

Change of Insurer – Endorsement

This endorsement is dated 01 August 2017 and will apply to all policies taken out, or with a renewal effective date, on or after this date.

The information in this endorsement should be read with the last Policy You received for the Policy specified in your Policy Schedule and any other applicable endorsement.

Changes to your Policy

Your Policy is amended by the following:

Change 1: Change to details of CGU Insurance Limited
ABN 27 004 478 371 AFS Licence No. 238291

All references to “CGU Insurance Limited ABN 27 004 478 371 AFS Licence No. 238291” are deleted and replaced by “Insurance Australia Limited ABN 11 000 016 722 AFSL 227681 trading as CGU Insurance”.

Change 2: Change to details of CGU Insurance Limited

All references to “CGU Insurance Limited” are deleted and replaced by “Insurance Australia Limited trading as CGU Insurance”.

PADLOCK

INSURANCE POLICY

Insurance for the commercial
investment property owner



CGU PADLOCK INSURANCE POLICY

**INSURANCE FOR THE COMMERCIAL
INVESTMENT PROPERTY OWNER**

CGU PADLOCK

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Welcome To The Security Of CGU Insurance

Important information

About CGU

CGU Insurance Limited is the underwriter of this insurance Policy. Our Australian Business Number is 27 004 478 371. In this Policy CGU Insurance Limited is called "We," "Us," "CGU" "Ours" or "Our." Our Australian Financial Services Licence Number is 238291.

Intermediary remuneration

CGU Insurance Limited pays remuneration to insurance intermediaries when We issue, renew or vary a Policy the intermediary has arranged or referred to Us. The type and amount of remuneration varies and may include commission and other payments. If You require more information about remuneration We may pay Your intermediary You should ask Your intermediary.

Your duty of disclosure

Before You enter into an insurance contract, You have a duty to tell Us anything that You know, or could reasonably be expected to know, may affect Our decision to insure You and on what terms.

You have this duty until We agree to insure You.

You have the same duty before You renew, extend, vary or reinstate an insurance contract.

You do not need to tell Us anything that:

- reduces the risk We insure You for; **or**
- is common knowledge; **or**
- We know or should know as an insurer; **or**
- We waive Your duty to tell Us about.

If you do not tell us something

If You do not tell Us anything You are required to, We may cancel Your contract or reduce the amount We will pay You if You make a claim, or both.

If Your failure to tell Us is fraudulent, We may refuse to pay a claim and treat the contract as if it never existed.

General Insurance Code of Practice

CGU Insurance Limited proudly supports the General Insurance Code of Practice ("the Code").

The purpose of the Code is to raise standards of practice and service in the general insurance industry.

The objectives of the Code are:

- to commit Us to high standards of service;
- to promote better, more informed relations between Us and You;
- to maintain and promote trust and confidence in the general insurance industry

- to provide fair and effective mechanisms for the resolution of complaints and disputes between Us and You; **and**
- to promote continuous improvement of the general insurance industry through education and training.

Our commitment to you

We have adopted and support the Code and are committed to complying with it.

Please contact Us if You would like more information about the Code.

Our service commitment

CGU Insurance Limited is proud of its service standards and supports the General Insurance Code of Practice. In an unlikely event that You are not satisfied with the way in which We have dealt with You, as part of Our commitment to customer service, CGU have an internal dispute resolution process in place to deal with any complaint You may have.

Please contact Your nearest CGU Insurance office if You have a complaint, including if You are not satisfied with any of the following:

- one of Our products;
- Our service;
- the service of Our authorised representatives, loss adjusters or investigators; **or**
- Our decision on Your claim.

Our staff will help You in any way they can. If they are unable to satisfy Your concerns, they will refer the matter to their supervisor or manager. If the manager cannot resolve the matter, the manager will escalate the matter to Our internal dispute resolution department. Further information about Our complaint and dispute resolution procedures is available by contacting Us.

How CGU protects your privacy

We use information provided by Our customers to allow Us to offer Our products and services. This means We may need to collect Your personal information, and sometimes sensitive information about You as well (for example, health information for travel insurance). We will collect this information directly from You where possible, but there may be occasions when We collect this information from someone else.

CGU will only use Your information for the purposes for which it was collected, other related purposes and as permitted or required by law. You may choose not to give Us Your information, but this may affect Our ability to provide You with insurance cover.

We may share this information with companies within Our group, government and law enforcement bodies if required by law and others who provide services to Us or on Our behalf, some of which may be located outside of Australia.

For more details on how We collect, store, use and disclose Your information, please read Our Privacy Policy located at www.cgu.com.au/privacy. Alternatively, contact Us at privacy@cgu.com.au or 13 15 32 and We will send You a copy.

We recommend that You obtain a copy of this Privacy Policy and read it carefully.

By applying for, using or renewing any of Our products or services, or providing Us with Your information, You agree to this information being collected, held, used and disclosed as set out in this Privacy Policy.

Our Privacy Policy also contains information about how You can access and seek correction of Your information, complain about a breach of the privacy law, and how We will deal with Your complaint.

Adequate sum insured

It is Your responsibility to ensure that the Sums Insured of the Property You want insured by this Policy are adequate. Sums Insured should reflect the new replacement value of any Property to be insured. If Sums Insured are not adequate, claims may not be paid in full.

You should review the adequacy of Sums Insured periodically during the Period of Insurance and prior to renewal each year. Inadequacy of Sums Insured can present significant issues of financial hardship. If You are unable to establish the adequacy of Sums Insured, You should seek assistance from Your insurance adviser.

Interest on unallocated premium

If We are unable to issue Your insurance when We receive Your application, We are required to hold Your premium in a trust account on Your behalf until Your insurance can be issued. We will retain any interest payable by Our bank to meet, among other things, bank fees and other bank costs We incur in operating the account.

General Provisions

In return for You having paid or agreed to pay the premium to Us, We will cover You in the manner and to the extent described in this Policy.

You need to read the Policy terms and conditions, full details of the cover under Your Policy.

Important notices

Unless stated otherwise, these important notices apply to all Policy sections.

1. When you are covered

This Policy does not provide cover in relation to events that occurred before cover under the relevant section was entered into.

2. General & Products Liability – Section 7

This section only provides cover in relation to personal injury or damage to property or advertising injury happening during the Period of Insurance. This does not include personal injury or damage to Property or advertising injury that has already been discovered before the Period of Insurance.

3. Liability assumed under agreement

Section 7 – General & Products Liability of this Policy does not cover liability which You have agreed to accept unless You would have been so liable in the absence of such agreement.

4. Acceptance of the application

You will not have any cover under this Policy until a completed application has been received and the risk accepted by Us. We reserve the right to decline any application. If We accept Your application for insurance, You will receive a Schedule that sets out details of the insurance You have taken out.

5. Workers' compensation

The cover provided by this Policy does not include workers' compensation. It is compulsory that Workers' Compensation Insurance for all employees be in force and separate cover should be arranged.

6. Delay of cover

This Policy does not provide any cover, for a period of forty eight (48) hours from the time of the commencement of Your Policy, for physical loss, destruction or damage caused by:

- a) bushfire or grassfire; **or**
- b) named cyclone,

unless Your Policy commences directly after another insurance policy covering the same property expired, without a break in cover.

7. Headings

The headings included throughout this Policy are intended for information and convenience only and will not affect or be relevant to the construction of the terms of the Policy.

General definitions

These general definitions apply to all Policy sections.

Some of the words and terms used in this Policy have a special meaning.

When the following words or terms appear with a capital letter in this Policy, they have the meaning set out below.

In this Policy the singular shall include the plural and vice versa as the context requires and any reference to one gender includes reference to the other.

Building means any building at the Situation insured under this Policy.

Business means Your ownership of the Property and any other business shown in the Schedule.

Contents means any contents items insured under this Policy but not a Specified Item.

Documents means any records or documents of any nature whatsoever, books of account (but not any bearer bonds or coupons, bank or currency notes, other negotiable instruments, book debts) owned by You.

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.

Excess means the amount shown in this Policy which You must pay towards the cost of any claim under this Policy.

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

- a lake (whether or not it has been altered or modified);
- a river (whether or not it has been altered or modified);
- a creek (whether or not it has been altered or modified);
- another natural watercourse (whether or not it has been altered or modified);
- a reservoir;
- a canal;
- a dam.

Indemnity Value means the cost necessary to reinstate, replace or repair the Property to a condition substantially the same as but not better or more extensive than its condition at the time of the physical loss, destruction or damage, taking into consideration its age, condition and remaining useful life.

Money means current coin, bank notes, currency notes, cheques, credit card sales vouchers, authorised gift vouchers, securities, negotiable securities, postal orders, money orders, unused postage and revenue stamps, public transport tickets, private transport tickets (other than airline tickets), bridge

or highway tokens, car wash tokens, lottery tickets, phone cards and stored value or similar type cards, and includes cash boxes, alarm bags or any other portable container used to convey money:

- belonging to You;
- for which You are legally responsible; **or**
- for which You have assumed a responsibility to insure prior to the occurrence of any physical loss, destruction or damage,

but does not include any money in the possession of, or carried by, professional money carriers, professional carriers or common carriers.

Period of Insurance means the period shown in the Schedule as the period of insurance.

Policy means this document, the current Schedule, and any policy endorsements.

Property means the property shown in the Schedule as being insured under the applicable section of this Policy. This definition does not apply to Section 2 – Loss of Income or Section 7 – General & Products Liability.

Schedule means the current schedule to Your Policy.

Situation means the situation shown in the Schedule.

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

Specified Items means Property owned by You or Property You are legally responsible for or You have assumed responsibility to insure, that is specifically described in the Schedule under 'Specified Items', whilst at the Situation.

Sum Insured means the amount of cover You have chosen and the most We will pay for a claim. The Sum Insured that applies to:

- a section or part of a section of the Policy; **or**
- an item,

and will be shown in Your Schedule or will be detailed in the terms and conditions of the Policy.

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

'We', 'Us', 'CGU' 'Our', 'Ours' means CGU Insurance Limited, the insurer of this Policy.

'You', 'Your', 'Yours', 'Insured' means the person or entity named in the Schedule as the insured.

Other words may be defined in the specific sections of this Policy. If so, the definitions that apply only to that section are shown under the heading 'Definitions' in that section. If a word is defined in both the 'General definitions' and in a cover section the definition in the cover section shall take precedence over the general definition but only in that specific cover section it applies to.

General conditions

Unless stated otherwise, these general conditions apply to all Policy sections.

1. a) Your duty

Our liability to pay a claim under this Policy is subject to the following conditions:

i. Payment of the premium

We will not pay any claim unless You have paid the premium.

ii. Notification of changes

You must notify Us as soon as possible of any change materially varying any of the facts or circumstances existing at the commencement of this Policy or following any renewal of Your Policy.

iii. Reasonable precautions

You must at all times take reasonable care to prevent loss, destruction or damage to other people's property or personal injury to other people and must comply (and use reasonable endeavours to ensure that Your employees, servants and agents comply) with all statutory obligations and bylaws or regulations imposed by any public authority for the safety of property or persons.

iv. Observance of policy terms

The observance of the terms and conditions of the Policy by You and by any other person entitled to cover under this Policy.

b) Transfer of interest

No interest in this Policy can be transferred without Our written consent.

c) Our rights of conduct and recovery

Subject to the provisions of the Insurance Contracts Act 1984, We have the right to recover or obtain contribution from, any person against whom You may be able to claim and the right to take action in Your name.

We shall have full discretion in the conduct, defence or settlement of any claim. You and any other person entitled to benefit under this Policy must not hinder these rights and must give all such information and cooperation as We may require.

2. Excesses

The Excess is the amount You pay towards the cost of any claim under this Policy. Each Excess will be shown in the Schedule or in Your Policy. Where a claim or series of claims, that results from one original source or cause is made in respect of:

- a) Section 1 – Property;
- b) Section 2 – Loss of Income;
- c) Section 3 – Theft, Money and Rent Default; **and**
- d) Section 4 – Glass;

of the Policy, or any of them, You will only have to pay the highest applicable single Excess.

Where a Sum Insured is provided under an additional benefit, the Excess amount will be deducted from the claim before the Sum Insured limit is applied.

For cover under Section 7 – General & Products Liability, the Excess applies to all amounts payable by Us, including under additional benefit 1 (Defence costs and expenses), or any investigation costs associated with the claim.

3. Jurisdiction

Any dispute arising from this Policy will be determined by Australian courts and in accordance with the laws of the state or territory of Australia in which the Policy was issued.

4. Cancellation

- a) Under Section 60 of the Insurance Contracts Act 1984, We may cancel this Policy or any section at any time, by giving notice in writing to You of the date from which cancellation is to take effect, including where You have:
 - i. failed to comply with Your duty of utmost good faith;
 - ii. failed to comply with Your duty of disclosure at the time when this Policy or any section of the Policy was entered into, varied, altered, or renewed;
 - iii. made a misrepresentation to Us during the negotiations for this Policy, but before We agreed to issue this Policy;
 - iv. failed to comply with a provision of the Policy;
 - v. failed to pay the premium for this Policy;
 - vi. made a fraudulent claim under this Policy, or any other contract of insurance (whether with Us or another insurer) that provided cover during any part of the Period of Insurance of this Policy;
 - vii. failed to comply with a requirement in this Policy that You notify Us of an act or omission which occurred after this Policy was entered into; **or**
 - viii. failed to notify Us of any specific act or omission or such a notification as is required under the terms of this Policy.

We may deliver such notice to You personally or by post, at Your address last notified to Us.

- b) Under Section 60 of the Insurance Contracts Act 1984, We may cancel this Policy at any time where:
 - i. it is in force by virtue of Section 58 of the Insurance Contracts Act 1984; **or**
 - ii. it is an interim contract of general insurance.
- c) You may cancel this Policy at any time by notifying Us in writing.
- d) After cancellation, We will refund the premium for the time remaining on the Policy, less any non-refundable duties, unless You have made a fraudulent claim.

5. Inspections

We (or agents appointed by Us) have the right to inspect and examine, by mutual appointment, any Property insured under this Policy. Any such inspection shall not amount to a representation as to the ownership, fitness for purpose, quality or safety of the Property insured inspected.

6. Claims preparation costs

We will pay up to:

- a) \$50,000; **or**
- b) the amount shown in the Schedule,

whichever is greater, during the Period of Insurance for costs necessarily and reasonably incurred for the preparation of a claim that We agree to pay You for under Section 1, Section 2, Section 3 Part A, Section 3 Part B or Section 4 of the Policy.

You must obtain Our written approval before You incur any of the costs.

Any amount We pay for claims preparation costs is in addition to the Sum Insured. No Excess applies to the cover for claims preparation costs.

7. Goods and Services Tax

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

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

8. Joint insurance

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

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

9. Alterations to your business

To ensure continued cover under this Policy, it is important that You advise Us immediately of any changes to Your Business that may result in an increased chance of destruction, loss or Damage to Property Insured or liability to third parties. Some examples of changes of which You should notify Us are:

- a) changes in Your name or directors or partners
- b) changes to the address or Situation of Your Business
- c) changes in the nature of Your Business or trade or occupation
- d) alterations in construction of the premises
- e) new Business products not previously disclosed to Us.

When We receive notification of a change, We may decide to either:

- i. adjust the premium or terms of the Policy, **or**
- ii. cancel the Policy if permitted in accordance with the provisions of the Insurance Contracts Act 1984.

10. Premium funders

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

11. Payment of rewards

In addition to the amount of cover provided in each section, We will pay up to \$5,000 for the reimbursement of any public reward expense paid by You to recover property or to identify the offenders responsible following loss, destruction or damage to Your property for which a claim has been paid under any of the sections property, theft and Money, glass and computer and electronic equipment provided that:

- a) the terms of the reward are agreed by Us and approved by the relevant authority before being offered, **and**
- b) no such payment shall be made by You unless the value of the property recovered exceeds the reward.

We shall not unreasonably withhold or refuse consent to the terms of any reward payable under this condition.

See also 'Special conditions' in each section of the Policy.

General exclusions

Any cover We provide is subject to the following exclusions.

Unless stated otherwise, these exclusions apply to all Policy sections.

1. We will not pay for any physical loss, destruction, damage, or liability caused by or arising directly or indirectly from:
 - a) any consequence of war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power;
 - b) Terrorism.
However, exclusion 1 b) will not apply to Section 3 – Theft, Money or Rent Default or Section 4 – Glass;
 - c) confiscation or nationalisation, or requisition or destruction of or damage to property by or under the orders of any government or public or local authority other than physical loss, destruction or damage which occurs as a result of an order if it prevents or attempts to prevent fire or other damage covered by this Policy;
 - d) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste; **or**
 - e) nuclear weapons or nuclear material.

2. We will not cover any loss, damage or liability intentionally caused by You or a person acting with Your consent.
3. We will not provide any cover, for a period of forty eight (48) hours from the time of the commencement of Your Policy for physical loss, destruction or damage caused by:
 - a) bushfire or grassfire; **or**
 - b) a named cyclone.

This exclusion does not apply, however, if this insurance commences directly after another insurance policy covering the same Property expired, without a break in cover.

