



SmartProtect®
SMARTER INSURANCE SOLUTIONS EXCLUSIVELY
ARRANGED BY ARTHUR J. GALLAGHER

Business

SmartProtect Business
Product Disclosure Statement (PDS)
and policy wording



Gallagher

Underwritten by:



QBE

Contents

About this booklet	4
Part A - Important Information	5
The cost of this policy	5
Cooling off information	5
Significant risks	5
General Insurance Code of Practice	5
Privacy	6
Complaints	6
Part B – Information for some policyholders only	7
Part C – Policy Wording	8
General policy conditions	9
General claims conditions	12
General exclusions	14
General Definitions	16
Fire and defined events	20
About this Section	20
What we cover	20
Insured events	20
Extra covers	22
Optional covers	26
Conditions	27
What we pay	27
Definitions	29
Business income protection	30
About this section	30
What we cover	30
How we calculate your Insured Amount	30
What we pay	30
Limits to what we pay for business income and gross rentals	31
If your insured amount is too low	31
Extra Covers	31
Special Provisions	33
Optional Extra covers	34
Conditions applicable to this cover section	35
Definitions applicable to this section	36
Optional Endorsement - Payroll	37
Optional Endorsement – Rent Default	38
Theft	39
What we cover	39
What we exclude	39
Extra covers	39
Conditions	41

What we pay	42
Definitions	42
Money	43
What we cover	43
What we exclude	43
Extra covers	43
What we pay	45
Glass	47
What we cover	47
What we exclude	47
Extra covers	47
Extra Costs	47
Definitions	47
Legal liability	48
Insuring clause	48
Costs and expenses	48
Your insurance under this section	48
What we cover	48
What we pay	48
What we exclude	49
Conditions	51
Definitions	53
Legal liability optional extensions	56
Consumer protection cover for Queensland electricians	56
Victorian plumbers liability	59
Portable and valuable items	64
What we cover	64
What we exclude	64
Extra covers	64
What we pay	64
Definitions	65
Machinery and/or electronic equipment breakdown	66
What we cover	66
What we exclude	66
Extra covers	67
Conditions	68
What we pay	68
Definitions	69
Restoration of computer data	70
What we cover	70
What we exclude	70
What we pay	70

Date of preparation: 1 November 2021

Date effective: 1 January 2022

QM7474-0122

Electronic equipment – increase in cost of working	71	Part 2: Third party liability – (applicable to registered vehicles only)	88
What we exclude	71	What we exclude	89
What we pay	71	Extra Covers	90
Deterioration of stock	72	Special Clauses	95
What we cover	72	Conditions	96
What we exclude	72	Claims conditions	97
Extra Cover	72	Definitions	99
What we pay	72		
Employee dishonesty	73		
What we cover	73		
What we exclude	73		
Extra covers	73		
Conditions	74		
What we pay	74		
Definitions	74		
Tax audit	76		
What we cover	76		
What we exclude	76		
Extra covers	77		
Limits to what we pay	77		
Claims conditions	77		
Definitions	78		
Transit	79		
What we cover	79		
What we exclude	79		
Extra cover	79		
What we pay	79		
Definitions	79		
Employment practices liability	80		
What we cover	80		
What we exclude	80		
Extra covers	80		
What we pay	81		
Conditions	81		
Definitions	81		
Statutory liability	83		
What we cover	83		
What we exclude	83		
Extra covers	84		
Limits to what we pay	84		
Conditions	85		
Definitions	85		
Commercial motor	87		
What we cover	87		
Part 1: Loss, damage or theft of your vehicle	87		

About this booklet

There are two parts to this booklet. The first part is Important Information about this Policy including information about how we'll protect your privacy and how to make a complaint or access our dispute resolution service.

The second part is your Policy Wording which sets out the detailed terms, conditions and exclusions of the Policy.

Because we don't know your own personal circumstances, you should treat any advice in this booklet as purely general in nature. It doesn't consider your objectives, financial situation or needs. You should carefully consider the information provided with regard to your personal circumstances to decide if it's right for you.

When this booklet is a Product Disclosure Statement

We're required to give you a Product Disclosure Statement (PDS) if you're insuring vehicles (not exceeding 2 tonnes) under the 'Commercial Motor' section and you're:

- an individual; or
- a small business, having:
 - in the case of a non-manufacturing business, less than 20 employees; or
 - in the case of a manufacturing business, less than 100 employees.

Other documents you receive may comprise the PDS. You'll know when this happens because it'll say so in the document.

Information in this PDS might change. If the change is adverse then we'll issue a supplementary PDS or a new PDS at renewal. You can get an up-to-date paper copy of all updates (whether adverse or not adverse) at no charge by us, simply by calling us.

This PDS and Policy Wording consists of 3 parts

To understand the full terms and conditions of your Policy, you must read the following:

1. Part A contains important information about your rights and responsibilities, the General Insurance Code of Practice and how to contact us if you have a question or complaint. Part B applies to all sections and should be read by all persons who take out this Policy.
2. Part B contains Information for certain persons insuring vehicles. This part only applies to you if you are insuring vehicles (not exceeding 2 tonnes) under the 'Commercial Motor' section. and you are an individual or a small business.
3. Part C contains the Policy terms and conditions. It applies to all persons who take out this Policy.

For more information or to make a claim

Please take the time to read through this booklet and if you have any questions, need more information or to confirm a transaction, please contact:

- Arthur J. Gallagher. The address and telephone number of your nearest Arthur J. Gallagher office is on your policy schedule. Alternatively, you can call 1800 240 432 and we will direct to your nearest office, or visit the website: ajg.com.au.
- You can also contact Arthur J. Gallagher to make a claim.

About QBE

QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239545 is a member of the QBE Insurance Group of companies. QBE Insurance Group Limited ABN 28 008 485 014 is the ultimate parent entity and is listed on the Australian Securities Exchange (ASX: QBE). We have been helping Australians protect the things that are important to them since 1886. Our purpose is to give people the confidence to achieve their ambitions.

QBE is the Insurer and issuer of this Policy and is the issuer of this Product Disclosure Statement (PDS).

Gallagher - About us

Gallagher is an international insurance brokerage, risk management and consulting firm, operating in 45+ countries. We are the chosen partner to more than 100,000 Australian businesses, from small businesses through to multinational corporations and iconic brands.

Through our network of more than 30 regional and metropolitan branches across Australia, we understand local business communities because we are part of them ourselves.

Gallagher is committed to ethical business practice and has been recognised as one of the World's Most Ethical Companies by the Ethisphere Institute for eight consecutive years from 2012–2019.

Gallagher does not act as the agent of the insurer and does not issue, guarantee or underwrite this policy.

Part A - Important Information

In this first part of the booklet we explain important information about this Policy including how we'll protect your privacy and how to make a complaint or access our dispute resolution service.

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.

The cost of this policy

The premium is the amount you pay us for this insurance. It's the cost of this policy. It includes stamp duty, GST, other government charges and any fire services levy (FSL) that applies. Your premium is shown on your Schedule.

In addition to the factors we use to calculate your premium, the discounts you qualify for also affect your premium. Your premium includes any discounts you qualify for and these are applied before adding applicable government charges.

