the Premium that has been paid that applied to the cancelled period.

### 3. Claims Procedure

You must not negotiate, admit or deny any claim without Our written permission.

When an event happens that is likely to result in a claim under Your Policy You or any other person or party covered by Your Policy must:

- (a) take all reasonable precautions to prevent further loss, damage, injury, illness or liability
- (b) inform the police immediately if property is lost, stolen or maliciously damaged
- (c) notify Us immediately the event is discovered by You

- (d) provide Us with full written details of the event within 30 days of learning that the event happened
- (e) supply Us with all information and assistance as We may reasonably require
- (f) allow Us to use any legal rights held by You or held by any other party covered by Your Policy, and
- (g) allow Us to negotiate, defend or settle the claim:
  - (i) in Your name and on Your behalf
  - (ii) in the name of and on the behalf of any other party covered by Your Policy.

### 4. Goods and Services Tax

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 & 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.

**5. Payment of Excess**

When You have a claim under a Cover Section of Your Policy You must pay the Excess amount in accordance with the terms and conditions that apply to that Cover Section. Provided that when a single event results in You claiming under more than one Cover Section of Your Policy then only the single highest Excess will apply to all claims that arise out of the one event.

**6. Progress Payments**

If We have agreed that a claim is covered by Your Policy We will make reasonable progress payments.

**7. Fraudulent Claims**

If You or any party covered by Your Policy makes a claim or arranges for some other party to make a claim that is in any way false, dishonest or fraudulent, then payment of the claim may be refused.

**8. Non Disclosure and Misrepresentation**

If You make a misrepresentation to Us or if You do not comply with Your Duty of Disclosure and We issue Your Policy with terms and conditions that are different to the terms and conditions that would have been issued had there not been any misrepresentation and Your Duty of Disclosure had been complied with, then:

- the cover provided will be reduced so that We are placed in the same position as We would have been in had there not been any misrepresentation and Your Duty of Disclosure had been complied with
- We may also cancel Your Policy
- We may avoid Your Policy if the misrepresentation or Your non compliance with Your Duty of Disclosure is fraudulent.

**9. Other Insurance and Contribution**

When You make a claim on Your Policy You must also supply Us with written details of all policies that may pay or partially pay that claim.

**10. Notifications**

All notices and communications to Us must be made or confirmed in writing by You and sent to the office where Your Policy was issued. Other forms of communication will not be acted upon by Us until confirmed in writing by You.

**11. Headings**

Headings are included for reference purposes only and do not form part of Your Policy for interpretation purposes.

**12. Confidentiality**

To the extent permitted by law You or any person acting on Your behalf shall not without Our prior written consent disclose:

- (a) the existence of Your Policy or any part of Your Policy
- (b) the amount of Premium paid or payable for Your Policy

- (c) the extent of cover provided by Your Policy, or
- (d) any other terms or conditions of Your Policy.

**13. Claims Disputes**

Should You dispute a decision made by Us about a claim on Your Policy You should first discuss this matter with Us. If You then still dispute this decision You may then use Our Internal Dispute Resolution Scheme.

**14. Jurisdiction**

Should a dispute not be resolved by Our Internal Dispute Resolution Scheme and the dispute is referred to a court for determination of the extent of cover provided by Your Policy, then such determination shall only be made in accordance with the laws of the State or Territory of Australia in which Your Policy was issued.

**15. Joint Insured**

When You are comprised of more than one legal entity, information supplied to Us shall be deemed to have been furnished by and on behalf of all such entities, and any information supplied to Us or any omission or non-disclosure in relation to any renewal or extension hereof, shall likewise be deemed to have been furnished, omitted or withheld on behalf of all such entities.