4. Date recognition special exclusion

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

- a) electronic circuit, microchip, integrated circuit, microprocessor, embedded system, BIOS or other instruction set, hardware, software, firmware, program, computer, data processing equipment, telecommunication equipment or systems, or any similar device; **or**
- b) media or systems used in connection with any of the foregoing, whether the property of the Insured or not, at any time to achieve fully and successfully, any or all of the purposes and consequential effects intended by the use of any number, symbol or word to denote, represent or express a date including, but without being limited to, any failure or inability to recognise, capture, save, retain or restore and/or correctly to manipulate, interpret, transmit, return, calculate or process any date, data, information, command, logic or instruction as a result of or in connection with:
 - i. anything referred to in (a) or (b) above recognising, using or adopting any date, day of the week or period of time, otherwise than as, or other than, the true or correct date, day of the week or period of time; **or**
 - ii. the operation of any command or logic that has been programmed or incorporated into anything referred to in (a) or (b) above.

Exception to date recognition special exclusion

Unless stated otherwise, these exclusions apply to all Policy sections.

However, this special exclusion will not exclude any claim for subsequent loss or destruction of or damage to any property or consequential loss which is solely and directly caused by a defined contingency (as defined hereunder), arising under Section 1 – Property, but only to the extent that such claim would otherwise be insured under that section.

Definition

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

This special exclusion does not apply in respect of voluntary workers personal accident cover, if provided by this Policy.

5. Electronic data and/or software special exclusion

There is no insurance under this Policy in respect of any claim of whatsoever nature which consists of or arises directly or indirectly out of or in connection with:

- a) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data and/or Software;
- b) error in creating, amending, entering, deleting or using Electronic Data and/or Software; **or**
- c) total or partial inability or failure to receive, send, access or use Electronic Data and/or Software for any time or at all,

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

However, for all sections of the Policy except those dealing specifically with public liability, and/or machinery,

in the event that a peril listed below (being a peril insured by this Policy but for this exclusion) is caused by any of the matters described in paragraph (a) above, this Policy, subject to all its provisions, will insure:

- a) physical loss of or damage or destruction to property insured directly caused by such listed peril; **and/or**
- b) consequential loss insured by this Policy.

Further, this exclusion does not apply in the event that a peril listed below (being a peril insured by this Policy but for this exclusion) causes any of the matters described in paragraphs 1, 2 or 3 above:

fire, lightning, thunderbolt, aircraft or other aerial devices or articles dropped there from, earthquake, tsunami, subterranean fire, volcanic eruption, storm, tempest, rainwater, snow, sleet, wind, hail, water, liquids or substances discharged, overflowing or leaking from fixed apparatus, fixed appliances, fixed pipes or other systems, riots, civil commotions, strikes or locked out workers or persons taking part in labour disturbances, explosion, impact by vehicles, animals or trees or branches of trees, communication masts, towers, antennae, satellite dishes, meteorites, breakage of glass, or theft of Electronic Data and/or Software solely where such theft is accompanied by theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing such Electronic Data and/or Software.

See also 'Specific exclusions' in each section of the Policy.

Claims procedure

These claims procedures apply to all sections of the Policy.

The Policy does not provide cover in relation to events that occurred before cover under the relevant section was entered into.

What you must do when you make a claim

You must make Your claim as soon as possible after You suffer a loss. If You do not make it within thirty (30) days, We may reduce what We pay You to take account of any disadvantage We suffer by the delay.

You must also:

1. take all reasonable steps to minimise the loss, damage or liability and to prevent any further loss, damage or liability. We will not be liable for any further damage arising out of the continued use of damaged property, until such property is repaired to Our satisfaction;
2. try to preserve any damaged or defective appliances, plant or things which might prove necessary or useful as evidence in connection with any claim;
3. as far as possible, and with due regard for safety, make no alteration or repair without our consent;
4. keep all damaged property for inspection by Us;
5. advise the nearest Police station in the case of property lost, stolen, or vandalised, and obtain a written Police report if requested by Us;
6. tell Us of any prosecution or inquest that may be held and send to Us any document relating to Your claim within seventy two (72) hours of You receiving the document;
7. at Your own expense, provide Us with all records, vouchers, invoices, and other documents, information, explanations and other evidence together with a statutory declaration, as We may require for the purpose of investigating or verifying a claim under this Policy. You must cooperate fully in this regard; **and**
8. provide Us with a statement detailing other insurances which may also provide cover on any property or liability We have insured.

What you must not do in the event of a claim

You must not:

1. authorise repairs to, or arrange replacement of, any of the property relevant to the claim without Our consent unless by not authorising the repairs, the safety of people is put at risk; **or**
2. make any admission of liability or payment or promise or offer of payment in connection with any claim, without Our written consent.

See also 'Claims procedure' in each section of the Policy.

Section 1 Property

Introduction

This section forms part of Your Policy only if Your Schedule shows that You have taken out cover under Section 1.

Definitions

When the following words and terms are capitalised in this Section 1, they have the meaning set out below.

Buildings and Contents means all tangible property both real and personal of every kind and description belonging to You, or for which You are legally responsible, or for which You have assumed responsibility to insure prior to the occurrence of any physical loss, destruction or damage.

But Buildings and Contents does not include:

1. Stock;
2. Money;
3. jewellery, furs, bullion, precious metals or precious stones;
4. works of art, antiques and curios other than works of art, antiques and curios that are on the Premises at the time of the physical loss, destruction or damage, provided that the most We will pay for all these items is limited to:
 - a) \$50,000; **or**
 - b) the amount shown in the Schedule, whichever is the greater;
5. any locomotive or rolling stock or watercraft;
6. any aircraft including its accessories and/or spare parts;
7. vehicles or trailers registered or licensed or required to be registered or licensed to travel on a public road, provided that We will pay for physical loss, destruction or damage to mobile plant and equipment (but not cars, sedans, panel vans and trucks) not otherwise insured while at the Situation;
8. livestock, animals, birds or fish (other than animals, birds or fish used solely for decorative purposes and only in respect of loss arising from fire only). Our liability shall not exceed \$10,000 or the amount shown on the Schedule for decorative animals, birds or fish (fire only cover)" for any one loss or series of losses arising out of any one event or occurrence;
9. standing timber, growing crops and pastures;
10. land, provided that We will pay for physical loss, destruction or damage to structural improvements on or in the land not otherwise excluded in this Section 1;
11. bridges, canals, roadways and tunnels, dams and reservoirs (other than tanks) and their contents;
12. railway tracks (unless they are on the Premises);
13. property undergoing construction, erection, alteration or addition except and to the extent provided for under 'Additional benefit 13 - Capital additions' in this Section 1;

14. empty Premises undergoing demolition; **or**
15. Business records and Documents other than for their value as stationery, except and to the extent provided under Additional benefit 5 – Rewriting of records' in this Section 1.

Debris means the residue of damaged Property.

Full Insurable Value means the amount necessary to fully indemnify You within the terms of this Section 1.

Pollution or Contamination means the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon any property, land, atmosphere or any water course or body of water (including ground water).

Premises means the Buildings or any part of the Buildings owned by You for the purpose of the Business.

Stock means the items belonging to You or for which You are legally responsible, or have assumed a responsibility to insure, described below:

1. Merchandise or materials of trade manufactured, unmanufactured or in the course of manufacture;
2. Materials used in manufacture and packing;
3. Consignment stock;
4. Goods held in trust or on commission;
5. Pallets and containers;
6. Consumable materials used in the operation of machinery;
7. Goods on lay-by, or held for repair or service,

and including Your liability for customs, excise and other duties which You may become liable to pay as a result of physical loss, destruction or damage to Stock described at numbers 1 to 7 inclusive of this definition.

See also 'General definitions' in the General Provisions section of this Policy booklet for the meaning of other words and terms that apply to all sections.

Cover

We cover You for physical loss, destruction or damage to Property that occurs at the Situation during the Period of Insurance.

We will not pay You if any of the matters set out in the 'Specific exclusions' in this Section 1 or the 'General exclusions' apply.

Limitation

The most We will pay is the Sum Insured for the item at the Situation shown in Your Schedule, less the applicable Excess.

Additional benefits

If We agree to pay your claim under this Section 1, We will also cover you for the following 'Additional benefits'.

Unless otherwise indicated, any amount We pay for these 'Additional benefits' is not in addition to the Sum Insured and is subject to any limit specified in the applicable 'Additional benefit'. The 'Underinsurance/average' clause in this Section 1 does not apply to the 'Additional benefits'.

You must obtain Our written consent before any of the costs are incurred.

1. Architects', surveyors' and legal fees

Where the Sum Insured is not otherwise exhausted, We will pay for legal fees, fees of architects, surveyors, consulting engineers, and clerks of work's salaries for estimates, plans, specifications, quantities, tenders and supervision necessarily incurred in the reinstatement or repair of the Property as a result of physical loss, destruction or damage occurring in the Period of Insurance. However, We will not pay for costs, fees or other expenses for preparing a claim made under this additional benefit of Section 1.

2. Reinstatement of sum insured

Following a claim for a partial loss under this Section 1, We will reinstate the Sum Insured to the full amount shown in the Schedule from the date of loss, provided You pay or agree to pay any extra premium required by Us.

3. Floor Space Ratio Index (Plot Ratio)

If a Building is lost, destroyed or damaged in the Period of Insurance and:

- a) the cost of reinstatement is more than fifty percent (50%) of the cost of reinstatement that would have been incurred if the Building had been totally destroyed; **and**
- b) reinstatement is only legally permissible with a reduced floor space ratio index,

then We will pay in addition to any other amount payable on reinstatement of the Building, the difference between the actual cost of reinstatement incurred in accordance with the reduced floor space ratio index and the cost of reinstatement which would have been incurred had a reduced floor space ratio index not been applicable.

In calculating the amount payable under this 'Additional benefit', any payment made by Us will include the extra cost payable under clause 1 b) of 'Settlement of claims' later in this section.

However, We will reduce the amount We pay You by any amount You may receive as compensation.

Any amount payable under this 'Additional benefit' will be paid upon the completion of the rebuilding works as certified by the architect acting on Your behalf in the reinstatement of the Building.

4. Undamaged foundations

Where a Building or an installation constructed on its own foundations is destroyed or damaged in the Period of Insurance in circumstances for which a claim is payable under Section 1 but its foundations are not destroyed and due to legal requirements, reinstatement of the Building has been carried out upon another site, the abandoned foundations will be considered as having been destroyed.

If, however, the resale value of the original Building site is increased by virtue of the presence of the abandoned foundations, then such increase in resale value will be regarded as salvage and that amount will be paid to Us by You upon completion of the sale of the site, or will be deducted from the final amount of any moneys payable by Us under Section 1, whichever occurs later.

5. Rewriting of records

If Your records or Documents are physically lost, destroyed or damaged in circumstances for which a claim is payable under this Section 1 in the Period of Insurance, We will pay up to:

- a) \$50,000; **or**
- b) the amount shown in the Schedule,

whichever is greater, for any one event for the reasonable costs of rewriting, re-installing, replacing or restamping of Your records or Documents.

We will also cover Your Documents if they are physically lost, destroyed or damaged in circumstances for which a claim is payable under this Section 1 when they are away from Your Situation but in a building within Australia if You store them in a safety deposit box at a bank or entrust them to Your accountant, real estate agent or legal representative.

Any amount We pay for this Additional Benefit is in addition to the Sum Insured.

However:

- a) We will not pay for the value to You of the information on the records or Documents;
- b) We will not pay for reinstatement of electronic data stored or created more than thirty (30) days before the date of the loss, if such data has not been backed up and stored away from the computer site;
- c) the work of rewriting must be commenced and carried out with due diligence, failing which We will not be liable to pay more than the amount We would have been liable to pay had the work of replacing or repairing the item been carried out with such due diligence; **and**
- d) We will not be liable to make any payment until the cost of rewriting is incurred.

6. Removal of debris

Where the Sum Insured is not otherwise exhausted, We will pay for the reasonable cost of:

- a) removal, storage and disposal of Debris and of anything that caused physical loss, destruction or damage in the Period of Insurance from the Situation;
- b) removal, storage and disposal of Debris from premises, roadways, services, railways or waterways owned by any other person or entity where You are liable at law to remove, store or dispose of such Debris as a result of physical loss, destruction or

damage occurring in the Period of Insurance, together with the cost of cleaning up, but only if the liability has not arisen as a result of any agreement made by You unless such liability would have attached to You without the agreement;

- c) the demolition, dismantling, shoring up, propping or underpinning of Property or other temporary repairs to Property as a result of physical loss, destruction or damage occurring in the Period of Insurance; **or**
- d) the demolition and removal of Property which is necessary for the purpose of repair or replacement as a result of physical loss, destruction or damage occurring in the Period of Insurance.

However, We will not pay for any material which is itself a pollutant or contaminant, and which is deposited beyond the boundaries of the Situation.

Where the Sum Insured has been otherwise exhausted We will pay up to \$100,000, or the amount shown in the Schedule under 'Additional Removal of Debris', towards the removal of Debris costs as specified above.

7. Temporary protection and security guards

We will pay up to:

- a) \$25,000; **or**
- b) the amount shown in the Schedule,

whichever is greater, for any one event for the cost necessarily and reasonably incurred for temporary protection and for employment of security guards to safeguard the Property, pending repair or replacement of physical loss, destruction or damage occurring in the Period of Insurance.

Any amount We pay for this 'Additional benefit' is in addition to the Sum Insured.

8. Exploratory costs

We will pay up to:

- a) \$25,000; **or**
- b) the amount shown in the Schedule,

whichever is greater, for any one event for the reasonable cost of identifying and locating the source of the physical loss, destruction or damage occurring in the Period of Insurance that is caused by the discharge, overflowing or leakage from fixed apparatus, fixed appliances, fixed pipes or other systems used to hold or carry liquid of any kind.

However, We will not pay for the repair or replacement of the apparatus, appliances, pipes or other systems themselves.

Any amount We pay for this 'Additional benefit' is in addition to the Sum Insured.

9. Government fees

We will pay up to:

- a) \$25,000; **or**
- b) the amount shown in the Schedule,

whichever is greater, for any one event for any fee, contribution or other impost payable to any government, local government or other statutory authority, incurred by You because payment of such fee, contribution or impost is a condition precedent to the obtaining of consent to repair or replace any Buildings insured under this Section 1.

However, We will not pay for any fine or penalty imposed by such authorities.

Any amount We pay for this 'Additional benefit' is in addition to the Sum Insured.

10. Environmental upgrade

If You elect to repair or replace Property (including any part of the Property) that is lost, destroyed or damaged in the Period of Insurance, using, or with, more environmentally friendly technology, products or materials, that improve the energy and water efficiency of the Property, We will pay You up to ten percent (10%) more than the amount We would otherwise have paid to repair or replace the item that is being upgraded.

Any amount We pay for this 'Additional benefit' is in addition to the Sum Insured for the item of Property being upgraded.

11. Catastrophe – Property

We will pay up to an additional twenty percent (20%) of the Sum Insured for the item at the Situation shown in Your Schedule if Your Property is physically lost, destroyed or damaged in the Period of Insurance as a result of a government-declared catastrophe or emergency. We will not pay any claim under this 'Additional benefit' unless:

- a) Your item of Property is totally destroyed as a result of a government-declared catastrophe or emergency; **and**
- b) the Sum Insured for that item Property accurately reflects the Full Insurable Value.

Any amount We pay for this 'Additional benefit' is in addition to the Sum Insured for that item of Property which is totally destroyed.

12. Discharge of mortgage(s)

Where the Sum Insured for Building and Contents is not otherwise exhausted, We will pay up to the balance of the Sum Insured for the reasonable legal costs to discharge a mortgage or mortgages on the Buildings or Contents following settlement of a claim on the basis of a total loss whether actual or constructive.

When the Sum Insured is exhausted, in respect of the discharge of a mortgage on Buildings or Contents, We will pay up to ten percent (10%) of the Sum Insured for Buildings and Contents following settlement of a claim on the basis of a total loss whether actual or constructive.

Whether or not We have agreed to pay a claim under Section 1, We will extend Your cover to include the following 'Additional benefits'.

Any amount We pay for these 'Additional benefits' is in addition to the Sum Insured and is subject to any limit specified in the applicable 'Additional benefit'.

13. Capital additions

We will extend cover for Property at any one Situation to include any construction, erection, alteration and addition (including the partial dismantlement of existing structures) to the Buildings during the Period of Insurance.

The most We will pay under this 'Additional benefit' is:

- a) twenty percent (20%) of the Sum Insured for the item at the Situation shown in Your Schedule; **or**
 - b) \$500,000,
- whichever is the lesser.

14. Fire extinguishment costs

We will pay up to:

- a) \$50,000; **or**
- b) the amount shown in the Schedule,

whichever is greater, for any one event for the costs and expenses, including wages of Your employees, necessarily and reasonably incurred during the Period of Insurance:

- a) in extinguishing fire at or in the vicinity of, and threatening to involve, the Property;
- b) in preventing or diminishing imminent physical loss, destruction or damage to the Property;
- c) in gaining access consequent upon physical loss, destruction or damage to the Property;
- d) in the replenishment of fire fighting appliances and apparatus at the Premises;
- e) for the purpose of shutting off the supply of water or other substances which are accidentally discharged including from any fire protective equipment at the Premises; **or**
- f) for which You are liable under any Fire Brigade Act or similar legislation following the circumstances described in (a) or (b) above.