The premium does not include any service or administration fee charged to you by your insurance adviser.

We might advertise special offers and benefits from time to time. If we have a special offer available that is not in this PDS, we can give you a separate terms and conditions brochure about the offer if you ask us. These offers might be short-term and we can withdraw them at any time.

Cooling off information

You have the right to cancel and return the insurance Policy or a section of the Policy by notifying us in writing within 30 days of the date it was issued to you ("cooling off period"), unless you have a claim under the Policy within the cooling off period.

If you cancel it in this time, we will return the amount you have paid.

In addition, if you vary your Policy and add a section, you have the right to cancel that section within 30 days of the date it was added by notifying us in writing ("additional cooling off period") unless you make a claim under that section within the additional cooling off period. If it is cancelled in this time, we will return the amount you have paid for that section.

To cancel at other times, please see "Cancelling your policy" in the General policy conditions section.

Significant risks

Excesses

This is the amount you have to pay if you suffer loss, damage or liability which leads to a claim that we accept under your Policy.

The amount and type of excess that applies to your Policy is shown either in Part C of this booklet or on your Schedule.

If you claim under more than one section of your Policy for one incident or event, then you only pay the highest excess that applies unless expressly stated otherwise in the Policy. For example, extra covers may have their own excess which are in addition to any excess that may apply to a claim.

Fraudulent claims

If you or anyone acting on your behalf or with your knowledge makes a claim that is false or causes loss or damage deliberately, we may do one or more of the following:

- (a) refuse to pay a claim;
- (b) cancel your Policy; or
- (c) take legal action against you

in accordance with our rights at law, including under the *Insurance Contracts Act 1984* (Cth).

Terrorism Insurance Act 2003

All Sections of this Policy exclude cover for losses as a result of terrorism.

In the event that damage to property occurs and the cause of the damage is declared a terrorist incident by the responsible Minister, then you may be afforded protection within the limits of indemnity of this Policy by virtue of the *Terrorism Insurance Act 2003*. The operation of this Act may also serve to reduce the settlement of your loss to a percentage of the otherwise recoverable loss. In the event that the settlement is reduced then this will be at the direction of the Minister.

A more detailed explanation of the operation of the *Terrorism Insurance Act 2003* can be obtained at www.arpc.gov.au.

General Insurance Code of Practice

QBE is a signatory to the General Insurance Code of Practice (Code) and is committed to providing high standards of service. The Code covers topics like buying insurance, how claims are handled, what happens if financial hardship occurs, and complaint handling. You can read the Code at codeofpractice.com.au

We recognise that family and domestic violence is a complex issue and we take it seriously. For more information about support, our Family and Domestic Violence Customer Support Policy is available at qbe.com/au

Privacy

We take the security of your personal information seriously.

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

Our Privacy Policy describes in detail where and from whom we collect personal information, as well as where we store it and the ways we could use it. To get a copy at no charge by us, please visit qbe.com.au/privacy or contact QBE Customer Care.

It's up to you to decide whether to give us your personal information, but without it we might not be able to do business with you, including not paying your claim.

Complaints

We're here to help. If you're unhappy with any of our products or services, or the service or conduct of any of our suppliers, please let us know and we'll do our best to put things right.

Step 1 – Talk to us

Your first step is to get in touch with the team looking after your Policy, direct debit, or claim. You'll find their contact details on your policy documents, letters, or emails from us. Please provide our team with as much information as possible so they can try to fix the problem quickly and fairly.

For additional assistance in lodging a complaint, please refer to qbe.com/au

Step 2 – Customer Relations

If your complaint isn't resolved by the team looking after your Policy, direct debit, or Claim, you can ask them to refer your complaint on to our Customer Relations team. A Dispute Resolution Specialist will review your complaint independently and provide you with our final decision.

You can also contact the Customer Relations team directly:

Phone:	1300 650 503
Fax:	(02) 8227 8594
Email:	complaints@qbe.com
Post:	GPO Box 219, Parramatta NSW 2124

Step 3 – Still not resolved?

If we're unable to resolve your complaint to your satisfaction within a reasonable time, or you're not happy with our final decision, you can refer your complaint for external dispute resolution by contacting the Australian Financial Complaints Authority (AFCA). We are a member of AFCA and their decisions are binding on us.

Phone:	1800 931 678
Email:	info@afca.org.au
Post:	GPO Box 3, Melbourne VIC 3001

AFCA will inform you if your complaint falls within its jurisdiction. Time limits apply to most complaints to AFCA. For more information, visit afca.org.au

More information

You can find more information about how we deal with complaints on our website at qbe.com/au or you can call us on 133 723 to speak with us or request a copy of our complaints brochure at no cost.

Complaints just about privacy

If you're not happy with how we've handled your personal information, call us on 1300 650 503 or email us at customercare@qbe.com. If you're not satisfied with our response, you can contact the Office of the Australian Information Commissioner (OAIC):

Phone:	1300 363 992
Email:	enquiries@oaic.gov.au
Post:	GPO Box 5218, Sydney NSW 2001

Part B – Information for some policyholders only

This part applies to you if you chose cover for Vehicles (not exceeding 2 tonnes) under the Commercial Motor section.

The amount you pay for Commercial Motor (for vehicles)

The premium is the amount you pay us for this insurance. The premium payable by you will be shown on your Schedule. Premiums include applicable Commonwealth and state taxes and charges. These include the Goods and Services Tax and stamp duty. The amount of these taxes and charges will be shown on your Schedule.

If you change your Policy you may be entitled to a partial refund of premium or be required to pay reasonable additional premium, having regard to the nature of the risk as we assess it.

Why the cost of insurance can change

Your insurance premium can change during your Policy period if the circumstances or risks covered by your Policy change. For example, your premium will change if you change the use of your premises or add new covers to your Policy. Also, each time you renew your insurance your premium is likely to change, even if your circumstances or the risks covered by your Policy have not changed.

This is because premiums are affected by:

- (a) the total cost of current and future claims;
- (b) the cost of claims we expect to pay in the future;
- (c) any changes in government taxes or charges;
- (d) our expenses of doing business.

We may 'cap' the amount of any increase on renewal, so that we pass only part of the increase on to you.

Premium discounts

At times, we may offer premium discounts to particular customers – for example, those who take out insurance within a specified period, or people who have multiple policies with us.

The amount and type of discounts can change over time. We can vary or withdraw a discount at any time. Changes will not affect the premium for an existing Policy during its current period of insurance.

For details of any discounts that may be available and the dollar difference these would make to your premium, please ask us when you obtain a quote or before renewing your Policy.

Excesses

When we accept a claim you may be required to pay one or more excesses. The description of those excesses and the circumstances in which they are applied are shown in the relevant sections of the Policy wording in Part C of this booklet under 'Excess' or in the Schedule.

Part C – Policy Wording

Your Policy is underwritten by QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239545.

Your insurance Policy is made up of this Policy wording, any endorsements and the Schedule which shows the insured amounts, the premium and any relevant government charges.

You should read the Schedule and the Policy wording together to tell you what we cover, what we exclude, what we pay to settle claims and other important information. Each Section of this Policy contains some exclusions and there are also some General exclusions which apply to the whole Policy.