15. Property insured temporarily removed

We will pay up to:

- a) \$25,000; **or**
- b) the amount shown in the Schedule,

whichever is greater, for any one event for physical loss, destruction or damage occurring in the Period of Insurance to Buildings and Contents and Specified Items while temporarily removed from the Situation, but excluding:

- a) Stock, Money, clothing or personal effects owned by You or by the owners, partners, proprietors, directors or employees of Your Business; **and**
- b) Buildings and Contents or Specified Items that have been removed from the Premises for a period in excess of ninety (90) days without Our written agreement to continue cover.

16. Landscaping and playing surfaces

We will pay up to:

- a) \$50,000; **or**
- b) the amount shown in the Schedule,

whichever is greater, for any one event for physical loss, destruction or damage occurring in the Period of Insurance to landscaping or playing surfaces at the Situation caused by fire, theft, vandalism or the impact of a vehicle.

However, We will only pay to replace plants, trees or shrubs growing in the ground, lawns, rocks and landscaping.

17. Clothing, tools and personal effects

We will pay up to \$5,000 for any one person, any one event for clothing, tools and personal effects (other than Money), not otherwise insured, belonging to Your social clubs, or belonging to the owners, partners, proprietors, directors or employees of Your Business that is lost, destroyed or damaged while at the Situation in the Period of Insurance.

18. Home office contents

We will pay up to:

- a) \$25,000; **or**
- b) the amount shown in the Schedule,

whichever is greater, for any one event for loss to You as a result of physical loss, destruction or damage occurring in the Period of Insurance to Contents, other than those Contents for which cover is available under 'Additional benefit 15 – Property insured temporarily removed', used for Your Business that occurs while the Contents are at the home of the owners, partners, proprietors or directors of Your Business.

19. New property – temporary cover

We will cover You for all property within Australia that becomes Yours after the commencement of the Period of Insurance, for sixty (60) days from the date the property becomes Yours (unless the Period of Insurance ends sooner or the property ceases to be Yours, whichever occurs first), but the cover is limited to:

- a) property that is used for the Business; **and**
- b) the property being of a similar type to the Property already insured under this Section 1.

Full details of the additional property must be supplied to Us within thirty (30) days of You first acquiring the property. If We agree to cover the additional property, You must pay or agree to pay any additional premium We ask for. If You do not pay or do not agree to pay the additional premium, We will not pay You for loss, destruction or damage to the additional property.

We will pay up to:

- a) \$250,000; **or**
 - b) the amount shown in the Schedule,
- whichever is the greater, for each item of property.

20. Cost of clearing blocked drains, pipes, filters and pumps

In addition to cover provided under 'Additional benefit 6 – Removal of debris', We will cover You for costs necessarily and reasonably incurred by You with Our prior consent to clear service pipes, drains, gutters or sewers, filters and pumps including repairs, at or in the immediate vicinity of the Situation as a result of physical loss, destruction or damage occurring in the Period of Insurance under Section 1, together with the cost of cleaning up, but only if the liability has not arisen as a result of any agreement made by You unless such liability would have attached to You without the agreement.

Where the Sum Insured on Building and Contents has been otherwise exhausted We will pay up to \$25,000, provided that We will not pay for:

- a) normal maintenance costs of clearing and/or maintaining such service pipes, drains, gutters or sewers or for the costs of clearing tree root infestation; **or**
- b) any such costs which are entitled to be recovered under any other policy of insurance in respect of the Building and Contents to the extent permitted by law.

Special clauses

1. Underinsurance/average

- a) You should insure Your Buildings and Contents and Specified Items for their Full Insurable Value.
- b) In the event of physical loss, destruction or damage insured under this Section 1, We will not be liable for more than that proportion of the physical loss, destruction or damage which the Sum Insured for Buildings and Contents and Specified Items at the Situation to which the lost, destroyed or damaged item or items belongs bears to eighty percent (80%) of the Full Insurable Value of all such property as at the time of the commencement of the Period of Insurance.

For the purpose of the application of this 'Special clause', the Sum Insured for the item at the Situation will not include any allowance for the costs and expenses for which cover is provided as an Additional Benefit under this section.

Conditions

- a) Our liability is limited to the Sum Insured for the item at the Situation as shown in the Schedule.
- b) This clause will not apply if the amount of any physical loss, destruction or damage does not exceed ten percent (10%) of the Sum Insured at the Situation.

Example

Item value \$200,000

80 percent (80%) of value = \$160,000.

Sum Insured \$144,000

Therefore if a \$100,000 loss occurs, We would pay

$\$144,000 \times \$100,000 / \$160,000 = \$90,000$

We would pay \$90,000 (less any applicable Excess).

2. Earthquake, subterranean fire, volcanic eruption excess

You will bear the first \$20,000 or one percent (1%) of the total Sum Insured at the Situation shown in the Schedule, whichever is the lesser, in respect of physical loss, destruction or damage at the Situation to Property caused by earthquake, subterranean fire, volcanic eruption, or fire occasioned by, or happening through, or in consequence of, earthquake, subterranean fire or volcanic eruption, occurring during any period of seventy two (72) consecutive hours.

3. Excess for all other claims

For all other claims for physical loss, destruction or damage to Property other than those to which the 'Earthquake, Subterranean Fire, Volcanic Eruption Excess' applies, You will bear the Excess shown in the Schedule.

4. Release clause

Without prejudicing Your position under Section 1, You may release any railways, statutory governmental, semi-governmental or municipal authority from any liability if the terms of any written and executed contract require You to do so.

Endorsements

The following endorsements do not apply automatically. They only apply if You have requested that they apply and Your Schedule has been endorsed by Us noting their application.

1. Flood

Specific exclusion 4 of this section does not apply if Endorsement 1 – Flood is shown on Your Schedule.

2. Underinsurance/average

'Special clause 1: Underinsurance/average' is deleted if Endorsement 2 – Underinsurance/average is shown on Your Schedule.

3. Environmental upgrade

The percentage amount shown in 'Additional benefit 10 – Environmental upgrade' is deleted and replaced with the percentage amount shown in the Schedule.

Settlement of claims

For the purpose of these 'Settlement of claims' clauses:

Replacement Cost means the cost necessary to replace, repair or rebuild the Property insured to a condition substantially the same as but not better or more extensive than its condition when new.

Indemnity Value means 'Indemnity Value' as defined in the 'General definitions'.

1. Buildings and contents

In the event of a claim for Buildings and Contents, other than for Buildings awaiting demolition as specified in clause 2 below or Specified Items:

- a) We will pay the Replacement Cost.

Conditions

- i. The work of rebuilding, or replacing, or repairing, or restoring (which may be carried out upon another site and in any manner suitable to Your requirements, provided that Our liability is not increased because of that) must be commenced and carried out with due diligence, failing which We will not be liable to make any payment beyond the amount that would have been incurred if the work of rebuilding, replacing or repairing had been commenced and carried out with reasonable dispatch.
- ii. Where Property is physically lost, destroyed or damaged in part only, Our liability will not exceed the sum representing the Replacement Cost which We would have been called upon to pay if the Property had been wholly destroyed.
- iii. No payment beyond the Indemnity Value will be made, until a sum equal to the Replacement Cost has been incurred.
- iv. We will pay for fixed coverings to walls, floors and ceilings (including carpets) only in the room, hall or passage in which the physical loss, destruction or damage occurred.

- b) We will also pay the extra cost of reinstatement including any demolition or dismantling of the Property, which has been physically lost, destroyed or damaged necessarily incurred to comply with the requirements of any lawful authority.

Conditions

- i. The work of reinstatement (which may be carried out wholly or partially upon another site if the lawful authority so requires, provided that Our liability is not increased because of that) must be commenced and carried out with due diligence, failing which We will not be liable to make any payment beyond the amount that would have been incurred if the work of reinstatement had been commenced and carried out with reasonable dispatch.
- ii. We will not pay for the additional cost incurred in complying with requirements of any lawful authority or requirements You had been duly required to comply with before the happening of the event causing the physical loss, destruction or damage.
- iii. Underinsurance/Average will not be applied to the amount payable under this clause 1(b).
- iv. If the physical loss, destruction or damage is less than fifty percent (50%) of the Replacement Cost of the Buildings or Contents, the amount We pay under this clause 1(b) is limited to:
 - a) \$350,000; **or**
 - b) the amount shown in the Schedule,whichever is the greater, for each item of Property.

2. Buildings awaiting demolition

In the event of a claim for Buildings awaiting demolition We will pay You the salvage value of the lost, destroyed or damaged Building materials.

3. Loss of land value

Where the Sum Insured on Building and Contents is not otherwise exhausted, We will also pay for any loss of land value following Your claim that is a result of government or local authority legislation that reduces the floor area of Your Buildings. Loss of land value is the difference between the value of the land just before the loss or damage occurred and the value of the land just after the damage or loss occurred. We will reduce the amount We pay You for the loss of land value by any amount that You receive as compensation for this loss. The most We will pay is the unused portion of Your Sum Insured.

4. Matching materials

We will try to match any material used to repair Your Property with the original materials. If We cannot, We will use the nearest equivalent to the original materials available. We will not pay any costs for replacing undamaged Property.

5. Raw materials

In the event of a claim for raw materials, supplies and other merchandise not manufactured by You, We will pay:

- a) the Replacement Cost calculated at the time and place of replacement, provided that replacement has been carried out with reasonable dispatch; **or**
- b) if not replaced, the original cost to You of the Property or the Indemnity Value, whichever is the lesser.

Specific exclusions

We will not pay You under this Section 1 for physical loss, destruction or damage caused by, or as a consequence of:

1. heating or any process involving the direct application of heat. This exclusion applies to the item or items immediately affected and does not apply to damage to other Property which results from such heating or any process involving the direct application of heat;
2. action of the sea, tidal wave or high water unless it happens immediately following and is as a result of an earthquake, earth tremor or seismological disturbance under the sea;
3. storm surge meaning the increase in sea level that usually occurs with an intense storm or cyclone;
4. Flood;
5. fraudulent misappropriation, embezzlement, fraud or dishonest acts committed by You or by any of Your employees acting alone or in collusion with any other person or persons, forgery, erasure, counterfeiting;
6. clerical or accounting errors;
7. incorrect siting of Buildings as a result of error in architectural design or specification, faulty workmanship or non-compliance with the requirements of any government, local government or statutory authority;
8. demolitions ordered by government, public or local authorities as a result of Your failure or the failure of Your agents to comply with any lawful requirement;
9. erosion, subsidence, landslide, collapse or any other movement of earth unless it happens immediately following and is as a result of an earthquake, explosion or a storm, or water leaking or escaping from pipes, gutters, drainpipes or other fixed plumbing apparatus;
10. mechanical, hydraulic, electrical or electronic breakdown, failure, malfunction or derangement of any instrument, machine, device, or temperature controlling equipment;
11. moths, termites, other insects, vermin, rust or oxidation, mould, mildew, Pollution or Contamination, wet or dry rot, corrosion, change of colour, dampness, variations in temperature, evaporation, disease, inherent vice or latent defect, structural defect, loss of weight, change in flavour, texture or finish, stain or smoke from industrial operations;
12. birds, vermin or animals that peck, bite, chew or scratch;
13. wear and tear, fading, scratching or marring, gradual deterioration, developing flaws, normal up-keeping or making good;
14. error or omission in design, plan or specification, or failure of design;

15. normal settling, seepage, shrinkage or expansion in Buildings or foundations, walls, pavements, roads, and other structural improvements, creeping, heaving, vibration;
16. tree roots;
17. faulty materials or faulty workmanship;
18. legal liability of any nature;
19. consequential loss of any kind, including, but without limiting the generality of this exclusion, loss due to delay, lack of performance, loss of contract or depreciation in the value of any undamaged property, except as specifically provided for in Section 1;

20. the explosion, implosion, rupture, collapse, bursting, cracking or overheating of any boiler (other than a boiler used for domestic purposes), economisers or other pressure equipment, including pipes, valves and other apparatus forming part of these. This exclusion applies to the items immediately affected and does not apply to damage to other Property caused by any of the circumstances referred to in this exclusion;
21. storm, tempest, rainwater, snow, sleet, wind or hail to:
 - a) gates, fences, retaining walls, shadecloth, exterior textile awnings or blinds; **or**
 - b) Property in the open air, unless such Property is a permanent structure designed to function without the protection of walls or roof.

However, We will pay for such physical loss, destruction or damage to:

- i. gates, fences, retaining walls, shadecloth, exterior textile awnings or blinds, up to \$20,000 or the amount shown in the Schedule, whichever is greater, in total, any one event; **and**
 - ii. Contents in the open air at the situation, up to \$7,500 or the amount shown in the Schedule, whichever is greater, in total, any one event;
22. kidnapping, bomb threat, threat of contamination, hoax, extortion or any attempt at any of these;
 23. trickery;
 24. theft;
 25. breakage of glass insured under Section 4 of this Policy, or that would have been covered but for the application of a Specific exclusion in Section 4 of this Policy;
 26. an occurrence which happens whilst Your Premises have been unoccupied for more than ninety (90) consecutive days unless We otherwise agree in writing.

This exclusion does not apply to damage caused by:

- a) lightning, earthquake, volcanic eruption, tsunami and subterranean fire;
- b) impact by road vehicle or their loads, animals, trees, or branches, meteorites, aircraft or other aerial devices or articles dropped from them, sonic boom or space debris, falling communication masts, towers, antennae or dishes, falling building or structures or parts thereof which do not belong to You; **or**
- c) riots, civil commotions and strikes,

which would be otherwise be covered under this Section 1 of the Policy.

Specific exclusions 10–15 & 17 above apply to the items immediately affected and do not apply to physical loss, destruction or damage to other Property occasioned by a peril not otherwise excluded and caused by any of the circumstances referred to in these exclusions.

See also 'General exclusions' in the General Provisions section of this Policy booklet that apply to all sections.

Special condition

You must comply with the special condition noted below otherwise We may not pay Your claim under this Section 1.

Sprinkler installations

For any Property in which an automatic sprinkler system is installed and which is owned by You, or where You are responsible for the operation or maintenance of the automatic sprinkler system, You must:

1. ensure that the Property is protected as required by law by an approved installation of automatic sprinklers, automatic external alarm signal and automatic alarm signal connected with a fire brigade station or other legally approved monitoring organisation;
2. exercise due diligence to ensure that any system and alarm signal are at all times maintained in good working order;
3. ensure that such system will be regularly maintained in accordance with Australian Standard AS1851 (Part 3); **and**
4. notify Us, in writing and as soon as reasonably practicable, of any alterations or additions to the automatic sprinkler installation.

See also 'General conditions' in the General Provisions section of this Policy booklet that apply to all sections.

Claims procedure

If something happens which may give rise to a claim under this Section 1, You must not:

1. authorise repairs; **or**
2. arrange replacement of; **or**
3. alter;

any of the lost, destroyed or damaged Property without Our consent unless such repair, replacement or alteration is necessary for safety reasons.

See also 'Claims procedure' in the General Provisions section of this Policy booklet for details of other obligations You have in the event of a claim.

Section 2

Loss Of Income

Introduction

This section forms part of Your Policy only if Your Schedule shows that You have taken out cover under Section 2.

Definitions

When the following words and terms are capitalised in this Section 2, they have the meaning set out below.

Adjustment means adjustment as necessary to provide for the trend of the Business and variations in, or other circumstances:

1. affecting the Business, either before or after the date of the physical loss, destruction or damage; **or**
2. which would have affected the Business had the physical loss, destruction or damage not occurred,

so that the adjusted figures represent as nearly as may be reasonably practicable the results that, but for the physical loss, destruction or damage, would have been obtained during the relative period after the physical loss, destruction or damage.

Annual Income means the Income during the twelve (12) months immediately before the date of the physical loss, destruction or damage, after Adjustment.

Income means the total of:

1. the amount receivable by You in accordance with a lease or agreement existing at the time of physical loss, destruction or damage to the Property;
2. the amount paid or payable to You for services rendered; **and**
3. all other sources of income received in the course of the Business,

less Uninsured Working Expenses.

Indemnity Period means the period beginning with the date of the occurrence of the physical loss, destruction or damage during the Period of Insurance and ending not later than the last day of the 'Indemnity Period' shown in the Schedule, during which period the results of the Business are affected as a consequence of the physical loss, destruction or damage.

Property means the property at the Situation belonging to You, or for which You are legally responsible or have assumed a responsibility to insure.

Standard Income means the sum representing Income during that period in the twelve (12) months immediately before the date of the physical loss, destruction or damage that corresponds with the Indemnity Period (appropriately adjusted where the Indemnity Period exceeds twelve (12) months), after Adjustment.

Uninsured Working Expenses means the items shown as 'Uninsured Working Expenses in the Schedule.

See also 'General definitions' in the General Provisions section of this Policy booklet for the meaning of other words and terms that apply to all sections.

Cover

We will cover You if the Business is interrupted or interfered with as a result of physical loss, destruction or damage occurring during the Period of Insurance to:

1. Property insured under any of the following sections of this Policy:
 - a) Section 1 – Property;
 - b) Section 3 – Theft, Money and Rent Default Part A – Theft;
 - c) Section 3 – Theft, Money and Rent Default Part B – Money
 - d) Section 4 – Glass; **or**
 - e) Section 8 – Machinery,for which a claim has been paid or liability admitted, or such claim would have been paid or liability admitted but for the application of an Excess.
2. property insured under another insurance policy and:
 - a) the insurer has paid or admitted liability under its policy or would have paid or admitted liability but for the application of an excess; **and**
 - b) the physical loss, destruction or damage would have been covered under one of the sections of this Policy listed in 1 above had You elected to take out the cover; **or**
3. Property insured by You under Section 1, as a result of explosion or implosion of boilers (other than boilers used for domestic purposes only), economisers, or vessels under pressure, including their own explosion or implosion.