In this insurance policy

Some words used in this Policy have special defined meanings. These words are in bold. The words we have defined are listed in either the 'General definitions' section or in the Definitions shown in each Policy Section.

The headings and information under 'About this section' grey shaded areas in each section of the Policy are not part of the Policy itself. Their purpose is to provide you with a general guide about the content of the text.

Our contract with you

Your insurance Policy is a legal contract between you and us. The contract is based on the information you gave us when you applied for the insurance, and any subsequent information which you have supplied.

We will provide cover for the Sections of the Policy shown under "What we cover" on your Schedule for the period of insurance.

You must pay the premium, including relevant government charges, for the period of insurance and comply with all of the Policy conditions.

Paying your premium

We will tell you how much you have to pay and how much time you have for payment.

You must pay your premium by the due date. For the first period of insurance, if you do not pay the premium owing by the due date, We can cancel your Policy as set out in "Cancelling your policy" in the General policy conditions section.

For renewal policies, if you do not pay your premium by the due date, then the renewal policy will not commence and your cover will end at the expiry of the previous period of insurance.

Paying by instalments

If we agree that you can pay us the premium in a number of payments instead of all at once, this is called paying by instalments.

If you are a month (or more) late in paying an instalment, we may cancel your Policy (see "Cancelling your policy" in the General policy conditions section).

If at the date of the event you are claiming for, you are late in paying an instalment, we will deduct the late instalment from your claim.

How the Goods and Services Tax (GST) affects this insurance

In the premium, we will charge you an amount on account of GST.

You must inform us of the extent to which you are entitled to an input tax credit (ITC) for that GST amount each time that you make a claim under this Policy.

Despite the other provisions of this insurance (including provisions in the Policy wording, the Schedule and any endorsement), our liability to you will be calculated taking into account:

- (a) any input tax credit to which you are entitled for any acquisition which is relevant to your claim, or which you would have been entitled were you to have made a relevant acquisition; and
- (b) also for claims for under the 'Business income protection' section only, the GST exclusive amount of any supply made by your business which is relevant to your claim.

In respect of loss of or damage to your vehicle under the 'Commercial motor' section, if your vehicle is a total loss and you have chosen the agreed value option, we will not deduct any input tax credit entitlement from the amount of the agreed value shown in the Schedule.

This outline of the effect of the GST on your Policy is for general information only. You should not rely on this information without first seeking expert advice on the application of the GST to your particular circumstances.

When we may refuse a claim

We may refuse to pay a claim, or we may reduce the amount we pay you, in accordance with our rights at law, including under the *Insurance Contracts Act 1984* (Cth), if:

- (a) you do not do what your duty of disclosure requires you to do;
- (b) you:
 - (i) are not truthful;
 - (ii) have not given us full and complete details; or
 - (iii) have not told us something when you should have;

when applying for the insurance, or when making a claim;

- (c) you are paying by instalments and at the date of the event you are claiming for, you are 30 days (or more) late in paying an instalment;
- (d) you do not at all times take all reasonable care as we require you to do under "Reasonable care and reducing risk" in General Policy Conditions;
- (e) you do any of the following without us agreeing to it first:
 - (i) make or accept any offer or payment or in any other way admit you are liable;
 - (ii) settle or attempt to settle any claim; or
 - (iii) defend any claim;
- (f) you have not complied with any of the "General claims conditions"; or
- (g) you are in breach of any other conditions of your Policy.

Remember, unless we have agreed otherwise in this Policy or in writing, if you prevent our right to recover from someone else, or if you have agreed not to seek compensation from another person who is liable to compensate you for any loss, damage or legal liability which is covered by this Policy then, to the extent we've been prejudiced by this act, we will not cover you under this Policy for that loss, damage or legal liability.

General policy conditions

These conditions apply to all sections of this **Policy**. **You** should also refer to each section to see whether any additional conditions apply.

Alteration of risk

Our decision to insure **you**, and the premium that **we** charge **you**, is based on information provided by **you** about **your business** and the risks to be insured under this **Policy**. **Your** insurance, including the amount of premium, may be affected if any of the facts or circumstances that existed at the start of the **Policy** change during the **period of insurance**, including, for example:

- (a) the nature of or type of business carried on by **you** or **your** tenants;
- (b) other circumstances that affect the **premises** or the property insured in such a way as to increase the risk of **damage** or losses;
- (c) **your** interest in the **Policy** ceases, including by operation of law;
- (d) **your** business is wound up or carried on by an insolvency practitioner or permanently discontinued;
- (e) details of any conversion or modification to **your vehicle** made by someone other than the manufacturer. For example, if **you** give **your vehicle** wide tyres or wheels, or lower its suspension;
- (f) if there is anyone under the age of 25 years who is likely to be a regular driver of the **vehicle**;
- (g) change of **your** address, **your vehicle**, **your vehicle's** garage postcode or the way you use **your vehicle**.

You must, as soon as is reasonably practicable, notify **us** of any changes to **your** circumstances, including any of those noted in (a) to (g) above, that may increase the risk insured under **your Policy**.

If **you** are a property owner insuring buildings that **you** lease, **our** decision to insure **you** and the premium **we** charge **you** will take into account information about **your** tenants and how the **building** is used that **you** tell **us** when **you** apply for a **Policy** with **us**, during the **period of insurance** and at each renewal. For this reason it is important that **you** tell **us** as soon as these things change.

If **we** agree to continue to insure **you** after **you** have told **us** of the changes **we** will confirm this in writing. In some cases, **we** may only agree to continue to insure **you** under this **Policy** if **you** agree to pay **us** reasonable additional premium, having regard to the nature of the risk as **we** assess it.

The amount of cover

If **you** are not entitled to an **input tax credit** on **your Policy** premium all **insured amounts** specified in **your Policy** are GST inclusive (unless **your Policy** states otherwise).

If **you** are entitled to an **input tax credit** on any part of the **Policy** premium, the **insured amounts** specified in **your Policy** are exclusive of any **input tax credit** which **you** are or would be entitled to claim.

Except as otherwise stated in **your Policy**, the maximum amount **we** will pay for any claim will not exceed the amount specified in **your Schedule** as the **insured amounts** for those sections **you** have selected. The **insured amounts** will apply in addition to, and not be reduced by, the amount of any applicable **excess** unless **we** say otherwise in any **Policy** section.

Cancelling your policy

How you may cancel

You may cancel the **Policy** or a section at any time by telling **us** that **you** want to cancel it. The cancellation takes effect on the date **we** receive **your** request.

We subtract from any premium **you** have paid **us**, the pro-rata premium to cover the period that **we** have already insured **you** for. **We** will then return the rest of the premium to **you** (along with GST and any relevant government charges where this is allowed).

How we may cancel

We may only cancel a **Policy** when the law says **we** can.

We will cancel **your Policy** by telling **you** so in writing, either in person or by post to **your** last known address. In such circumstances, cancellation of this **Policy** will take effect at 4.00pm on the 30th **business** day after **we** have given **you** such notice of cancellation.

We subtract from any premium **you** have paid **us**, the pro-rata premium to cover the period that **we** have already insured **you** for. **We** will then return the rest of the premium to **you** (along with GST and any relevant government charges where this is allowed).

Paying by instalments

If **we** agree that **you** can pay **your** premium in a number of payments instead of all at once, this is paying by instalments.

If **you** are 30 days (or more) late in paying an instalment, **we** may cancel **your Policy** following the procedure under 'How you may cancel' above.

If **we** pay out a claim for the full **insured amount** on **your building**, that cover ends in **your Policy**. Any section, Extra cover or Optional cover for that **building** also ends. If that cover ends in **your Policy** for this reason, **we** do not refund any premium for an unexpired **period of insurance**. If **you** have been paying premiums by monthly direct debit instalments, **we** will deduct the remaining instalment premiums due for the unexpired **period of insurance** from the amount **we** pay for the claim.

Premium Funders

If the premium has been funded by a premium funding company which holds a legal right over this **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**.

Renewing your policy

It is important that **you** take action at every renewal to thoroughly review the overall adequacy of the **insured amounts** for renewal taking into account the financial impact of changes in **building** regulations, or in the replacement cost of plant or stock or proposed new plant, or variations in trading when insured under the 'Business income protection Section'. It is desirable to seek the services of a **building** professional at least every three years for advice on the cost of reinstating **your buildings**.

As a **loss** occurrence can happen in the latter part of any **period of insurance** **your insured amounts** must include an appropriate allowance for increased costs and growth in trading during the extended period in which the indemnities provided by the **Policy** apply.

Breach of Condition or Warranty

Breach of a condition or warranty without **your** knowledge or consent or error in name, description or situation of property will not prejudice **your** rights under this **Policy** provided notice in writing is given to **us** when such breach or error comes to **your** knowledge. A reasonable additional premium must be paid by **you**, if required, from the date of such breach or error, having regard to the nature of the risk as **we** assess it.

Reasonable care and reducing risk

You must take reasonable steps to ensure that **you**:

- (a) maintain buildings, structures, fixtures, fittings, furnishings, appliances, vehicles, machinery, implements and plant in sound condition to minimise or avoid theft, **loss** or **damage**;
- (b) ensure that only competent employees are employed by **you**;
- (c) avoid or minimise **loss** of or **damage** to property or injury to other people;
- (d) comply with all statutory obligations, by-laws, regulations, public authority requirements and safety requirements;
- (e) obtain certificates of inspection for all equipment required by any statute or regulations to be certified; and
- (f) comply, at **your** expense, with all **our** recommendations to prevent or minimise theft, **loss** or **damage**.

Hazardous or dangerous goods

When hazardous or dangerous goods are used by the **business** or stored at **your premises** shown in the **Schedule**, then such goods must be stored and used strictly in accordance with all statutory obligations, by-laws, regulations, public authority requirements and safety requirements.

Interests of other parties

The interests of any persons or entities in the **property insured** under any section(s) of **your Policy** will be automatically included without notification or specification. The nature and extent of such interest is to be disclosed to **us** in the event of any **loss** or **damage** to the **property insured**, and **we** waive all rights of subrogation which may otherwise have existed against such persons or parties.

Where this insurance covers the interests of more than one person or entity, any act or neglect of one person or entity will not prejudice the rights of the remaining persons or entities; provided that the remaining persons or entities will, within a reasonable time after becoming aware of any act or neglect where the risk of **loss** or **damage** to the **property insured** has increased, give **us** notice in writing and, if requested by **us**, pay any reasonable additional premium **we** require, having regard to the nature of the risk as **we** assess it.

The interested persons or entities must comply with all the terms and conditions of **your Policy**, including without limitation, the obligation to notify **us** and give **us** details of any other insurance that insures any risk insured by this **Policy**.

Transfer of interest

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

Unoccupancy

You must ensure that any **building** at the **premises** does not stay unoccupied, or if **you** are the **building** owner untenanted, for a continuous period of 90 consecutive days or more. To have been occupied, the **premises** must have been used for **business** purposes for at least two consecutive days.

You are not insured while the **building** is unoccupied for a period of 90 consecutive days or more, unless **we** agree to insure **you**.

If the **building** has been unoccupied for 90 consecutive days or more, cover is limited to the following **events**:

- (a) lightning, earthquake, tsunami, volcanic eruption and subterranean fire;
- (b) impact by any road **vehicle** or their loads, animals, trees, branches, aircraft, meteorite, aerial devices or articles dropped from them, sonic boom or space debris; falling communication masts, towers, antennae or dishes; falling buildings or structures or parts of them which do not belong to **you**; and
- (c) riot, civil commotion or labour disturbances.

If any **building** is or is likely to become unoccupied or untenanted for such a period, **you** must notify **us** as soon as practicable.

If **you** notify **us** that the **premises** will be unoccupied or untenanted for more than 90 consecutive days and **we** agree to continue to insure **you** under this **Policy** during that period, **we** will tell **you** in writing. **You** may be required to pay reasonable additional premium, having regard to the nature of the risk as **we** assess it and **we** may apply different conditions and impose a higher **excess** if **we** agree to this.

Changes in or waivers of the policy

No changes in the **Policy** will be valid unless agreed in writing by **us**.

No waiver of any requirements of any section will be valid unless it is given to **you** in writing.

Non-Imputation

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

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

Waiver of Subrogation Rights

This condition does not apply to the 'Employee dishonesty' section.

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

- (a) **we** will waive any rights and remedies or relief to which **we** are or may become entitled by subrogation against:
 - (i) any co-insured (including directors, officers and **employees**);
 - (ii) any corporation or entity (including directors, officers and **employees**) owned or controlled by any **insured** or against any co-owner of the **property insured**;

- (iii) all other interested parties that have an insurable interest in the **property** including lessors, financiers, trustees, mortgagees, owners and others who are specifically noted in **your** records.
- (b) **you** may without prejudicing your position under this **Policy**:
 - (i) release any railways, other transportation companies, statutory governmental, semi-governmental or municipal authority from any liability if required under any contract to do so;
 - (ii) agree to enter into a contract for storage of goods or merchandise if the terms of the contract include a disclaimer clause;
 - (iii) agree to enter into a lease for occupancy of any building or part of a building or a lease or hiring of property where the terms of the lease or hiring include a disclaimer clause in favour of the lessor or the owner.

Designation of property insured

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

Provided always that this General policy condition will not apply to the 'Theft' section with respect to **cigarettes and liquor**.

Rewards

We will pay **you** up to \$5,000, or any higher amount shown in the current **Schedule**, for the reasonable cost of any reward paid by **you** to recover any property belonging to **you** or for which **you** are responsible that is **lost** or **damaged** and which is insured under this **Policy**.

However:

- (a) the terms of the reward must be agreed by **us** before it is offered, but **we** will not unreasonably withhold **our** consent; and
- (b) no such reward payment will be made by **you** or **us** that exceeds the value of the property lost or damaged.

We will not unreasonably withhold or refuse consent to the terms of any reward payable under this General condition, and, subject to clause (b) above, **our** offer to pay a reward will not limit the amount of any reward **you** may wish to offer for **your** own account.

Jurisdiction

The construction, interpretation and meaning of the provisions of this **Policy** will be governed by and construed in accordance with the laws of **Australia** and the states or the territories thereof. **You** and **we** agree to submit to any Court of competent jurisdiction in a State or Territory of **Australia** and to comply with all requirements necessary to give such Court jurisdiction. All disputes arising under this **Policy** will be determined in accordance with the law and practice of such Court.