We will not pay You if any of the matters set out in the 'Specific exclusions' in this Section 2 or the 'General exclusions' apply.

Limitation

The most We will pay is the Sum Insured for each item at the Situation shown in Your Schedule, less the applicable Excess.

Settlement of claims

We will, after taking into account any sum saved during the Indemnity Period for charges and expenses of the Business that may cease or be reduced in consequence of the interruption or interference, pay You:

Item 1. Loss of income

loss of Income calculated as follows:

- a) the amount by which the Income falls short of the Standard Income during the Indemnity Period as a consequence of the physical loss, destruction or damage, after Adjustment; **and**
- b) the additional expenditure necessarily and reasonably incurred by You for the sole purpose of avoiding or minimising the reduction in Income during the Indemnity Period in consequence of the physical loss, destruction or damage, but not exceeding the reduction in Income thereby avoided.

Any Income resulting from a salvage sale during the Indemnity Period will not be taken into account when calculating the loss of Income.

Item 2. Additional increased cost of working

the cost of further expenditure not otherwise payable under this section, necessarily and reasonably incurred during the Indemnity Period in consequence of the physical loss, destruction or damage, for the sole purpose of avoiding or minimising a reduction in Income (but not exceeding the reduction in Income thereby avoided) or resuming or maintaining the normal operation of the Business.

Item 3. Accountants' fees

the reasonable costs of Your accountants and auditors necessarily incurred by You in the Indemnity Period for producing or certifying the bills, accounts or particulars required by Us for a claim made under this Section 2.

The most We will pay under this item is \$50,000 or the amount shown in the Schedule for accountants' fees, whichever is greater.

Additional benefits

We also cover You for the following 'Additional benefits':

1. Reinstatement of sum insured

After We have paid a claim for a partial loss under this section, We will reinstate the Sum Insured for the item to the full amount shown in the Schedule from the date of loss, provided You pay or agree to pay any extra premium that applies if required by Us.

2. Murder, suicide or disease

If loss results from interruption to or interference with the Business due to any of the following occurring in the Period of Insurance:

- a) murder or suicide occurring at or in the immediate vicinity of the Situation;
- b) injury, illness or disease caused by the consumption of food or drink provided and consumed at the Situation;
- c) the outbreak of a human infectious or contagious disease occurring within a 20 kilometre radius of the Situation; **or**
- d) closure or evacuation of Your Business at the Situation by order of a government, public or statutory authority consequent upon:
 - i. the discovery of an organism likely to result in a human infectious or contagious disease at the Situation; **or**
 - ii. vermin or pests at the Situation; **or**
 - iii. defects in the drains or other sanitary arrangements at the Situation,

then that loss will be deemed to be in consequence of physical loss, destruction or damage to Property covered under Section 1 of this Policy.

We will not cover interruption to or interference with the Business under (c) and (d)(i) of this 'Additional benefit' in respect of Highly Pathogenic Avian Influenza in Humans or any other diseases declared to be quarantinable diseases under the Quarantine Act 1908 (Cth) and subsequent amendments, or any human disease determined to be a listed human disease under the Biosecurity Act 2015 (Cth) (including any subsequent amendment or replacement thereof or any equivalent legislation).

3. Prevention of access, public utilities, computer installations, commercial complexes

If loss results from the interruption to or interference with the Business due to physical loss, destruction or damage occurring in the Period of Insurance to property not owned by You that would have been covered under this section of this Policy, and such Property is located:

- a) within 20 kilometres of the Situation, and where such physical loss, destruction or damage prevents or hinders access to, or use of, the Property;
- b) anywhere within Australia, and where such property belongs to or is under the control of suppliers of electric power, gas, communications, water or sewerage reticulation control systems, from which You obtain services, but not for the first forty eight (48) hours of any loss;
- c) at computer installations utilised by You anywhere in Australia, including physical loss, destruction or damage to ancillary equipment and data processing media; or
- d) in any commercial complex of which the Business forms a part or in which the Business is contained, and where such physical loss, destruction or damage results in cessation or diminution of trade, including any cessation or diminution of trade due to temporary falling away of custom,

then, for the purpose of this Section 2, that loss will be treated as loss resulting from interruption to or interference with the Business due to physical loss, destruction or damage to Property covered under Section 1.

4. Documents

If the results of the Business are interrupted or interfered with as a consequence of physical loss, destruction or damage occurring in the Period of Insurance to Documents that belong to You or are held in trust by You that would have been covered under Section 1 – Property or Section 3 - Part A – Theft, then physical loss, destruction or damage to such Documents while they are in transit or at premises not occupied by You will for the purpose of this Section 2, be treated as physical loss, destruction or damage to Property covered by Section 1 or Section 3 - Part A of this Policy.

Special clauses

1. New business

If physical loss, destruction or damage occurs before the completion of the first year's trading of Your Business, the definition of Annual Income will mean the proportional equivalent, for a period of twelve (12) months, of the actual realised Income.

2. Underinsurance/average

If at the date of the physical loss, destruction or damage the Sum Insured as shown in the Schedule for 'Loss of Income' at the Situation is less than eighty percent (80%) of the Annual Income (appropriately increased if the Indemnity Period exceeds twelve (12) months) then We will only pay that portion of the claim which the Sum Insured for 'Loss of Income' bears to eighty percent (80%) of the value of the Annual Income, in accordance with the formula:

Loss of Income x Sum Insured for 'Loss of Income' / 80 percent (80%) of Annual Income.

Example

Where the Annual Income is valued at \$200,000 but the Sum Insured on the Schedule for 'Loss of Income' is \$100,000 and a loss of \$50,000 occurs:

80 percent (80%) of \$200,000 = \$160,000

We will pay \$50,000 x \$100,000 / \$160,000 = \$31,250 (less any applicable Excess)

We will not pay \$18,750 of the claim.

This clause will not apply if the loss is less than ten percent (10%) of the Sum Insured for 'Loss of Income' at the Situation.

Endorsements

The following endorsement does not apply automatically. It only applies if You have requested the endorsement and Your Schedule has been endorsed by Us noting its application.

Underinsurance/average

'Special clause 2: Underinsurance/Average' is deleted.

Exclusions

See the 'General exclusions' in the General Provisions section of this Policy booklet that apply to all sections.

Conditions

See the 'General conditions' in the General Provisions section of this Policy booklet that apply to all sections.

Claims procedure

See 'Claims procedure' in the General Provisions section of this Policy booklet for details of Your obligations in the event of a claim.

Section 3

Theft, Money And Rent Default

This section has 3 Parts:

- **Part A – Theft;**
- **Part B – Money; and**
- **Part C – Rent Default**

Part A

Theft

Introduction

Part A of Section 3 forms part of Your Policy only if Your Schedule shows that You have taken out cover under Part A of Section 3.

Definitions

When the following words and terms are capitalised in Part A of Section 3, they have the meaning set out below.

Buildings and Contents means all tangible property both real and personal of every kind and description belonging to You, or for which You are legally responsible, or for which You have assumed responsibility to insure prior to the occurrence of any physical loss, destruction or damage.

But Buildings and Contents does not include:

1. Stock;
2. Money;
3. jewellery, furs, bullion, precious metals or precious stones;
4. works of art, antiques and curios other than works of art, antiques and curios that are on the Premises at the time of the physical loss, destruction or damage provided that the most We will pay for all these items is limited to, whichever is the less:
 - a) \$50,000; **or**
 - b) the amount shown in the Schedule, whichever is the greater.
5. any locomotive or rolling stock or watercraft;
6. any aircraft including its accessories and/or spare parts;
7. vehicles or trailers registered or licensed or required to be registered or licensed to travel on a public road, provided that We will pay for physical loss, destruction or damage to mobile plant and equipment (but not cars, sedans, panel vans and trucks) not otherwise insured while at the Situation;
8. livestock, animals, birds or fish;
9. standing timber, growing crops and pastures;
10. land, provided that We will pay for physical loss, destruction or damage to structural improvements on or in the land not otherwise excluded in this Part A of Section 3

11. bridges, canals, roadways and tunnels, railway tracks (unless they are on the Premises), dams and reservoirs (other than tanks) and their contents;
12. property undergoing construction, erection, alteration or addition;
13. empty Premises undergoing demolition; **or**
14. Business records and Documents other than for their value as stationery, except and to the extent provided under 'Additional benefit 1 – Rewriting of records' in this Part A of Section 3.

Business Hours means Your usual trading hours or whilst You or employees authorised by You are on the Premises for the purposes of the Business.

Premises means the Buildings and also includes any of its fixed attachments and fixed accessories, but does not include any garden, yard, or open verandah.

Stock means the items belonging to You or for which You are legally responsible, or have assumed a responsibility to insure, described below:

1. merchandise or materials of trade manufactured, unmanufactured or in the course of manufacture;
2. materials used in manufacture and packing;
3. consignment stock;
4. goods held in trust or on commission;
5. pallets and containers;
6. consumable materials used in the operation of machinery;
7. goods on lay-by, or held for repair or service;

and including Your liability for customs, excise and other duties which You may become liable to pay as a result of theft of Stock described at numbers 1 to 7 inclusive of this definition .

See also 'General definitions' in the General Provisions section of this Policy booklet for the meaning of other words and terms that apply to all sections.

Cover

We will pay You for loss of or damage to Property occurring during the Period of Insurance as a direct result of:

1. theft that is consequent upon forcible and violent entry into the Premises;
2. theft, occurring outside Business Hours, by a person having been concealed within the Premises, provided that there is evidence of forcible and violent exit from the Premises; **or**
3. theft that is consequent upon threat of immediate violence or violent intimidation at the Premises.

We will not pay You if any of the matters set out in the 'Specific exclusions' in Part A of Section 3 or the 'General exclusions' apply.

Limitation

The most We will pay during any one Period of Insurance is the Sum Insured for the item shown in the Schedule, less the applicable Excess.

Additional benefits

If We agree to pay Your claim under this Part A of Section 3, We will also cover You for the following 'Additional benefits'. Any amount We pay for these 'Additional benefits' is in addition to the Sum Insured.

1. Rewriting of records

If Your records or Documents are stolen during the Period of Insurance in circumstances for which a claim is payable under this Part A of Section 3, We will pay up to:

- a) \$50,000; **or**
- b) the amount shown in the Schedule,

whichever is greater, for any one event for the reasonable costs of rewriting, re-installing, replacing or restamping of Your records or Documents.

We will also cover Your Documents if they are stolen in circumstances for which a claim is payable under this Part A of Section 3 when they are away from Your Situation but in a building within Australia if You store them in a safety deposit box at a bank or entrust them to Your accountant, real estate agent or legal representative.

However:

- a) We will not pay for the value to You of the information on the records or Documents;
- b) We will not pay for reinstatement of electronic data stored or created more than thirty (30) days before the date of the loss, if such data has not been backed up and stored away from the computer site;
- c) the work of rewriting must be commenced and carried out with due diligence, failing which We will not be liable to pay more than the amount We would have been liable to pay had the work of replacing or repairing the item been carried out with such due diligence; **and**
- d) We will not be liable to make any payment until the cost of rewriting is incurred.

2. Temporary protection and security guards

We will pay up to \$25,000 for any one event for the cost necessarily and reasonably incurred for temporary protection and for employment of security guards to safeguard the Property, pending repair or replacement of the Premises due to physical loss, destruction or damage occurring during the Period of Insurance as a direct result of theft that is consequent upon forcible and violent entry into the Premises for which a claim is payable under this Part A of Section 3.

3. Injury during theft

If an injury is suffered by an owner, partner, proprietor or director of Your Business, during theft of Property occurring during the Period of Insurance for which We have agreed to pay Your claim, and such injury is the sole cause of:

- a) death (Item 1);
- b) total and permanent loss of sight in one or both eyes (Item 2);
- c) total and permanent loss of one or both hands or feet (Item 3),

occurring within twelve (12) months of the owner, partner, proprietor or director sustaining the injury; **or**

- d) temporary or permanent total disablement from attending to usual business (Item 4),

We will, in respect of that injury, pay to the owner, partner, proprietor or director or his or her legal representative:

- a) for Items 1, 2, and 3: \$10,000, in respect of all injury sustained by any one person during any one theft; **or**
- b) for Item 4: \$200 per week or eighty percent (80%) of the average weekly earnings of the owner, partner, proprietor or director, whichever is the lesser, up to a maximum period of thirteen (13) weeks from the date of sustaining the injury.

However, We will not pay for:

- a) death; **or**
- b) disablement,

aggravated by, attributable to, or consequent upon any pre-existing physical defect, illness, disease or injury.

4. Reinstatement of sum insured

After We have paid a claim for a loss under this Part A of Section 3, We will reinstate the Sum Insured for the item to the full amount shown in the Schedule from the date of loss, provided You pay or agree to pay any extra premium that applies if required by Us.

Whether or not We have agreed to pay a claim under this Part A of Section 3, We will extend Your cover to include the following 'Additional benefits'. Any amount We pay for these 'Additional benefits' is in addition to the Sum Insured.

5. Property insured temporarily removed

We will pay up to \$20,000 or twenty percent (20%) of the Sum Insured for Buildings and Contents or Specified Items whichever is the lesser for Buildings and Contents or Specified Items that are lost or damaged during the Period of Insurance as a direct result of forcible and violent entry into or exit from a building while temporarily removed from the Situation, less any applicable Excess.

However, We will not pay for:

- a) Stock, Money, clothing or personal effects owned by You or by the owners, partners, proprietors, directors or employees of Your Business; **or**
- b) Buildings and Contents or Specified Items that have been removed from the Premises for a period in excess of ninety (90) days without Our written agreement to continue cover.

6. Theft in the open air

We will pay up to \$10,000 or the amount shown on the Schedule for any one event for physical loss or damage to Property (other than tenants' goods) that is lost or damaged during the Period of Insurance as a result of theft without evidence of forcible or violent entry while the Property is at the Situation but outside the Premises.

However, We will not pay for theft by persons that are members of Your family, or are persons in Your service.

7. Locks and keys

We will pay up to \$10,000 for any one event for the reasonable and necessary cost of:

- a) replacing keys or locks necessary to restore the security at the Premises to the same level of security that existed immediately before the loss; **and**
- b) temporary protection for the safety of the Property, pending restoration of the security,

if keys are stolen, or there are reasonable grounds to believe that keys have been stolen and duplicated, during the Period of Insurance.

8. Clothing, tools and personal effects

We will pay up to \$5,000 for any one person and a total of \$10,000 for any one event for clothing, tools and personal effects (other than Money) not otherwise insured, belonging to Your social clubs, or belonging to the owners, partners, proprietors, directors or employees of Your Business that is lost, destroyed or damaged while at the Situation during the Period of Insurance as a direct result of:

- a) theft that is consequent upon forcible and violent entry into the Premises;
- b) theft, occurring outside Business Hours, by a person having been concealed within the Premises, provided that there is evidence of forcible and violent exit from the Premises; **or**
- c) theft that is consequent upon threat of immediate violence or violent intimidation.

9. Environmental upgrade

If You elect to repair or replace Property (including any part of the Property) that is lost or damaged during the Period of Insurance as a result of theft or attempted theft that is consequent upon forcible and violent entry into the Premises, using, or with, more environmentally friendly technology, products or materials that improve the energy and water efficiency of the Property, We will pay You up to ten percent (10%) more than the amount We would otherwise have paid to repair or replace the item that is being upgraded.

10. Additional property – provisional cover

We will cover You under, and to the extent provided in, Part A of Section 3 for all property within Australia that becomes Yours after the commencement of the Period of Insurance, for thirty (30) days from the date the property becomes Yours (unless the Period of Insurance ends sooner or the property ceases to be Yours, whichever occurs first), but the cover is limited to:

- a) property that is used in the Business; **and**
- b) the property being of a similar type to the Property already under Part A of Section 3.

Full details of the additional property must be supplied to Us within thirty (30) days of You first acquiring the property. If We agree to insure the additional property, You must pay or agree to pay any additional premium We ask for. If You do not pay or do not agree to pay the additional premium, We will not pay Your claim under this Part A of Section 3.

We will pay up to:

- a) twenty percent (20%) of the Sum Insured shown in the Schedule for Buildings and Contents; **or**
 - b) \$500,000,
- for each item of Buildings and Contents, whichever is the lesser.

11. Home office contents

We will pay up to:

- a) \$25,000; **or**
- b) the amount shown in the Schedule,

whichever is greater, for any one event for loss to You as a result of theft occurring in the Period of Insurance to Contents, other than those Contents for which cover is available under 'Additional benefit 5 Property insured temporarily removed', used for Your Business that occurs while the Contents are at the home of the owners, partners, proprietors or directors of Your Business.

12. Equipment on hire

We will cover You for loss of or damage to Contents that You hire or lease to tenants due to theft during the Period of Insurance while the Contents are at the Premises.

Our maximum liability under this additional benefit for any one claim will be limited to an amount not exceeding \$5,000.