References to legislation

Legislation referenced in this Policy includes subsequent legislation. Any term used in this **Policy** and defined by reference to legislation will have the meaning given in any replacement definition or definition with materially the same object or purpose in subsequent legislation.

'Subsequent legislation' means:

- an act or regulation as amended, replaced or re-enacted;
- where an act or regulation has been repealed, the current equivalent act or regulation (Commonwealth, State or Territory) with materially the same object or purpose whether in whole or in part.

General claims conditions

To enable **us** to process a claim under any Section of this **Policy** the following conditions apply.

These conditions apply to all Sections of this **Policy** other than where any more specific conditions appear in any of the Sections of this **Policy**.

1. Cooperation

You must provide **us** with all reasonable assistance with any investigation, negotiation, defence or settlement of any claim.

This may include attending Court to give evidence.

2. Minimise loss

You must:

- (a) take reasonable action to protect **yourself** and **your** property from any danger present;
- (b) take all reasonable precautions to minimise or prevent further **loss**, **damage**, injury or illness; and
- (c) take all reasonable steps to recover lost or stolen property.

3. Notify claim

You must:

- (a) notify the police as soon as possible following a theft or burglary or if any property is misappropriated, lost or maliciously damaged;
- (b) notify **us** as soon as possible and provide details of the police report to **us**. **We** may need the police report number to process **your** claim or **our** recovery action if there is a third party who is liable for **your** loss.

If **you** do not, **we** may reduce the amount **we** pay if any unreasonable delay causes **us** to incur increased costs, or prevents **us** from investigating the claim, in accordance with **our** rights at law, including under the *Insurance Contracts Act 1984* (Cth).

- (c) as soon as practicable, send **us** any legal document or other communication **you** receive about the event.

4. Retain all damaged property

You must:

- (a) retain and preserve all damaged property for **our** inspection prior to authorisation of repairs, unless alterations and repairs are immediately necessary for safety reasons or to minimise or prevent further loss, damage or injury. If repairs are necessarily carried out without **our** prior approval, **you** are still required, where reasonably practicable, to retain and preserve all damaged property for **our** inspection; and
- (b) endeavour to preserve all property, products, plant and all other things that may assist **us** in investigating or defending a claim against **you**, including assisting in determining if there are rights of recovery against another entity or person.

5. Our rights of possession

We, **our** employees or **our** agents have the right to enter any **building** or area where **loss** or **damage** has occurred and take possession of **property insured** or require the **property insured** to be delivered to **us**. **We** will deal with this property in a reasonable manner.

6. Provide proof of ownership

You must supply **us** with all the information and documentation to prove **your** ownership or legal responsibility for the **property insured** and its value.

While **you** may not keep such information for every **business** item **you** own, most will be recorded in **your** books of account and **your** accountant may have other records for tax purposes that will be sufficient to prove ownership.

We may also require **you** to provide a Statutory Declaration verifying the details of **your** claim and any other matters connected with it.

7. Notification of other insurance

Upon giving notice of any claim, **you** agree to provide **us** with written details of any other insurance or source of indemnification that may also cover or partially cover **your** loss or damage to property or legal liability.

8. Admitting liability

You must not admit liability for any **loss**, **damage** or injury, or settle or attempt to settle or defend any claim without **our** written consent, but **we** will not unreasonably withhold **our** consent.

9. Not authorise repair or replacement

You must not authorise the repair or replacement of anything (other than temporary emergency repairs) without **our** agreement unless for safety reasons or to minimise or prevent further imminent **loss**, **damage** or injury.

10. Conduct of claims

We:

- (a) may appoint legal or other representatives to assist in the conduct of a claim;
- (b) will have the right and full discretion to conduct claims in consultation with **you**; and
- (c) reserve the right to negotiate and settle any claim on terms **we** consider appropriate, but in consultation with **you**.

11. Excess

What is an **excess**?

The first amount of each and every claim that **you** are required to pay before the application of any limits by the **Policy**. The amount of the excesses and the circumstances that each **excess** applies to are shown in the **Schedule** or set out in the applicable section. **We** will tell **you** how to pay **your** excess and who to pay it to. In some cases, **we** will direct **you** to pay the **excess** directly to a supplier or repairer.

Full payment prior to settlement

Any **excess** that is applied to a claim must be paid in full prior to settlement of that claim.

What if **you** do not pay the **excess** upon request?

If the **excess** has been requested but remains unpaid **we** may:

- (a) decline to settle the claim pending full payment of the **excess**; or
- (b) deduct the **excess** from the settlement.

Some optional insurances or extra covers have their own **excess** which are in addition to any other **excess** that may apply to a claim.

When multiple excesses apply, **you** might have to pay more than one type of **excess** when **you** make a claim.

Except as otherwise expressly provided, if more than one **excess** can be applied to one **event** or **occurrence** then **you** will only need to pay the highest **excess**.

12. Claims settlement

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

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

When **we** pay a claim, **your** GST status will determine the amount **we** pay. When **you** are:

- (a) not registered for GST, the amount **we** pay is the insured amount or the other limits of insurance cover including GST;
- (b) registered for GST, **we** will pay the insured amount or the other limits of insurance and where **you** are liable to pay an amount for GST in respect of an acquisition relevant to **your** claim (such as services to repair a **damaged** item insured under the **policy**) **we** will pay for the GST amount.

We will reduce the GST amount **we** pay for by the amount of any Input Tax Credits to which **you** are or would be entitled if **you** made a relevant Acquisition. In these circumstances, the Input Tax Credit may be claimable through **your** Business Activity Statement (BAS).

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

Any GST liability arising from **your** incorrect advice is payable by **you**.

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

We will (where relevant) pay **you** on **your** claim by reference to the GST exclusive amount of any supply made by any **business** of yours which is relevant to **your** claim.

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

Taxable Percentage is **your** entitlement to an Input tax credit on **your** premium as a percentage of the total GST on that premium. Discharge of our liabilities.

If, at any time, **we** pay **you** the **insured amount** for any claim under this **Policy**, the future conduct of the claim then becomes **your** responsibility. **We** may also pay any extra covers or optional insurances that are expressed to be in addition to the **insured amount**.

Interim payments

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

13. Claims preparation expenses

We will pay for accountant, claims consultants, surveyors, architects, engineers and other professional fees reasonably incurred for the preparation of a valid claim made under this **Policy** other than under the 'Tax Audit' section.

The most **we** will pay is \$25,000 as a result of an **event**. This amount is in addition to any other amount included in this **Policy** under extra covers or any limits specified in **your Schedule**.

14. Sale of salvage

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

15. Rights of recovery

We have the right to take action or institute legal proceedings, in **your** name, for the recovery of payments made and expenses incurred in relation to any claim insured by this **Policy**, against any person, company or entity legally liable to **you** in respect of that claim. **We** will act reasonably having regard to **your** interests and will keep **you** informed if **you** ask **us** to.

You must provide **us** with all relevant information and all reasonable assistance in the recovery of those payments or expenses.