13. Theft without forcible and violent entry into or from your building

We will cover You for loss or damage occurring during the Period of Insurance as a result of a theft without forcible and violent entry to or exit from the Building. The amount We will pay is limited to:

- a) \$10,000; **or**
- b) the amount shown in the Schedule,

whichever is the greater, for any one event for physical loss or damage to Property (other than tenant's goods) that is lost or damaged as a result of theft.

Endorsements

The following endorsement does not apply automatically. It only applies if You have requested the endorsement and Your Schedule has been endorsed by Us noting its application.

1. Environmental upgrade

The percentage amount shown in 'Additional benefit 9 – Environmental upgrade' is deleted and replaced with the percentage amount shown in the Schedule.

Settlement of claims

In the event of a claim for theft covered under this Part A of Section 3 for:

1. Buildings and contents or specified items

Building and Contents or Specified Items, We will:

- a) where items are destroyed or lost, pay the cost to replace the items with similar items, to a condition equal to but not better or more extensive than the condition when new; **or**
- b) where items are damaged in part only, pay the cost to repair the damage or restore the damaged portion to a condition substantially the same as, but not better or more extensive than, the condition when new.

Specific exclusions

We will not pay under this Part A of Section 3 for:

1. any consequential loss;
2. loss arising out of the sale or delivery of Property for or in consideration of a cheque or negotiable instrument that is subsequently dishonoured;
3. breakage of glass insured under Section 4 of this Policy, or that would have been covered but for the application of a 'Specific exclusion' in Section 4 of this Policy;
4. loss, destruction or damage to Money;
5. loss, destruction or damage due to, or sustained by or through theft or any attempted theft, or any act of fraud or dishonesty committed by any:
 - a) members of Your family; **or**
 - b) persons in Your service, other than physical loss, destruction or damage through theft or any attempted theft committed by persons in Your service following forcible and violent entry by such persons to the Premises;
6. any loss, damage or destruction to Property if the occurrence happens whilst Your Premises have been unoccupied for more than ninety (90) consecutive days unless We otherwise agree in writing;
7. loss, destruction or damage as a result of trickery;
8. loss, destruction or damage to Buildings and Contents insured under Section 1 of this Policy, or that would have been covered but for the application of a Specific exclusion in Section 1 of this Policy; **or**
9. bodily injury to any worker in respect of which You are or would be entitled to indemnity under any policy of insurance, fund, scheme or self-insurance pursuant to or required by any legislation relating to workers compensation whether or not such policy, fund, scheme or self insurance has been effected.

See also 'General exclusions' in the General Provisions section of this Policy booklet that apply to all sections.

Conditions

See the 'General conditions' in the General Provisions section of this Policy booklet that apply to all sections.

Claims procedure

See 'Claims procedure' in the General Provisions section of this Policy booklet for details of Your obligations in the event of a claim.

Part B Money

Introduction

Part B of Section 3 forms part of Your Policy only if Your Schedule shows that You have taken out cover under Part B of Section 3.

Definitions

When the following words and terms are capitalised in Part B of Section 3, they have the meaning set out below.

Automatic Teller Machine or "ATM" means a burglar resistant unit designed for the safe storage and disbursement of bank notes which resist fire and attack by hand-held or power operated tools.

Bank means a bank, credit union or similar financial institution.

Business Hours means Your usual trading hours or while You or employees authorised by You are on the Premises for the purposes of the Business.

Personal Money means current coin, bank notes, currency notes, cheques, credit card sales vouchers, authorised gift vouchers, securities, negotiable securities, postal orders, money orders, unused postage and revenue stamps, public transport tickets, private transport tickets (other than airline tickets), bridge or highway tokens, car wash tokens, lottery tickets, phone cards and stored value or similar type cards belonging to the owners, partners, proprietors, directors or employees of Your Business.

Premises means the Buildings or any part of the Buildings at the Situation used by You for the purpose of the Business but does not include any garden, yard, or open verandah.

Safe means 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. A safe is not:

- a) a cash tin; **or**
- b) a locked drawer in a filing cabinet or desk; **or**
- c) a burglar resistant container weighing less than 20 kilograms that is not fixed by expanding masonry anchor bolts to the wall or floor of the Premises.

Strongroom means a burglar-resistant structure constructed of masonry and steel that has been designed to resist fire and attack by hand-held or power-operated tools and has been specifically designed for the storage of Money and valuables. A Strongroom is not:

- a) a cash tin; **or**
- b) a locked drawer in a filing cabinet or desk; **or**
- c) a burglar resistant container weighing less than twenty (20) kilograms that is not fixed by expanding masonry anchor bolts to the wall or floor of the premises.

See also 'General definitions' in the General Provisions section of this Policy booklet for the meaning of other words and terms that apply to all sections.

Cover

We will pay for physical loss, destruction or damage occurring during the Period of Insurance to Money:

- a) in transit to and from the Premises while in Your personal custody, or in the custody of persons authorised by You;
- b) while contained in the night Safe, night depository chute, or Automatic Teller Machine of a Bank;
- c) on the Premises during Your Business Hours;
- d) on the Premises outside Your Business Hours;
- e) on the Premises:
 - i. while in a securely locked Safe, Strongroom or ATM; **or**
 - ii. when removed from the Safe, Strongroom or ATM for preparation for banking.

However, We will not pay for physical loss, destruction or damage to Money if the Money was removed from a Safe, Strongroom or ATM opened by a key or by combination details, either of which have been left on the Premises outside Your Business Hours; **and**

- f) in Your personal custody, or in the custody of persons authorised by You, while contained in Your or their private residence. However:
 - i. the most We will pay for physical loss, destruction or damage to Money while contained in a private residence is \$5,000; **and**
 - ii. We will not pay for loss, destruction or damage that occurs after Bank closing time on the next Bank business day following the day the Money was first stored at the private residence.

We will only pay for loss, destruction or damage to Money that is discovered within ten (10) working days of the occurrence of loss, damage or destruction.

We will not pay You if any of the matters set out in the 'Specific exclusions' in this Part B of Section 3 or the 'General exclusions' apply.

Limitation

The most We will pay during any one Period of Insurance or for any claim arising out of any one event or series of events arising directly or indirectly from one source or original cause, for:

1. Money in Your personal custody, or in the custody of persons authorised by You, while contained in Your or their private residence is \$5,000; **and**
2. Money on the premises outside Your Business Hours which is not secured in a securely locked safe, strongroom or ATM is \$5,000; **and**
3. all other claims for Money under this Part B of Section 3 is \$50,000.

Additional benefits

If We agree to pay Your claim under this Part B of Section 3, We will also cover You for the following 'Additional benefit'.

1. Reinstatement of sum insured

After We have paid a claim under this Part B of Section 3, We will reinstate the Sum Insured for Money to the full amount shown in the Schedule from the date of loss, provided You pay or agree to pay any extra premium that applies if required by Us.

Whether or not We have agreed to pay a claim under this Part B of Section 3, We will extend Your cover to include the following 'Additional benefits'. Any amount We pay for these 'Additional benefits' is in addition to the Sum Insured.

2. Theft by employee

We will pay up to \$5,000 during any one Period of Insurance for loss of Money from acts of fraud or dishonesty, committed during the Period of Insurance, by an employee or group of employees acting in collusion, provided that:

- a) the employee or employees are charged in connection with the loss;
- b) You take all reasonable steps to regain possession of the Money; **and**
- c) the loss is discovered within forty five (45) days of its occurrence.

We will not pay for loss arising from an act of fraud or dishonesty committed by an employee after You have knowledge of, or reasonable cause to suspect, the commission by the employee of an act of fraud or dishonesty, unless when You first obtained knowledge or reasonable cause for suspicion, the Money, the subject of the loss, was in the possession of the employee.

3. Loss of money in the custody of your real estate agent or other representative

We will pay up to \$5,000 for any one event for loss of Money occurring during the Period of Insurance in the custody of Your real estate agent, property manager or legal representative authorised to act on Your behalf.

4. Injury during theft

If an injury is suffered by an owner, partner, proprietor or director of Your Business, during theft or attempted theft of Money occurring during the Period of Insurance for which We have agreed to pay Your claim and such injury is the sole cause of:

- a) death (Item 1);
 - b) total and permanent loss of sight in one or both eyes (Item 2);
 - c) total and permanent loss of one or both hands or feet (Item 3),
- occurring within twelve (12) months of the owner, partner, proprietor or director sustaining the injury; **or**
- d) temporary or permanent total disablement from attending to usual business (Item 4),

We will, in respect of that injury, pay to the owner, partner, proprietor or director or his or her legal representative:

- a) for Items 1, 2, and 3: \$10,000, in respect of all injury sustained by any one person during any one theft or attempted theft; **or**
- b) for Item 4: \$200 per week or eighty percent (80%) of the average weekly earnings of the owner, partner, proprietor or director, whichever is the lesser, up to a maximum period of thirteen (13) weeks from the date of sustaining the injury.

However, We will not pay for:

a) death; **or**

b) disablement,

aggravated by, attributable to, or consequent upon, any pre-existing physical defect, illness, disease or injury.

5. Personal money

We will pay up to \$5,000 for any one person and a total of \$10,000 for any one event for loss of Personal Money not otherwise insured, that is lost during the Period of Insurance as a result of theft or attempted theft while at the Premises in circumstances for which cover is provided under this Part B of Section 3.

Specific exclusions

We will not pay under Part B of Section 3 for:

1. any consequential loss;
2. loss, destruction or damage to Money not discovered within ten (10) working days of the occurrence of loss, damage or destruction;
3. loss arising out of the payment of Money for or in consideration of a cheque or negotiable instrument that is subsequently dishonoured;
4. loss due to shortages resulting from clerical or accounting errors or loss due to errors in receiving or paying out;
5. any loss, damage or destruction to Money insured if the occurrence happens whilst Your Premises have been unoccupied for more than ninety (90) consecutive days Unless We otherwise agree in writing.

This exclusion does not apply to damage caused by:

- a) lightning, earthquake, volcanic eruption, tsunami and subterranean fire;
- b) impact by road vehicle or their loads, animals, trees, or branches, meteorite, aircraft or other aerial devices or articles dropped from them, sonic boom or space debris, falling communication masts, towers, antennae or dishes, falling building or structures or parts thereof which do not belong to You; **or**
- c) riots, civil commotions and strikes,

which would be otherwise be covered under Section 3 - Part B of the Policy.

6. loss, destruction or damage as a result of trickery;
7. loss, destruction or damage to Money from or while in an unattended vehicle
8. loss, destruction or damage to Money due to ransom or extortion, other than actual assault or the threat of immediate violence to any person on the Premises;
9. loss, destruction or damage that did not occur in the Commonwealth of Australia; **or**
10. bodily injury to any worker in respect of which You are or would be entitled to indemnity under any policy of insurance, fund, scheme or self-insurance pursuant to or required by any legislation relating to workers compensation whether or not such policy, fund, scheme or self insurance has been effected.

See also 'General exclusions' in the General Provisions section of this Policy booklet that apply to all sections.

Conditions

See the 'General conditions' in the General Provisions section of this Policy booklet that apply to all sections.

Claims procedure

See 'Claims procedure' in the General Provisions section of this Policy booklet for details of Your obligations in the event of a claim.

Part C

Rent default

Introduction

Part C of Section 3 forms part of Your Policy only if Your Schedule shows that You have taken out cover under Part C of Section 3.

Definitions

When the following words and terms are capitalised in this Part C of Section 3, they have the meaning set out below.

Agent means a person, company or other entity who acts on Your behalf and is:

1. a licensed real estate agent;
2. a licensed property manager; **or**
3. named in the Schedule as an approved property manager.

Lease Agreement means the agreement between You or Your Agent and the Tenant detailing the terms and conditions of the lease of the Rental Property. The Lease Agreement must be in writing and state:

1. the term of the lease period; **and**
2. the amount of Rent.

Lease Agreement does not include a Period Tenancy Agreement.

Periodic Tenancy Agreement means any agreement that applies when a Tenant continues to occupy the Rental Property after a fixed-term Lease Agreement has expired.

Rent means the amount of money paid, or payable, by the Tenant to lease Your Rental Property. The amount is stated in, or determined under the Lease Agreement.

Rent Default means when a Tenant fails to pay the agreed Rent and is in breach of the Lease Agreement, including when a Tenant leaves without giving the notice required under the Lease Agreement.

Rental Property means the Building at the address shown in the Schedule at the Situation.

Tenant means the person(s), company or other entity named in the Lease Agreement.

Weekly Rent means the amount of Rent payable on a weekly basis. If the amount of Rent is not fixed, it means the total Rent payable by the Tenant during the period of Rent Default divided by the number of weeks in the period.

See also 'General definitions' in the General Provisions section of this Policy booklet for the meaning of other words and terms that apply to all sections.

Cover

We will pay You for loss of Rent arising from Rent Default occurring during the Period of Insurance if Your Tenant:

1. leaves Your Rental Property before the end of the tenancy period of Your Lease Agreement, without giving You or Your Agent notice;
2. is legally evicted from Your Rental Property; **or**
3. stops paying Rent owed to You or Your Agent.

We will only pay a claim for Rent Default if:

1. the Tenant breaches Your Lease Agreement; **and**
2. You have taken all reasonable steps legally available to You under the relevant State or Territory legislation relating to commercial leases, to remedy non-payment of Rent and evict the Tenant.

Your cover for Rent Default ceases if the Lease Agreement could have been legally terminated by You.

Cover for Rent Default will not apply if the Rent is in arrears at the beginning of the Period of Insurance. This cover will not commence until all Rent arrears have been paid, and the Tenant has paid a minimum of four (4) consecutive weeks of the agreed Rent in accordance with the Lease Agreement.

Cover under this Part C of Section 3 will stop immediately:

1. if Your Rental Property is re-tenanted;
2. if Your Rental Property is not available to be tenanted immediately because of renovations or maintenance work being carried out; **or**
3. when the term of Your Lease Agreement ends.

We will not pay You if any of the matters set out in the 'Specific exclusions' in this Part C of Section 3 or the 'General exclusions' apply.

Limitation

The most We will pay during any one Period of Insurance for loss of Rent arising from Rent Default is twenty six (26) weeks Rent.

Additional benefits

We will also cover You for the following 'Additional benefits'. Any amount We pay for these 'Additional benefits' is in addition to the amount We pay for Rent Default.

Legal expenses

We will pay up to \$3,000 for any one event for fifty percent (50%) of the legal expenses You incur to:

1. legally evict a Tenant; **or**
2. recover any amount owed to You or Your Agent by a Tenant.

However, We will not pay for fifty percent (50%) of legal expenses that You incur solely to recover any loss that is not covered under this Part C of Section 3 of the Policy.

You must obtain Our written consent before any of the costs are incurred.

Rental upgrades

If We have accepted a claim for Rental Default and "rental upgrades included" is noted on Your Schedule, We will also pay up to \$5,000 or the amount shown on the Schedule towards Rental Property upgrades necessarily and reasonably incurred by You to upgrade or return Your Rental Property to a rent-able condition in order to obtain a replacement tenant.

You must obtain Our written approval before any of the costs are incurred.

Settlement of claims

If Your Business suffers loss as a result of Rent Default We will pay You on the following basis:

1. For the first 4 weeks –

We will not pay for the first four (4) weeks of each occurrence of Rent Default.

2. For weeks 5 to 12 –

We will pay one hundred percent (100%) of the Weekly Rent multiplied by the number of weeks Rent is in default.

3. For weeks 13 to 26 –

We will pay seventy five percent (75%) of the Weekly Rent multiplied by the number of weeks Rent is in default.

4. For weeks 27 and beyond –

We will not pay any benefit for week twenty seven (27) and beyond.

Table of amounts payable

Period of Rent Default	Cover
Weeks 1 to 4	No amount payable
Weeks 5 to 12	One hundred percent (100%) of rental income*
Weeks 13 to 26	Seventy five percent (75%) of rental income*
Weeks 27 and beyond	No amount payable

*Rental income is the Weekly Rent multiplied by the number of weeks that Rent is in default.

Special clause

Underinsurance/average

If You make a claim for Rent Default and have insured for an amount less than the actual Weekly Rent figure, We will only pay that portion of the claim which the Sum Insured for Weekly Rental bears to the actual Weekly Rent figure as per the 'Settlement of Claims' clause.

Example

Your actual Weekly Rental is \$1,000 for 26 weeks = \$26,000

You insure Weekly Rental of \$500 for 26 weeks. Sum Insured on Schedule = \$13,000

(Underinsurance clause – Weekly Rent percent You decided to insure = 50 percent (50%))

Loss occurs resulting in 20 weeks Rent Default cover payable.

Policy response

Weeks 1 to 4 - No amount is payable

Weeks 5 to 12 = \$1,000 x 100 percent (100%) x 8 weeks = \$8,000

Weeks 13 to 26 = \$1,000 x 75 percent (75%) x 8 weeks = \$6,000

Subtotal payable before application of 'Underinsurance' = \$14,000

Underinsurance - Weekly Rent percent You decided to insure = 50 percent (50%)

Rent Default amount payable = \$14,000 x 50 percent (50%) = \$7,000

Specific exclusions

We will not pay You under this Part C of Section 3 if:

1. Your Tenant leaves the Rental Property, with or without notice, and You have failed to rectify a 'Notice of Remedy' breach issued by the Tenant to You;
2. Your Tenant has carried on their business in its current form or occupation for less than twelve (12) months; **or**
3. Your Rental Property is not managed by:
 - a) a licensed real estate agent;
 - b) a licensed property manager; **or**
 - c) the person named in the Schedule as an approved property manager.