You must not enter into any agreement or make any admissions that have the effect of limiting or excluding **your** rights and **our** rights to recover payments and expenses without first obtaining **our** approval in writing to do so.

16. Subrogation agreements

Subject to General policy condition 'Waiver of subrogation rights', if another person, company or entity is, or could have been, liable to compensate **you** for any **loss, damage** or legal liability otherwise covered by the **Policy**, but **you** have agreed with that person, company or entity either before or after the **loss, damage** or legal liability occurred that **you** would not seek to recover any moneys from that person, company or entity, **we** will not cover **you** under the **Policy** for any such **loss, damage** or legal liability.

General exclusions

These exclusions apply to all Sections unless expressly stated otherwise.

1. War

This **Policy** does not insure claims directly or indirectly caused by, or arising from, or in consequence of, or contributed to by:

- (a) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or looting, sacking or pillage following any of these, or the expropriation of property;
- (b) expropriation including lawful seizure, resumption, confiscation, nationalisation, destruction or damage to property by or under the order of any government or public or local authority.

2. Nuclear

This **Policy** does not insure claims directly or indirectly caused by, or arising from, or in consequence of, or contributed to by:

- (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exclusion only, combustion will include any self-sustaining process of nuclear fission and/or fusion; or
- (b) nuclear weapons material.

Provided that General exclusion 2 (a) will not apply to liability arising from radio-isotopes, radium or radium compounds when used away from the place where such are made or produced and when used exclusively incidental to ordinary industrial, educational, medical or research pursuits.

3. Wilful acts

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

4. Act of Terrorism

This **Policy** does not insure:

- (a) loss, damage, destruction, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the **loss**; or
- (b) loss, damage, destruction, death, injury, illness, liability cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

5. Cyber risk exclusion

Other than paragraph (b), this exclusion does not apply to the 'Legal liability' section.

- (a) This **Policy** does not provide cover for any **loss**, **damage**, liability, claim, cost or expense directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any **Cyber Incident**.

However, **we** will provide cover for physical **loss** or **damage** to **property insured**, including business interruption therefrom, directly occasioned by a **Cyber Incident**, other than:

- (i) any unauthorised, criminal or malicious acts regardless of time and place, or the threat or hoax thereof; or

(ii) **Malware or Similar Mechanism**,

affecting access to, processing of, use of or operation of any **Computer System** or any data by any person or group(s) of persons, which is caused by an **event** covered in the 'Fire and defined events', 'Theft', 'Breakdown of Machinery and/or Electronic equipment' and 'Transit' sections of this **Policy**.

Nevertheless any:

- > total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of **data**;
- > error in creating, amending, entering, deleting or using **data**; or
- > total or partial inability or failure to receive, send, access or use **data** for any time or at all from any cause whatsoever, regardless of any other contributing cause or **event** whenever it may occur;

occasioned by a **Cyber Incident** shall not be recoverable, nor be considered as physical **loss** or **damage** for the purpose of this exclusion.

Notwithstanding the foregoing, **we** will provide cover for **loss** to **data** and rewriting of records as provided by extra cover 'Rewriting of records' of the 'Fire and defined events section' in the event that hardware or **data** storage device of an insured **Computer System** sustains physical damage caused an **event** covered in the 'Fire and defined events' section of this **Policy**, provided that it is directly occasioned by a **Cyber Incident**, which results in **damage** to or **loss** of **data** stored on that hardware or **data** storage device. The basis of valuation for the recovery of the **damaged** or lost **data** shall only be the cost of reproducing **data**. Such costs shall include all reasonable and necessary expenses incurred in recreating, gathering, assembling such **data**, but does not include the value of the **data** to the insured or any other party even if such **data** cannot be recreated, gathered or assembled.

- (b) **We** will not cover legal liability for communication, display, distribution or publication of **data**. However, this exclusion (b) does not apply to bodily injury, death, sickness, disease, disability, shock, fright, mental injury, mental anguish or loss of consortium resulting from any of them.
- (c) Where an **event** covered in the 'Fire and defined events' section (but for this exclusion), or **accidental loss** or **damage** under the 'Portable and valuable items' section of this **Policy** (but for this exclusion) is caused by a **Cyber Incident**, this **Policy**, subject to all its provisions, will insure:
 - (i) **loss** of or **damage** to **insured property** directly caused by the **event**; or
 - (ii) **consequential loss** insured by this **Policy**.
- (d) For the purposes of this Exclusion:
 - (i) **Cyber Incident** means any:
 - > Unauthorised or malicious acts regardless of time and place, or the threat or hoax thereof;
 - > **Malware or Similar Mechanism**;
 - > programming or operator error whether by the insured or any other person or persons; and
 - > any unintentional or unplanned – wholly or partially – outage of the insured's **Computer System** not directly caused by physical **loss** or **damage**;

affecting access to, processing of, use of or operation of any Computer System or any **data** by any person or group(s) of persons.

- (ii) **Computer System** means any computer, hardware, information technology and communications system or electronic device, including any similar system or any configuration of the aforementioned and including any associated input, output or **data** storage device, networking equipment or back up facility.
- (iii) **Malware or Similar Mechanism** means any programme code, programming instruction or other set of instructions intentionally constructed with the ability to **damage**, interfere with or otherwise adversely affect computer programmes, **data** files or operations (whether involving self-replication or not), including but not limited to "Virus", "Trojan Horses", "Worms", "Logic Bombs" or "Denial of Service Attack".

6. Sanctions limitation and exclusion

We will not be liable to provide any cover, pay any claim or provide any benefit under this **Policy**, to the extent that to do so may expose **us** to any sanction, prohibition, or restriction under United Nations resolutions or any applicable trade or economic sanctions, laws or regulations of any country.

7. Laws impacting cover

We will not be liable to provide any cover, pay any claim or provide any benefit under this **Policy**, to the extent that it is illegal for **us** to do so.

General Definitions

Unless defined differently in individual sections, these definitions apply to all sections of this **Policy**.

Accidental means unexpected and unintended from **your** standpoint.

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

- (a) involves violence, or the threat of violence, against one or more persons; or
- (b) involves **loss** of, or **damage** to property; or
- (c) endangers life other than that of the person committing the action; or
- (d) creates a risk to health or safety of the public or a section of the public; or
- (e) is designed to interfere with or to disrupt an electronic system.

Aircraft means anything made or intended to fly or move in or through the air or space other than model **aircraft** or unmanned inflatable balloons used for advertising or promotional purposes.

Aircraft includes **hovercraft**.

ATM means an automatic teller machine which is a burglar resistant unit designed for the safe storage and disbursement of bank notes which resists fire and attack by hand-held or power operated tools.

Australia means the Commonwealth of Australia, its dependencies and Territories.

Building(s) means a permanent fixed structure that consists of a roof and external walls that completely enclose an area beneath the roof when doors and windows that form part of the structure are closed. Provided that when the word **building** is used in the **Schedule** to describe a category of **property insured**, it is agreed that the following property is included in that category.

The definition of '**Building(s)**' is subject to General policy condition 'Designation of property insured'.