See also 'General exclusions' in the General Provisions section of this Policy booklet that apply to all sections.

Special conditions

You must comply with the 'Special conditions' noted below otherwise We may not pay Your claim under this Part C of Section 3.

1. You must have taken all reasonable steps legally available to You including those available under the relevant State or Territory legislation relating to commercial leases, to remedy non-payment of Rent and evict the Tenant.
2. You must have, if it was possible for You to do so, legally terminated the Rental Agreement.

See also 'General conditions' in the General Provisions section of this Policy booklet that apply to all sections.

Claims procedure

See 'Claims procedure' in the General Provisions section of this Policy booklet for details of Your obligations in the event of a claim.

Section 4 Glass

Introduction

This section forms part of Your Policy only if Your Schedule shows that You have taken out cover under Section 4.

Definitions

When the following words and terms are capitalised in this Section 4, they have the meaning set out below.

Breakage means:

1. for plate or sheet Glass or porcelain, a fracture extending through the entire thickness of the Glass or porcelain; **and**
2. for laminated Glass, a fracture extending through the entire thickness of a lamination but not:
 - a) any other damage or disfiguration; **or**
 - b) breakage caused by or in consequence of fire or artificial heat.

Glass means:

1. external fixed glass and any shatter resistant or reflective film affixed to it, forming part of a Building;
2. ceramic tiled shop fronts, forming part of a Building;
3. internal glass, sinks, wash basins and sanitary ware and mirrors (other than hand mirrors) in a Building; **and**
4. showcase frames, display cabinets and counter frames in a Building,

but Glass does not include:

- a) glass forming part of stock in trade or merchandise;
- b) glassware, crystal, crockery or china; **or**
- c) imperfect glass.

See also 'General definitions' in the General Provisions section of this Policy booklet for the meaning of other words and terms that apply to all sections.

Cover

We will cover You for the Breakage of Glass occurring during the Period of Insurance at the Situation.

We will not pay You if any of the matters set out in the 'Specific Exclusions' in this Section 4 or the 'General exclusions' apply.

Limitation

Our liability is limited to the replacement value for Glass, less the applicable Excess.

Additional benefits

We also cover You for the following additional benefits if this section forms part of your Policy:

1. Additional expenses

If We agree to pay Your claim for Breakage of Glass, We will also pay You up to:

- a) \$7,500; **or**
- b) the amount shown in the Schedule,

whichever is greater, during the Period of Insurance, for the cost of the following expenses incurred by You arising from Breakage of Glass covered by this Section 4:

- i. replacing sign writing or ornamentation affixed to the broken Glass;
- ii. replacing burglar alarm tape or wiring affixed to the broken Glass;
- iii. temporary shuttering, boarding up or other protection reasonably necessary for the safeguarding of the premises or Contents, pending replacement of the broken Glass; **and**
- iv. replacing damaged window frames and tiled shop fronts.

2. Reinstatement of sum insured

After We have paid a claim under this Section 4, We will reinstate the replacement value for Glass to the full replacement value shown in the Schedule from the date of loss, provided You pay or agree to pay any extra premium that applies if required by Us.

Settlement of claims

In the event of Breakage of Glass covered under this Section 4, We will at Our option:

- 1. replace the broken Glass in compliance with the requirements of the Standards Association of Australia and any statutory authority; **or**
- 2. pay the cost of replacing the Glass,

to a condition equal to, but not better or more extensive than, its condition when new.

Specific exclusions

We will not pay You under this Section 4 in the following circumstances:

1. Unoccupied premises

Unless We otherwise agree in writing, We will not pay for any Breakage of Glass if the occurrence happens whilst Your Building has been unoccupied for more than ninety (90) consecutive days.

This exclusion does not apply to Breakage of Glass caused by:

- a) lightning, earthquake, volcanic eruption, tsunami and subterranean fire;

- b) impact by road vehicle or their loads, animals, trees, or branches, meteorite, aircraft or other aerial devices or articles dropped from them, sonic boom or space debris, falling communication masts, towers, antennae or dishes, falling building or structures or parts thereof which do not belong to You;

- c) riots, civil commotions and strikes,

which would be otherwise be covered under this section of the Policy.

2. Tenant's liability

We will not pay a claim for Breakage of Glass for which a tenant is liable under the terms of a lease or similar agreement. However, this exclusion will not apply if the tenant does not have the Glass insured or the tenant's claim under their insurance is rejected.

See also 'General exclusions' in the General Provisions section of this Policy booklet that apply to all sections.

Conditions

See the 'General conditions' in the General Provisions section of this Policy booklet that apply to all sections.

Claims procedure

See 'Claims procedure' in the General Provisions section of this Policy booklet for details of Your obligations in the event of a claim.

Section 5

Taxation Audit

Introduction

This section forms part of Your Policy only if Your Schedule shows that You have taken out cover under Section 5.

Definitions

When the following words and terms are capitalised in this Section 5, they have the meaning set out below.

Accountant or Registered Tax Agent means a person recognised by either the Chartered Accountants Australia and New Zealand or the CPA Australia, or any other person registered by the Australian Taxation Office as a tax agent, but does not mean You or a person working for You under a contract of employment.

Professional Fees means the fees and costs reasonably and necessarily incurred by You and paid to Your Accountant or Registered Tax Agent for work undertaken in connection with the audit or investigation.

See also 'General definitions' in the General Provisions section of this Policy booklet for the meaning of other words and terms that apply to all sections.

Cover

We will pay You up to:

1. \$10,000; **or**
2. the amount shown in the Schedule,

whichever is the greater, for the reasonable and necessary cost of Professional Fees as a result of an:

1. Audit; **or**
2. investigation,

by a federal or state Commissioner of Taxation relating to Your liability to pay income tax, payroll tax, land tax, capital gains tax or fringe benefits tax in respect of Your Business first notified to You during the Period of Insurance.

We will not pay You if any of the matters set out in the 'Specific exclusions' in this Section 5 or the 'General exclusions' apply.

Limitation

Our total liability during the Period of Insurance for all audits or investigations first notified to You during the Period of Insurance will be the Sum Insured shown in Your Schedule, less the applicable Excess.

Specific exclusions

We will not pay You under this Section 5:

1. for any tax, fines, penalties, court costs or interest;
2. for Professional Fees incurred after completion of the audit or investigation;
3. for Professional Fees incurred after three (3) months from when notification of the audit or investigation is first received by You or anyone acting on Your behalf;
4. for any claim in respect of an audit or investigation where notice of the audit or investigation, or information concerning the likelihood of the audit or investigation, was first received before the commencement of the Period of Insurance;
5. for any claim arising from Your improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by a state or federal Commissioner of Taxation for the production of documents or the supply of information. If You refuse or fail to comply upon the advice of Your Accountant or Registered Tax Agent, Your refusal or failure to comply will not be deemed improper, unwarranted or unjustified;
6. for Professional Fees in respect of or arising from an audit or investigation under customs legislation;
7. for any claim in respect of an auditor investigation concerning income sourced or earned outside the Commonwealth of Australia or where the services giving rise to the claim are performed by persons or entities ordinarily resident outside Australia;
8. for any claim arising out of any fraud or fraudulent act or omission committed by You or on Your behalf; **or**
9. for any claim arising from an audit or investigation that results from You, or any person acting on Your behalf:
 - a) becoming aware of any error or deficiency in any return of income or other documentation supplied to a state or federal Commissioner of Taxation; **and**
 - b) failing to notify the Commissioner of Taxation without delay.

See also 'General exclusions' in the General Provisions section of this Policy booklet that apply to all sections.

Special conditions

You must comply with the 'Special conditions' noted below otherwise We may not pay Your claim under this Section 5.

1. You must lodge all income tax and other returns within the time limits applicable to those returns as prescribed by legislation or within an extension of time granted by a Commissioner of Taxation.
2. You must make full and complete disclosure of all assessable income (including capital gains), as required by any relevant legislation.
3. All taxes must be paid by the due date or within any extension granted by a Commissioner of Taxation.

See also 'General conditions' in the General Provisions section of this Policy booklet that apply to all sections.

Claims procedure

If something happens which gives rise, or may give rise, to a claim under this Section 5:

1. You must at all times keep Us fully and continually informed of all material developments in relation to the claim and in relation to any audit;
2. You must take all necessary and reasonable steps to minimise any delays and the amount of any fees or costs incurred or likely to be incurred in connection with any audit;
3. We or Our duly appointed agent may investigate any matter which is or may be the subject of a claim; **and**
4. You must use reasonable endeavours to ensure that Your Accountant or Registered Tax Agent and any lawyer cooperate with Us and provide Us with any assistance We may require in relation to any claim or matter We wish to pursue with the Commissioner of Taxation in connection with a claim.

See also 'Claims procedure' in the General Provisions section of this Policy booklet for details of other obligations You have in the event of a claim.

Section 6

Legal Costs For Occupational Health And Safety Breaches

Introduction

This section forms part of Your Policy only if Your Schedule shows that You have taken out cover under Section 6.

Definitions

When the following words and terms are capitalised in this Section 6, they have the meaning set out below.

Authorised Legal Representative means a solicitor, barrister, assessor, personal investigator or other person appointed to act on Your behalf and approved by Us.

Occurrence means an unplanned incident that causes or contributes to Personal Injury or Damage to Property in connection with Your Business that occurs during the Period of Insurance.

Personal Injury means:

1. bodily injury, death, sickness, disease, disability; **or**
2. shock, fright, mental anguish.

Damage to Property means:

1. physical loss, destruction or damage to tangible property; **or**
2. loss of use of tangible property as a result of physical loss, destruction or damage to tangible property.

See also 'General definitions' in the General Provisions section of this Policy booklet for the meaning of other words and terms that apply to all sections.

Cover

We will pay for any reasonable legal costs and expenses You incur in appealing against (including seeking to improve Your position in relation to):

1. the imposition of a fine;
2. a prohibition notice; **or**
3. a determination by any court or tribunal,

under any workplace, occupational health and safety, or similar legislation that arises out of an Occurrence.

We will only pay if the appeal concerns any actual or alleged failure of You to:

- a) provide and maintain a safe working environment and system of work;
- b) maintain plant and equipment in a safe condition;
- c) make arrangements for the safe use, handling, storage and transport of equipment and substances;

- d) provide adequate facilities for the welfare of Your employees, contractors or agents; **or**
- e) provide necessary information, instruction, training and supervision for the welfare or safety of Your employees, contractors or agents.

We will only cover You subject to the 'Special conditions' set out later in this section.

Limitation

The most We will pay for any one claim and in the aggregate for all claims for legal costs and expenses of appeals covered under this Section 6 in any one Period of Insurance is \$100,000.

Specific exclusions

We will not pay You under this Section 6 for:

1. legal costs and expenses for appeals relating to:
 - a) proceedings brought by You or on Your behalf;
 - b) any proceedings brought by Us;
 - c) fines prohibition notices or proceedings, or any other circumstances which may lead to a proceeding, of which You were aware before You first took out Your Policy;
 - d) fines, prohibition notices or proceedings that You have not notified to Us in accordance with this Policy;
 - e) fines, prohibition notices or proceedings relating to a conflict of Your duty or a conflict of Your interest;
 - f) fines, prohibition notices or proceedings relating to defamation, slander or libel;
 - g) fines, prohibition notices or proceedings relating to any Occurrence intentionally or recklessly caused by You or the risk of which You deliberately courted; **or**
 - h) fines, prohibition notices or proceedings relating to anything that You or anyone acting for You did, or omitted to do, including fraud or dishonesty;
2. a) any penalties, or fine or awards of damages (including aggravated, exemplary or punitive damages) made against You;
- b) any matter arising out of any insurance cover required by law or that is covered under any insurance cover required by law or would have been covered had that policy been taken out; **or**
- c) defending legal proceedings without obtaining Our prior written consent or in a different way from that advised by Your Authorised Legal Representative;
3. any matter where insurance cover is separately available to You within this Policy, even if You do not take out that cover;
4. fees for legal counsel, accountants or any other witness unless We have approved the appointment of such people and agree to the fees prior to the appointment(s) and/or fees being incurred;
5. any legal costs or expenses of others that are awarded against You or You agree to pay; **or**

6. any legal costs or expenses if You withdraw from defending legal proceedings brought against You.

See also 'General exclusions' in the General Provisions section of this Policy booklet that apply to all sections.

Special conditions

Any cover We provide under this Section 6 is subject to the all of following 'Special conditions':

1. You must notify Us as soon as possible of any Occurrence.
2. You must forward to Us every communication, writ or summons in relation to an Occurrence within seventy two (72) hours of You receiving them.
3. You must advise Us in writing of Your intention to appeal. This advice must be provided to Us at least seven (7) days before the time for making an appeal expires.
4. You must obtain Our written consent before You incur any legal costs and expenses.
5. We will only cover You if We consider that there are reasonable prospects of the appeal being successful.
6. We will decide if We agree to You using Your proposed legal representative as the Authorised Legal Representative.
7. All Authorised Legal Representatives will act on Your behalf.
8. We will pay for one appeal only against any fine, prohibition notice or determination.
9. We reserve the right to:
 - a) take over and conduct in Your name the settlement of any appeal;
 - b) refuse to use the legal representative You propose without providing any reason; **and**
 - c) instruct You to terminate the services of the Authorised Legal Representative if We consider it is in Your interest to do so.
10. You must provide to the Authorised Legal Representative all required materials available to You.
11. You must provide to the Authorised Legal Representative all assistance they require.
12. You must allow Us to obtain information from the Authorised Legal Representative to assist Us in managing Your claim.
13. You must tell Us of an offer to settle an appeal. We may stop paying Your legal costs and expenses if You unreasonably do not agree to the settlement. When the Authorised Legal Representative recommends settlement of an appeal and You wish to continue with the appeal, We will only pay the legal costs and expenses incurred up to the date the recommendation was made.

See also 'General conditions' later in this section that apply to all sections.

Claims procedure

When something happens for which You believe You can claim under this Section 6, You can:

1. ask Us to nominate a solicitor, or professional advisor; **or**
2. propose Your own solicitor or professional advisor to be Your Authorised Legal Representative.

See also 'Claims procedure' in the General Provisions section of this Policy booklet for details of other obligations You have in the event of a claim.

Section 7

General & Products Liability

Introduction

This section forms part of the Policy only if shown in the Schedule and if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the general provisions of the Policy and in the Schedule.

Definitions

In this section 7 only the following capitalised words have the meanings set out below.

Advertising Injury means:

- a) Defamation;
- b) infringement of copyright of or passing off of a title or slogan;
- c) unfair competition, piracy or idea misappropriation contrary to an implied contract; **or**
- d) invasion of privacy,

arising from any advertisement, publicity article, broadcast or telecast, and caused by or arising out of advertising activities conducted by the Insured or on behalf of the Insured.

Aircraft means any vessel, craft or thing made or intended to fly or move in or throughout the atmosphere or space, other than:

- a) model aircraft; **and**
- b) unmanned tethered balloons used for advertising purposes.

Defence Costs and Expenses means the reasonable legal costs and expenses:

- a) solely and exclusively incurred by the Insured with the prior written agreement of Us, to defend a claim under this section of the Policy for which the Insured is entitled to indemnity under this section of the Policy;
- b) solely and exclusively incurred by Us to defend a claim under this section of the Policy for which the Insured is entitled to indemnity under this section of the Policy; **and**
- c) of any claimant who has made a claim against the Insured that is a claim under this section of the Policy for which the Insured is entitled to indemnity under this section of the Policy and the Insured is liable to pay those legal costs and expenses.

Defence Costs and Expenses do not include the Insured's own internal costs including wages, salaries or costs of anyone else insured under this Policy.

Employment Practices means any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, sexual harassment or discrimination in respect of employment or prospective employment by the Insured.

Hovercraft means any vessel, craft or device made or intended to float on, or in, or travel on, or through, the atmosphere or water on a cushion of air provided by a downward blast.

Incidental Contract means:

- a) any written contract with any public authority for the supply of water, gas, electricity or telephone services in connection with the Business, but does not include those contracts in connection with work done for such authorities;
- b) any written rental agreement for the lease of real or personal property, provided such rental, lease or hiring agreement does not require the Insured to insure such property; **and**
- c) where the Insured is required by contract to release any government, public authority, statutory authority or landlord, but only to the extent required by such contract.

Insured means:

- a) the legal entity(s) or person(s) who is so named in the Schedule;
- b) any subsidiary, controlled corporation or other organisation of the Named Insured existing at the inception date of the Period of Insurance;
- c) any new entity acquired or constituted by the Named Insured during the Period of Insurance through, consolidation, merger, purchase of assets, or assumption of control and active management, or creation, provided that:
 - i. the acquisition is notified to Us in writing within ninety (90) days
 - ii. We give notice to the Named Insured in writing that the new entity is covered under this Policy after the ninety (90) day period; **and**
 - iii. the Named Insured pay any additional premium that may be required by Us in respect of the new entity.
- d) every past, present or future director, executive officer, employee, partner or shareholder of the Insured in a), b) or c) of this definition (including any spouse or family member of such person whilst performing a designated role in connection with the Business, attending a function or accompanying legitimate Business travel), whilst acting within the scope of their duties in such capacity;
- e) any voluntary worker of any Insured referred to in a), b) and c) of this definition;
- f) any person whilst working for the Insured referred to in a), b) and c) for the purpose of gaining unpaid work experience;
- g) any employee Stand-Alone Superannuation Fund managed by the Insured, including any trustees or directors of such fund;
- h) any Principal in respect of liability:
 - i. arising out of the performance by, or on behalf of, the Insured of any contract or agreement for the performance of work for such Principal, but only to the extent required by such contract or agreement; **and**
 - ii. any Products sold or supplied by the Insured, but only in respect of the Insured's own acts or omissions in connection with such Products and in any event;
- i) any social or sporting clubs, child care facilities, first aid, fire and ambulance services formed with the consent of the Insured referred to in a), b) or c) of this definition, including any office bearer or member of any such club whilst acting in that capacity;

- j) any director, partner, officer or executive of the Insured referred to in a), b) or c) of this definition in respect of private work undertaken by any employee for such person, including any employee whilst actually undertaking such work; **and**
- k) if any party named in the Schedule as an Insured is an individual, the personal representative of that individual in the event of the death, incapacitation or mental disorder of that individual, but only in respect of liability incurred by that individual in connection with the Business.

Named Insured means the legal entity(s) who is so named in the Schedule.

North America means:

- a) the United States of America and the Dominion of Canada; **and**
- b) any state, territory or protectorate incorporated in, or administered by, the United States of America or the Dominion of Canada; **and**
- c) any country or territory subject to the laws of the United States of America or the Dominion of Canada.

Occurrence means an event including continuous or repeated exposure to substantially the same general conditions which results in Personal Injury, Property Damage or Advertising Injury neither expected nor intended from the standpoint of the Insured. All events of a series consequent on or attributable to one source or original cause, are deemed one Occurrence. All Advertising Injury arising out of the same injurious material or act (regardless of frequency or repetition thereof, the number and kind of media used or the number of claimants), are deemed one Occurrence.

Personal Injury means any of the following:

- a) bodily injury, death, sickness, illness, disability, disease, shock, fright, mental anguish or mental injury, loss of consortium or services resulting therefrom;
- b) false arrest, wrongful detention, false imprisonment, malicious prosecution or humiliation;
- c) wrongful entry, eviction or other invasion of right of privacy;
- d) defamation, unless arising out of Advertising Injury; **or**
- e) assault and battery not intentionally committed by or at the direction of the Insured unless so directed for the purpose of preventing or eliminating danger to persons or property.

Principal means any person with whom the Named Insured have entered into a written contract or agreement to do any work or provide any services in connection with the Business.

Product means anything (after it has ceased to be in the possession or under the control of the Insured), which is or is deemed to have been manufactured, grown, extracted, produced, processed, imported, exported, constructed, assembled, erected, installed, repaired, serviced, renovated, treated, sold supplied or distributed by or on behalf of the Insured including any discontinued products, labels packaging or containers, the design specification or formula of any products, and including directions and instructions, advice given or omitted to be given, in connection with such products.

The term 'Product' shall not be deemed to include food and beverages:

- a) sold or supplied by or on behalf of the Insured from any canteen or vending machine primarily for the use of the Insured's employees; **or**
- b) served to employees or guests for consumption on any of the Insured's premises.

Products Liability means Personal Injury, Property Damage or Advertising Injury happening during the Period of Insurance within the Territorial Limits as a result of an Occurrence and arising out of any:

- a) Products; **or**
- b) reliance upon a representation or warranty made by the Insured at any time with respect to any Product.

Property Damage means:

- a) physical damage to, or loss of, or destruction of, tangible property including subsequent loss of use of the property; **or**
- b) loss of use of tangible property which has not been physically damaged or destroyed.

Stand-Alone Superannuation Fund means a superannuation fund or pension fund established by the Insured under its own trust structure managed by or on behalf of the Insured. It does not include an industry fund, a wholesale master trust, a retail master trust, public sector employees' funds or any investment or retirement fund managers.

Territorial Limits means:

- a) anywhere in the world, except North America; **and**
- b) North America if the Personal Injury, Property Damage or Advertising Injury arises from:
 - i. Products exported into those countries without the Insured's knowledge; **or**
 - ii. overseas Business visits by travelling employees and/or directors whose normal place of residence is outside North America, but not where they perform manual work or supervise manual work in North America.

Tool of Trade means a vehicle that has tools, implements, machinery or plant attached to or towed by any Vehicle and is being used by the Insured at any Worksite or the Insured's premises. Tool of Trade does not include any vehicle whilst travelling to or from a Worksite or vehicles that are used to carry goods to or from any premises.

Worksite means any premises or site where work is performed for or in connection with the Business, and includes any surrounding area or premises used by the Insured to undertake such work.

Cover

We will indemnify the Insured for all amounts which the Insured is legally liable to pay as compensation in respect of:

- a) Personal Injury;
- b) Property Damage; **and**
- c) Advertising Injury,

happening during the Period of Insurance within the Territorial Limits as result of an Occurrence and arising out of the Business or Products of the Insured.

Limitations

The limit of CGU's liability in respect of any one Occurrence shall not exceed the limit of liability stated in the Schedule. The total aggregate limit of CGU during any one Period of Insurance for all claims arising out of Products Liability shall not exceed the limit of liability stated in the Schedule. Subject to 'Additional benefit' 1, the limit of liability is exclusive of the Excess and Defence Costs and Expenses.

Additional benefits

The following additional benefits are available if You have selected this section.

1. Defence costs and expenses

With respect to the indemnity provided by this section of the Policy We will pay, in addition to the limit of liability, for Defence Costs and Expenses.

We will defend any suit against the Insured seeking compensation for Personal Injury, Property Damage or Advertising Injury to which indemnity under this section of the Policy applies, even if the allegations of the suit are groundless false or fraudulent.

We are not obliged to pay Defence Costs and Expenses or defend any claim or legal action after Our liability under this section of the Policy to indemnify the Insured has been exhausted by either payment of judgment, settlement or payment to the Insured.

If a payment exceeding Our liability under this section of Policy to the Insured You has to be made to dispose of a claim, the liability of Us for Defence Costs and Expenses is limited to the proportion that Our liability to indemnify the Insured under this section of the Policy bears to that payment.

In the event of a claim being made against the Insured in any court, or before any other legally constituted body in North America, the total amount payable in respect of the claim by Us under this Policy, including Defence Costs and Expenses, are subject to the limit of liability stated in the Schedule.

Exclusions

This Policy does not cover:

1. Advertising injury

any Advertising Injury arising out of or in any way connected with any:

- a) statement made by, or at the direction of, an Insured where the Insured knew or suspected the statement or any part of the statement was false; **or**
- b) failure to perform any obligation pursuant to any contract. This exclusion 1 b) does not apply to any claim for unauthorised appropriation of advertising ideas contrary to an implied contract; **or**
- c) incorrect description of Products, goods or services; **or**
- d) any mistake in the advertised price, of Products, goods or services; **or**
- e) failure of Products, goods or services to conform with advertised performance, quality, fitness or durability; **or**
- f) Insured whose Business is advertising, broadcasting, publishing or telecasting.

2. Aircraft

any liability arising out of or in any way connected with:

- a) the ownership, use, maintenance, operation of any Aircraft by the Insured; **or**
- b) repair or servicing of critical components of Aircraft; **or**
- c) any Products that are incorporated into the hull or critical components of any Aircraft; **or**
- d) any Products where the Insured knew, or reasonably should have known, would be incorporated into the structure, machinery, controls or construction of any Aircraft.

3. Asbestos

any liability arising out of or in any way connected with, any claim or claims in respect of Personal Injury, Property Damage, Advertising Injury, loss or losses arising directly or indirectly out of, or in any way connected with asbestos, in whatever form or quantity.

4. Contractual

any liability arising out of or in any way connected with any liability or obligation:

- a) assumed under the terms of a contract, agreement or warranty; **or**
- b) which requires the Insured effect or maintain insurance with respect to premises, property or goods not owned by the Insured.

This exclusion 4 a) does not apply to:

- i. the extent that such liability or obligation would have been implied by law in the absence of such contract, agreement or warranty; **or**

- ii. liability assumed under an Incidental Contract; **or**
- iii. any contract specifically excepted by Our written agreement.

5. Defamation

any liability for defamation arising out of or in any way connected with the publication or utterance of libel, slander, defamatory or disparaging material:

- a) resulting from statements made prior to the Period of Insurance; **or**
- b) resulting from statements made by the Insured, or at the direction of the Insured, with knowledge of its falsity; **or**
- c) incurred by any Insured whose Business is advertising, broadcasting, publishing or telecasting.

6. Employers liability

- a) any liability in respect of which the Insured is or should be entitled to indemnity under any fund, scheme, policy of insurance or self insurance pursuant to or required by any legislation relating to workers compensation, whether or not such fund, scheme or insurance has been effected. However, this section of the Policy will respond to the extent that the Insured's liability would not be covered under any such policy, fund, scheme or self insurance arrangement had it complied with its obligations pursuant to such law. For the purpose of exclusion 6 a) the term 'worker' means any person deemed to be employed by the Insured pursuant to any workers compensation law or legislation. Voluntary workers and unpaid work experience students are not deemed to be the Insured's workers provided they are not treated as workers by such workers compensation law or legislation;
- b) any liability imposed by the provisions of any industrial award or agreement or determination where such liability would not have been imposed in the absence of such industrial award or agreement or determination; **or**
- c) any liability relating to Employment Practices.

7. Faulty work

any liability arising out of or in any way connected with the cost of reinstating, repairing, replacing, performing, completing, correcting or improving any work done or undertaken by or on behalf of an Insured.

8. Fines or penalties and punitive damages

any liability arising out of or in any way connected with fines, penalties, exemplary, punitive, liquidated or aggravated damages, and any additional damages resulting from the multiplication of compensatory damages.

9. Intentional conduct

any liability arising out of or in any way connected with the Insured's alleged or actual fraudulent, dishonest, malicious, intentional or criminal act or omission.

10. Loss of use

any liability for the loss of use of tangible property which has not been physically damaged or destroyed resulting from:

- a) a delay in or lack of performance by or on behalf of the Insured in respect of any contract or agreement; **or**
- b) the failure of a Product or work performed by or on behalf of the Insured to meet the level of performance, quality, fitness, or durability expressly or impliedly warranted or represented by the Insured.

This exclusion 10 b) does not apply to loss of use of other tangible property resulting from the sudden and accidental physical damage to, or destruction of the Product or work performed by or on behalf of the Insured, after the Product or work has been put to its intended use by any person or organisation other than the Insured.

11. Pollution

any liability arising out of or in any way connected with:

- a) the actual, alleged or threatened 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; **or**
- b) the cost of testing, monitoring for, containing, removing, nullifying, or cleaning up of pollutants, or the cost of preventing the release or escape of pollutants.

Provided that with respect to liability incurred outside North America, this exclusion 11 shall not apply where such discharge, seepage, migration, dispersal, release or escape is caused by a sudden, identifiable, unintended and unexpected event from the standpoint of the Insured which takes place in its entirety at a specific time and place during the Period of Insurance. This exclusion 11 will apply to any liability incurred in North America regardless of how it arises.

12. Product defect

any liability arising out of or in any way connected with Property Damage to any Products if the damage is attributed to any defect in them or to their harmful nature or unsuitability. This exclusion 12 is restricted to the defective, or harmful, or unsuitable part of a damaged Product and does not apply to any resultant damage caused to the remainder of the Product.

13. Property in physical or legal control

any liability arising out of or in any way connected with Property Damage to property owned by, leased, hired, on loan or rented to, or otherwise in the physical or legal control of the Insured other than:

- a) premises or part of any premises (including the contents of such premises), leased or rented to the Insured, or temporarily occupied by an Insured for the purpose of the Business. This clause 13 a) does not extend to any liability where the Insured have assumed the responsibility to effect or maintain insurance with respect to any premises referred to in this clause 13 a); **or**

- b) premises temporarily occupied by the Insured (including the contents of such premises), for the purpose of carrying out work in connection with the Business.

This clause 13 b) does not extend to liability for physical damage to, or destruction of, any premises or contents on which the Insured was or is working on if such physical damage or destruction arises from such work; **or**

- c) any other property temporarily in the Insured's possession for the purpose of being worked upon.

This clause 13 c) does not extend to liability for physical damage to, or destruction of, that part of any property on which the Insured was or is working on if such physical damage or destruction arises from such work; **or**

- d) any vehicle (including its contents, spare parts and accessories while they are in or on a vehicle), not belonging to or used by the Insured while such vehicle is in a car park owned or operated by the Insured, provided the Insured does not operate the car park for reward as a principal part of the Business; **or**
- e) Property Damage to any vehicle temporarily in the Insured's possession for the purpose of parking or removing from a car park such a vehicle; **or**
- f) any other property (except property owned by the Insured) temporarily in the Insured's physical or legal care, custody or control, subject to a maximum of \$250,000 or other higher amount stated in the Schedule, for any one Occurrence and in the aggregate during any one Period of Insurance.

14. Products guarantee

any liability arising out of or in any way connected with any guarantee or warranty given by or on behalf of the Insured in respect of any Product. This exclusion does not apply to a guarantee or warranty imposed by legislation.

15. Professional indemnity

any liability arising out of any breach of duty owed in a professional capacity or any error or omission connected therewith by the Insured or any person for whose breach of duty the Insured may be legally liable.

This exclusion does not apply to claims arising out of:

- a) advice or service where no fee was charged; **or**
- b) the rendering of or failure to render professional medical advice by any person employed by the Insured (not being a qualified medical practitioner) to provide first aid on the Insured's premises; or
- c) advice given in respect of the use or storage of Products.

16. Recall of products

any liability or expense arising out of or in any way connected with the withdrawal, recall, inspection, repair, adjustment, replacement, removal, cost of investigation, disposal or loss of use of any Products or any property of which the Insured's Products form a part, where such Products or property are withdrawn from the market or from use by any person or organisation because of any known, alleged or suspected defect or deficiency in such Products.

17. Vehicles

any liability for Personal Injury or Property Damage caused by, or arising out of, the ownership, operation, use or possession of any vehicle:

- a) which is registered for use on a public road or which is legally required to be registered; **or**
- b) in respect of which compulsory liability insurance or statutory indemnity is required by any legislation, whether or not such insurance has been effected.

However, this exclusion 17 does not apply to:

- i. claims in respect of Personal Injury where compulsory liability insurance or statutory indemnity does not provide indemnity, and where the reason or reasons why compulsory liability insurance or statutory indemnity does not provide indemnity, does not involve a breach of any legislation by the Insured;
- ii. Personal Injury or Property Damage arising out of, or in connection with, the loading and unloading of goods to or from any Vehicle, or from the delivery or collection of goods by any Vehicle;
- iii. Personal Injury or Property Damage arising out of the use of any Vehicle (including any tool or plant forming part of, or attached to, or used in connection with such vehicle), whilst being operated or used as a Tool of Trade; **or**
- iv. Property Damage in relation to any Vehicle indemnified under clause 13 d) and e).

18. Watercraft and hovercraft

any liability arising out of or in any way connected with the ownership, maintenance, operation or use by an Insured of any watercraft exceeding ten (10) meters in length or any Hovercraft.

This exclusion does not apply to liability arising out of:

- a) the use of watercraft by an independent contractor carrying out works and/or operations on behalf of the Insured in the course of the Insured's Business; **or**
- b) watercraft or Hovercraft owned and operated by others and used by an Insured for the purpose of business entertainment; **or**
- c) floating jetties, floating pontoons or buoys.

Special terms & conditions

1. Cross liabilities

Where more than one party comprises the Insured each of the parties shall be considered as a separate and distinct unit and the word Insured shall be considered as applying to each party in the same manner as if a separate Policy had been issued to each, provided that nothing in this clause results in the increase of the limit of liability in respect of any Occurrence or Period of Insurance.

2. Reasonable care

The Insured must:

- a) take all reasonable precautions to:
 - i. prevent Personal Injury, Property Damage and Advertising Injury;
 - ii. prevent the manufacture, sale or supply of defective Products; **and**
 - iii. comply and ensure that the Insured's employees, workers, servants and agents comply with all statutory obligations, by-laws or regulations imposed by any public authority for, or in connection with, the safety of persons and property; **and**
- b) at the Insured's own expense take reasonable action to trace, recall or modify any Products containing any defect or deficiency which defect or deficiency the Insured have knowledge of, or have reason to suspect.

3. Discharge of liability

We may at any time pay to the Insured, in respect of all claims against the Insured arising directly or indirectly from one Occurrence, the limit of liability (after deduction of any amount already paid by Us in respect of those claims).

This payment will extinguish all liability under this section of the Policy in connection with such claim or claims, including Defence Costs and Expenses.

4. Claims procedure

In addition to the claims procedure set out in the 'General conditions' of this Policy, the Insured must give Us notice in writing, of every loss, damage, Occurrence, claim, writ, summons, impending proceedings, impending prosecution or inquest that is or might give rise to a claim under this section of Policy.

The Insured or their legal representative must:

- a) take all reasonable precautions to preserve anything which might prove necessary or useful by way of evidence in connection with any claim;
- b) take all practical steps to recover any property; **and**
- c) not, without Our consent in writing, make any admission, offer, promise or payment in connection with any Occurrence or claim.