Building(s) include:

- (a) walls, foundations, roofs, gates, fences, exterior lights, floodlights and signs, letter boxes, lettering, antennae, dishes and aerials;
- (b) fixtures and fittings owned by the owner of the **building**, including fixed carpets, plumbing or wiring services that are within the **building**;
- (c) awnings, gangways, verandahs, terraces, outbuildings, barns, sheds, lean-to's, car ports;
- (d) bitumen, concrete or sealed surface:
 - (i) driveways;
 - (ii) car parks;
 - (iii) paths;
 - (iv) and roadways;
- (e) towers, masts, poles, power lines and their supports, permanently fixed water and fuel storage tanks, gas and water supply, drainage, sewerage, underground and overhead services, including aprons, supply mains and meters;

- (f) shipping containers and transportable buildings permanently located at the **premises** used as workshops, lunchrooms or storage, which are permanently fixed to the ground with electrical or plumbing services as necessary at the **premises**;
- (g) storage sheds and tanks;
- (h) external fixed:
 - (i) swimming pools;
 - (ii) gangways between **buildings**;
 - (iii) lights and signs;
 - (iv) air-conditioning units and associated piping and wiring;
 - (v) flag poles;
- (i) underground and above ground services connected to any **building**;
- (j) piers, jetties, wharves and docks;
- (k) bridges;
- (l) materials and supplies intended for use in the construction, alteration, erection, addition or repair of the **buildings** to an amount not exceeding 10% of the total **insured amount on buildings** subject to a maximum of \$100,000; and
- (m) growing plants, shrubs, garden plots, lawns, rockwork, ornamentation and paving being the landscaping pertinent to the insured **buildings** limited to 5% of the total insured amount on **buildings**.

Building(s) does not include:

- (a) any **building** undergoing erection, construction, alteration or addition (including the partial dismantlement of existing structures), where the total contract value of all work to be carried out at the **premises** exceeds \$500,000 or 20% of the **insured amount** on that **building**, whichever is the lesser. However, this limitation will apply only to the works comprising such construction, erection, alteration or addition and not to any original or existing structures;
- (b) contents and stock;
- (c) land, including topsoil and fill (other than as described in (m) above), dams, reservoirs or canals.

Business means **your** business, trade, occupation or profession.

Business hours means **your** normal working and office hours (including overtime) or while **you** or **employees** authorised by **you** are on the **premises** for the purposes of the **business**.

Catastrophe means a large scale destructive event, in the area the property insured is located, which either:

- (a) the Insurance Council of Australia has declared to be a 'catastrophe'; or
- (b) as a consequence of the event, the relevant government authority has declared a state of emergency.

Cigarettes and Liquor means cigarettes, cigars, tobacco, liquor and spirits sold by **you** in the **business**.

Computer virus means a corrupting, harmful, or otherwise unauthorised piece of code that infiltrates **your** computer equipment, including a set of unauthorised instructions, programmatic or otherwise, that propagates itself through **your** computer equipment. **Computer virus** includes 'Trojan horses', 'worms' and 'time or logic bombs'.

Consequential loss means

Any **loss** not directly related to **your** claim, such as but not limited to:

- delay;
- interruption in your business;
- loss of contract;
- lack of performance;
- loss of use of any property;
- depreciation in value;
- loss or earning capacity; or
- an increase in costs and expenses;

unless specifically covered.

Contents means contents of every description (not otherwise excluded) at the **premises**, belonging to **you** or for which **you** are responsible or have accepted responsibility to insure prior to the occurrence of any **loss** or **damage**.

Contents includes:

- (a) unused stationery and printed books;
- (b) where **you** are a tenant of a leased or rented **premises**:
 - (i) property owner's fixtures and fittings, window blinds and floor coverings for which **you** are legally responsible, unless insured by **you** as part of **buildings**;
 - (ii) fixtures and fittings installed by **you** for use in **your business**; and
 - (iii) installed fixtures and fittings, window blinds, cool rooms, awnings, CCTV and other security systems, exterior lights, masts, antennae and aerials, fixed external signs and air conditioning units including external compressors and pipes at **your premises**.
- (c) improvements, alterations, decorations, fittings and additions to leased **buildings** which have been made by **you** and for which **you** are not entitled to be reimbursed by the lessor in the event of **damage**.
- (d) shipping containers in which the stock **your business** distributes is delivered to **your premises**, or from which stock or **contents** is either being loaded into, unloaded from or stored in, provided the container doors are secured when unattended with padlocks with a security rating under Part 4: Padlocks, of Australian Standard AS4145 of 6 or above;
- (e) safes and strongrooms;
- (f) **money** up to \$500;
- (g) jewellery, precious metals or stones, bullion or furs up to \$10,000 unless specified;
- (h) plant and **machinery**, unregistered forklifts and hoists, communications systems, fixtures and fittings, signs and awnings (unless insured by **you** as part of **buildings**);
- (i) plant permanently fixed to the **buildings** not being part of the **building's** services;
- (j) documents of title and any other documents of aesthetic, historic, scientific or social value for past, present or future generations;
- (k) computers, word processors, printers, scanners and other peripheral equipment and other **electronic equipment** or electronic **data** processing systems;

- (l) dialogue or analogue telecommunication and receiving equipment, lighting facilities, televisions, audio visual amplification or surveillance equipment and office machines;
- (m) computer systems records, **data**, **media**, manuscripts, other documents, deeds, specifications, plans, drawings, designs, **business** books and other records of every description;
- (n) current patterns, models, moulds, dies, casts or lasts used in the **business** but limited, unless repaired or replaced, to the value stated in **your** financial records at the time of the **loss** or **damage**;
- (o) paintings, works of art, antiques and curios;
- (p) property not owned by **you** but on the **premises** for service, repair, alteration or safe keeping;
- (q) property of **your** welfare, sports and social clubs;
- (r) **specified items**;
- (s) **stock**.

Contents does not include:

- (a) **buildings**;
- (b) animals, livestock, fish, birds and any other living organism except laboratory cultures, stocks of foodstuffs, or stocks of a pet shop or decorative stock included as part of the fit out;
- (c) plants (other than nursery plants in retail **premises** or where forming part of internal landscaping), shrubs, lawns, growing crops, pastures and standing timber except where included by **us** under extra cover 'Landscaping' in the 'Fire and defined events' cover section;
- (d) **vehicles**, trailers, caravans or motorcycles, registered or licensed to travel on a public **roads**; provided that this exclusion will not apply to:
 - (i) mobile plant and equipment (excluding cars, sedans, panel vans and trucks) not otherwise insured;
 - (ii) **vehicles** or trailers, caravans or motorcycles that are **stock of your business**;
- (e) rolling stock and locomotives or their accessories;
- (f) **watercraft**, **aircraft**, **hovercraft** or any accessories, equipment or spare parts while contained in or on these items, unless they are **stock** and are on **your premises** at the time of any **loss** or **damage**;
- (g) directors and **employees** tools of trade and personal property.

Customers' goods means goods that do not belong to **you**, but:

- (a) belong to **your** customers and are in **your** physical or legal control because **your business** repairs, services, maintains or stores those goods before, during or after it repairs, services or maintains them;
- (b) have been purchased by **your** customers and are in **your** physical or legal control awaiting delivery; or
- (c) are items at the **premises** that **you** have accepted responsibility to insure under a formal agreement.