We will have full discretion in the conduct of any proceedings in connection with any claim and the Insured shall give all information and assistance as We may require in the prosecution, defence or settlement of any claim.

5. Waiver of subrogation

We agree to waive rights of subrogation under this Policy against:

- a) each Insured;
- b) any corporation, organisation or person that or who owns or controls the majority of the capital stock of any corporation or organisation that is an Insured. Where such corporation, organisation or person is covered by any other policy of insurance or indemnity, Our right of subrogation is not waived to the extent of cover and up to the amount of such other cover; **and**

- c) any government, public or local authority, statutory authority or any landlord insured under the definition of Incidental Contract point c) but only to the extent required by such Incidental Contract.

6. Other insurances

If the Insured makes a claim under this Policy in respect of an Occurrence recoverable under this Policy, which Occurrence is or may be covered in whole or in part by any other policy of insurance, the Insured must advise Us of the full details of such other insurance when making a claim under this Policy.

Notwithstanding anything contained in this Policy to the contrary, We agree that this Policy will, in respect of the Business, where a Principal or another (including an Insured in so far as permitted by law) has effected public liability insurance (the Primary Insurance), provide the following indemnity:

- a) to pay as compensation in respect of Personal Injury, Property Damage or Advertising Injury not otherwise recoverable under the Primary Insurance policies;
- b) to pay all amounts in excess of that recoverable under the Primary Insurance policies; **and**
- c) to pay the difference (if any) between the excess under the Primary Insurance and the Excess or deductible that would have been applicable under this Policy if the Business or Products of the Insured had been insured,

but provided that such losses and/or amounts would, but for the existence of the Primary Insurance policies, be recoverable under this Policy and subject to the limit of liability, and provided that such cover is for the sole benefit of the Insured as defined in a), b), c), d) and h).

7. Prevention of loss

In the event of an Occurrence, the Insured must promptly take at the Insured's expense all reasonable steps to prevent other Personal Injury, Property Damage or Advertising Injury arising out of the same or similar conditions. These expenses are not recoverable under this Policy.

8. Subrogation

In the event of payment under this section of the Policy to or on behalf of the Insured, We are subrogated to all the Insured's rights of recovery against all persons and organisations and the Insured shall execute and deliver instruments and papers and do all that is necessary to assist in the exercise of such rights.

Section 8 Machinery

Introduction

This section forms part of Your Policy only if Your Schedule shows that You have taken out cover under Section 8.

Definitions

When the following words and terms are capitalised in this Section 8, they have the meaning set out below.

Breakdown means sudden and unforeseen physical destruction or physical damage to Machinery which requires repair or replacement to enable the Machinery to operate in the same manner and condition as before the sudden and unforeseen physical destruction or physical damage.

Collapse means unforeseen and unexpected physical destruction, damage, distortion, bending, or crushing of any part of Pressure Equipment, caused by vacuum or reduced pressure in the Pressure Equipment, including damage caused by overheating resulting from insufficiency of water.

Computer or Computers means Electronic Data processing equipment connected to, and used to control and operate, the Building's mechanical or electrical equipment and includes software programs and Peripheral Equipment.

Data Carrying Media means all disks, tapes, cards or other materials used for storing data.

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

Machinery means:

1. the electric, electronic, mechanical or hydraulic machinery;
2. Pressure Equipment; **or**
3. Computers,

together with associated controls, belonging to You or for which You are responsible or have assumed a responsibility to insure, but Machinery does not include:

1. air conditioning plant utilizing centrifugal compressors or other air conditioning plant which exceeds the Sum Insured shown on Your Schedule other has a rated cooling capacity greater than twenty (20) kw;
2. wiring, fittings and outlet sockets of electric lighting or electric power circuits;
3. office machines (other than Computers) and portable and/ or hand-held electronic equipment;
4. telephone and closed circuit television installations;
5. any Mobile Machinery, vessel, craft or thing:
 - a) made or intended to fly, float or travel; **or**
 - b) or stored in or mounted upon such Mobile Machinery, vessel, craft or thing;

6. gaming, gambling, amusement or vending, machinery;
7. coin or card-operated machinery;
8. audio or visual entertainment equipment; **or**
9. research, diagnostic and electro-medical equipment, unless shown in the Schedule as Specified Machinery.

Mobile Machinery means any mechanically operated or driven machine on wheels or self-laid tracks.

Peripheral Equipment means equipment that is:

1. incidental to the basic operation of; **and**
2. connected to and operating from,

a Computer, including surveillance equipment but not underground lines.

Pollutant means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to:

1. smoke, vapour, soot, or fumes;
2. acids, alkalis or chemicals; **and**
3. waste materials, including material to be recycled, reconditioned or reclaimed.

Pressure Equipment means those parts of the permanent structure of a boiler, pressure vessel, economiser or superheater and attaching pipe systems that are subject to steam, gas or fluid pressure or vacuum.

Specified Machinery means any Machinery owned by You that is specifically described in the Schedule under 'Specified Machinery' while at the Situation.

Sum Insured means the total replacement value per event.

See also 'General definitions' in the General Provisions section of this Policy booklet for the meaning of other words and terms that apply to all sections.

Cover

We will cover You for:

1. Breakdown of an item or any part of an item of Machinery or Specified Machinery; **and**
2. Collapse or Explosion of an item or any part of an item of Pressure Equipment,

for which a Sum Insured is shown in Your Schedule while at the Situation during the Period of Insurance.

We will not pay You if any of the matters set out in the 'Specific exclusions' in this Section 8 or the 'General exclusions' apply.

Limitation

In respect of Machinery or Pressure Equipment, Our total liability for any claim arising out of one event or series of events arising directly or indirectly from one source or original cause will not exceed the sum insured shown in the Schedule for Machinery or Pressure Equipment, less any applicable excess.

The most We will pay for an item of Specified Machinery is the Sum Insured shown on the Schedule for that item, less any applicable Excess.

Additional benefits

If We agree to pay Your claim under this Section 8, We will also cover You for the following 'Additional benefits'.

Any amount We pay for these 'Additional benefits' is in addition to the Sum Insured shown in the Schedule.

1. Additional costs associated with repair

We will pay up to:

- a) \$25,000; **or**
- b) fifty percent (50%) of the Sum Insured, whichever is the lesser, for one event for the reasonable expenses necessarily incurred for:
 - a) temporary repairs;
 - b) hiring of substitute Machinery;
 - c) overtime;
 - d) express freight including overseas air freight; **and**
 - e) removing, storing and disposing of the residue of damaged Machinery, excluding any Pollutants deposited beyond the boundaries of the Situation.

You must obtain Our written consent before any of the expenses are incurred.

We will not pay for:

- a) the costs and expenses for specialists or consultants to travel to or from Australia;
- b) air freight for aircraft specifically chartered for the purpose;
- c) overtime charges that exceed fifty percent (50%) of the cost of carrying out the repairs at ordinary rates; **or**
- d) Breakdown of Machinery, or Explosion or Collapse of Pressure Equipment that has been hired or is on loan to You from a third party.

2. Inflation protection for specified machinery

We will increase the Sum Insured for Specified Machinery at the time of the loss according to the Consumer Price Index multiplied by the proportion that the number of days since the commencement of the Period of Insurance bears to the whole of the Period of Insurance.

3. Consulting engineers' fees

After the Sum Insured has been exhausted, We will pay up to \$5,000 for the fees of consulting engineers (excluding fees for preparing a claim) necessarily incurred with Our written consent, in the reinstatement of Machinery and Specified Machinery.

Whether or not We have agreed to pay a claim under this Section 8, We will extend Your cover to include the following Additional Benefit.

Any amount We pay for this Additional Benefit is in addition to the Sum Insured.

4. Cover for additional machinery

We will cover You under, and to the extent provided in, this Section 8 for Machinery at any one Situation, that is delivered and installed after the commencement of the Period of Insurance, but not items hired by You, provided that:

- a) the additional Machinery is of a similar type and class as the Machinery described in the Schedule;
- b) the additional Machinery is free from known defects and complies with all applicable statutory requirements;
- c) We will not cover the additional Machinery until it has become Your responsibility and has operated satisfactorily at design load, for eight (8) hours in total;
- d) You must notify Us of the additional Machinery in writing within ninety (90) days of the delivery and installation of the additional Machinery; **and**
- e) You must pay or agree to pay any additional premium We ask for.

If We do not agree to cover the additional Machinery, We will, within seven (7) days of receiving Your notice, give You seven (7) days notice that the additional Machinery is unacceptable to Us and on expiry of that period the additional Machinery will no longer be covered under this Section 8.

Settlement of claims

In the event of a claim for:

1. Breakdown of machinery other than computers

Breakdown of Machinery other than Computers, We will, at Our option:

- a) repair or replace the damaged items; **or**
- b) pay the cash equivalent of the costs that would have been incurred if the item had been repaired or replaced.

We will also pay:

- a) the cost of liquids or refrigerant gas or insulating oil necessary to complete the repairs;
- b) the cost of transport and labour; **and**
- c) the onsite cost of parts.

If it is necessary to replace parts that are unavailable or obsolete, We will not pay more than the estimated cost of replacement of similar parts for similar type of plant currently available.

If similar parts are found to be unobtainable, We will not pay more than the manufacturer's or supplier's latest list price.

2. Breakdown of computers

Breakdown of Computers:

- a) where the Computer can be repaired, We will pay the cost of restoring the damaged Computer to a condition substantially the same as but not better or more extensive than its condition when new; **or**
- b) where the Computer cannot be repaired, We will pay the cost of replacing the item with a new item, of equivalent make and model, that is compatible with Your existing systems and programs.

We will also pay:

- a) the cost of transport and labour;
- b) the onsite cost of parts; **and**
- c) air freight within Australia.

3. Explosion or collapse of pressure equipment

Explosion of Collapse of Pressure Equipment, We will, at Our option:

- a) repair or replace the damaged items; **or**
- b) pay the cash equivalent of the costs that would have been incurred if the item had been repaired or replaced.

If the Pressure Equipment can be repaired, We will pay the cost of repairs necessary to restore the Pressure Equipment to its condition as it was when last working safely before the Explosion or Collapse.

If the Pressure Equipment cannot be repaired at a cost less than the value of a new equivalent unit, We will pay the cost of installing and commissioning replacement Pressure Equipment of equivalent quality and size. If the Pressure Equipment is replaced with equipment that is of a better kind, quality or size, We will only pay the cost that would have been incurred if an exact replacement had been installed.

If the Pressure Equipment is not repaired or replaced within twelve (12) months of the Explosion or Collapse, We will not pay more than the Indemnity Value of the Pressure Equipment immediately prior to the Explosion or Collapse.

We will also pay:

- a) the cost of transport and labour;
- b) the onsite cost of parts; **and**
- c) air freight within Australia.

In respect of the 'Settlement to Claims' clauses 1, 2 and 3 above if We repair or replace an item of Machinery, We will not pay for the cost of any alterations, improvements, maintenance or overhauls carried out in the course of the repair or replacement.

Specific exclusions

We will not pay You under this Section 8 for:

1. consequential financial loss, loss of use, or other indirect loss;
2. liquidated damages or penalties;
3. for delay or detentions;
4. in connection with guarantees of performance or efficiency;
5. repair or replacement necessitated by:
 - a) wasting or wearing out of parts, caused by or resulting from ordinary use or working or gradual deterioration;
 - b) rusting, corrosion, oxidation, cavitation, erosion, or deposits of scale, sludge or other sediment;
 - c) any direct consequences of progressive or continuous influences from working, or from atmospheric or chemical action other than accidental contact with acids or other corrosive substances causing damage that manifests itself within twenty four (24) hours of such accidental contact; **or**

- d) rusting or scratching of painted or polished surfaces,
but We will pay for other physical damage to Machinery insured by this Section 8 resulting from such causes other than the item immediately affected provided not otherwise excluded;
6. the cost of removal of Machinery from a borehole and subsequent replacement;
7. any increase in the cost of repair or replacement necessitated by compliance with any ordinance or law regulating repair, alterations, construction, installation or operation of the Machinery;
8. in respect of Machinery other than Pressure Equipment:
- a) loss, destruction or damage directly or indirectly caused by or arising from or in consequence of:
- i. fire resulting from explosion or otherwise, lightning, thunderbolt, spontaneous combustion, fermentation, heating or any process involving the direct application of heat;
 - ii. aircraft or other aerial devices or articles dropped from them, or sonic boom;
 - iii. earthquake, subterranean fire, volcanic eruption, tsunami;
 - iv. storm, tempest, rainwater, snow, sleet, wind, hail, water from or action of the sea, tidal wave, high water, Flood;
 - v. water, liquids, or substances discharged, overflowing or leaking from apparatus, appliances, pipes or other systems unless such apparatus, appliances, pipes or other systems form part of the Machinery;
 - vi. riots, civil commotions, strikes or locked out workers, or persons taking part in labour disturbances, or acts of vandalism, or acts of any lawfully constituted authority in connection with the foregoing acts, cessation of work whether total or partial;
 - vii. Explosion;
 - viii. attempts by civil authorities to prevent the spread of fire;
 - ix. theft or attempted theft;
 - x. unexplained inventory shortages or disappearances;
 - xi. unloading on delivery to, or loading prior to dispatch from the Situation;
 - xii. incorrect siting, demolitions ordered by government or public or local authorities;
 - xiii. erosion, subsidence, or collapse or any other movement of earth;
 - xiv. testing and commissioning, intentional overloading or experiments;
 - xv. faults or defects known to You or to any employee whose knowledge in law would be deemed to be Your knowledge and not disclosed to Us at the time this insurance was arranged, extended, varied, renewed or reinstated; **or**
 - xvi. any process of heat treatment, welding, grinding, cutting, drilling or shaping or the application of tools to the property other than for the purpose of lifting the insured machine or item.
- b) for loss of or physical destruction or damage caused to:
- i. bits, drills, knives, saw blades, heating elements, fuses, contacts that spark or arc, and electronic valves and tubes, lasers and magnetron units;
 - ii. dies, moulds, patterns, blocks, stamps, punches;
 - iii. coating or engraving on cylinders and rolls;
 - iv. crushing, hammering or grinding surfaces, wear plates, screens, tyres, batteries, burner jets or other parts which by their use and nature, suffer a high rate of wear or gradual deterioration;
 - v. sieves, flexible pipes, seals, jointing and packing materials, filters, ropes, chains, belts, elevator and conveyor belts or bands, cables (other than electrical conductors) brushes, refractory materials, fire bars, unless as a result of Breakdown;
 - vi. fuels, chemicals, filter substances, heat transfer media, cleansing agents, lubricants, oils, catalysts or other operating materials, including loss or damage to refrigerants or transformer oils due to defective valves, glands, seals, gauges, or loose connections of pipes. However, We will pay for loss or damage to refrigerants or transformer oils due to breaking of pipes or flared joints;
 - vii. materials in the course of or undergoing processing;
 - viii. foundations and masonry – unless specifically included and described in the Schedule as ‘Specified Machinery’;
 - ix. any below ground turbine pump, submersible pump or motor, unless such pump or motor is fitted with an effective pressure or flow cut out switch that will stop the motor if the normal pumping pressure or flow is interrupted; **or**
 - x. any unattended engine unless the engine is fitted with an effective automatic safety engine monitoring device that stops the engine in the event of a lubricating or cooling fault or failure.
9. in respect of Pressure Equipment: repair or replacement following loss, destruction or damage directly or indirectly caused by or arising from or in consequence of:
- a) wasting or wearing away whether by leakage or corrosion or by the action of the fuel or otherwise;
 - b) slowly developing deformation or distortion; **or**
 - c) cracks, fractures, blisters, lamination separation, flaws or grooving that have not penetrated the entire thickness of the material,
however, these ‘Specific exclusions’ 9(a), (b) and (c) will not apply to subsequent Explosion or Collapse.
- d) Explosion or Collapse of any Pressure Equipment if at the time of the Explosion or Collapse:
- i. the load on the safety valve upon the particular Pressure Equipment was in excess of the manufacturer’s specification;
 - ii. any safety valve limiting the pressure was removed or rendered inoperative; **or**
 - iii. the particular Pressure Equipment was not certified in accordance with the applicable Pressure Equipment inspection regulations.

- e) loss, destruction or damage to Pressure Equipment where:
- i. the Pressure Equipment is operated in an unsafe condition;
 - ii. the Pressure Equipment does not comply with Australian Standards, codes or laws; **or**
 - iii. an inspection by a competent person has not been carried out in accordance with the applicable Australian Standards, codes or laws.

See also 'General exclusions' in the General Provisions section of this Policy booklet that apply to all sections.

Conditions

See 'General conditions' in the General Provisions section of this Policy booklet that apply to all sections.

Claims procedure

If something happens which may give rise to a claim under this Section 8, You must:

1. retain all parts of the item of Machinery that has been replaced for inspection by Us, **and**
2. at all reasonable times, permit Our representative to inspect the Machinery.

See also 'Claims procedure' in the General Provisions section of this Policy booklet for details of other obligations You have in the event of a claim.

Notes

Notes

Notes

CONTACT DETAILS

Enquiries 13 24 81

Claims 13 24 80

Mailing address

GPO Box 9902 in your capital city

Sydney

388 George Street
Sydney NSW 2000

Melbourne

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Brisbane

189 Grey Street
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Perth

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Adelaide


80 Flinders Street
Adelaide SA 5000



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