Damage or **damaged** means physical damage or destruction.

Data means facts, concepts and information converted to a form usable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for the processing and manipulation or the direction and manipulation of such equipment.

Electronic equipment means any electronic equipment including, but not limited to mobile phones, laptops, palm pilots, computers, scanners, printers, word processors, electronic processing systems, photocopiers, facsimile machines, electronic cash registers, electronic scales and electronic testing or analysing equipment used by **you** in the **business**. **Electronic equipment** does not include electronic equipment that is **stock**.

Employee means any person while employed by **you** in the **business** who **you** compensate by salary, wages or commission and have the right at all times to govern, control and direct in the performance of their work.

Endorsement means a document that **we** give **you** that attaches to and forms part of **your Policy** which varies the terms and conditions of **your Policy** or the **period of insurance**. Any **endorsements** that apply to **your Policy** will be shown on **your Schedule**, unless **we** send **you** the **endorsement** separately.

Event or **events** means one incident or all incidents of a series consequent on, or attributable to, one source or original cause.

Excess means the amount shown in the **Schedule**, which is payable by **you** on each and every claim, and which arises out of one **event** under a section of this **Policy**.

In the event of a claim, should more than one **excess** apply, then the highest **excess** is payable. This General definition will not apply to the 'Commercial motor' section. Please refer to that section for details of how the excesses apply to vehicles.

Family means any member of **your** family who lives permanently with **you**, including **your** partner.

For the purposes of this definition '**you**' and '**your**' refers to your directors, owners and officers.

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

- (a) a lake (whether or not it has been altered or modified);
- (b) a river (whether or not it has been altered or modified);
- (c) a creek (whether or not it has been altered or modified);
- (d) another natural watercourse (whether or not it has been altered or modified);
- (e) a reservoir;
- (f) a canal;
- (g) a dam.

Fungus means a group of simple plants that have no chlorophyll. They include but are not limited to mould, mildew, and yeast. Fungi also includes spores.

Glass means:

- (a) fixed glass forming part of or fixed to the exterior of **your building** including **glass** in fixed signs; or
- (b) fixed internal glass including fixed glass in furniture, counters, shelving and showcases, fixed and hanging mirrors, vitreous china and ceramic including but not limited to fixed washbasins, sinks, toilet pans and cisterns contained within **your building**;
- (c) when **you** arrange cover under the 'Glass' section, as more specifically described under that section.

Hovercraft means any vessel craft or thing 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.

Input tax credit means the amount **you** are entitled to claim as a credit against GST that **you** have paid.

Insured amount means the amount that will be paid under a section or part of a section of this **Policy** as specified in the **Schedule**.

The **insured amount** will vary depending upon **your** requirements in relation to each section.

Loss or lost means physical **loss**.

Machinery means any mechanical or electrical equipment that generates, transmits or utilises mechanical or electrical power, any electronic machine, device or instrument, but not including:

- (a) any **vehicle** or mobile equipment;
- (b) any **watercraft** or **aircraft**; or
- (c) any buried piping, any drainage piping, any sprinkler piping and its accessory equipment.

Media means material on which **data** is recorded or stored, such as magnetic tapes, hard drives, cartridges, dongles, CD's, DVD's, USB's, flash drives, memory cards or floppy disks, or other storage types, but media does not include paper records.

Money means current coin, bank notes, currency notes, negotiable and non-negotiable securities, valuable documents and other negotiable instruments such as, but not limited to, cheques (including travellers' cheques), stamps, vouchers, tickets, postal orders, money orders, phone cards, debit and credit cards, stored-value cards, pre-paid travel passes, cab charge vouchers, bridge or highway tokens, car wash tokens and the contents of franking machines.

North America means:

- (a) the United States of America and the Dominion of Canada;
- (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.

Obsolete stock means stock (as defined in the applicable section of this **Policy**) which can no longer be sold for its full value, for example stock which is out-of-season fashion, superseded computers or perishable goods beyond their 'use by' date.

Period of insurance means the period of time shown in the **Schedule** during which insurance is provided by this **Policy**.

Policy means **your** insurance contract, which consists of this **PDS**, any **SPDS** **we** may give **you**, any **endorsements** and **your Schedule**.

Pollutants means any solids, liquids, gaseous or thermal irritants or contaminants, including but not limited to, smoke, vapour, soot, fumes, odour or any other air emission, acids, alkalis, chemicals, waste materials, waste water, oil or oil products, infectious biological or medical waste, asbestos, electric or magnetic or electro-magnetic fuels, noise and any ionising radiations or contamination by radioactivity.

Premises means the places listed in the **Schedule** at and from which **you** operate **your business**.

The **premises** includes **buildings** and land within the legal boundaries.

Product Disclosure Statement (PDS) is the name of this document and it contains the terms of **your** insurance cover. It tells **you** what cover **we** provide, details of costs and excesses and other important information. It should be read together with the **Schedule**, any **endorsements** and any **SPDS** that **we** may give **you**.

Property insured means the property described in the **Schedule** in respect of each **policy** Section.

Rewriting of records means the cost of restoration of computer records, documents, manuscripts, securities, deeds, specifications, plans, drawings, designs, business books and other records of every description.

Safe or strongroom means a container or structure which has been specifically designed for the safe storage of money or valuables and is designed to resist unauthorised opening by hand-held or power operated tools.

A **safe** is not:

- (a) an **ATM**;
- (b) a cash tin;
- (c) a locked drawer in a filing cabinet or desk; or
- (d) a burglary resistant container weighing less than 20 kilograms that is not fixed by dynabolts to the wall or floor of the **premises**.

Schedule means the record of the particulars of **your** insurance which forms part of this **Policy**. The **Schedule** is issued when **we** have accepted **your** insurance. At each renewal of **your Policy**, the renewal **Schedule** becomes **your** current **Schedule**.

Updated **Schedules** may also be sent to **you** showing alterations to **your Policy**.

Seasonal increase periods means any period of time during the **period of insurance** where the levels of stock or **money** increase due to seasonal trading factors.

For the purpose of this **Policy**, the total number of days **we** will allow as seasonal increase periods is 120 days in total during any one **period of insurance**. **You** do not have to tell **us** what the dates of the periods are, but if **you** claim under a **Policy** section which has the seasonal increase cover, then **your** financial records over at least the 2 previous years must reasonably demonstrate that the stock levels during such period have risen by more than 20% above standard levels and that the increase has happened solely for the purpose of meeting additional customer demand associated with such period.

If the **business** is less than two years old, **we** will use the financial records of **your business** from the date of commencement until the date of the **loss** or **damage** to substantiate **your** claim.

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

- (a) raw materials, components, supplies and other merchandise not manufactured by **you**;
- (b) materials in process of manufacture;
- (c) finished goods manufactured by **you**;
- (d) goods sold but not delivered and goods held by **you** on consignment or commission;
- (e) customers' goods for which **you** are responsible;
- (f) cigarettes and liquor;
- (g) consumable materials used in the operation of **machinery**;
- (h) pallets, containers and packaging materials.

Subsidiary Company means any company incorporated in **Australia** in which **you** have a controlling interest. For the purpose of this definition the term 'controlling interest' will mean the beneficial ownership of shares carrying more than 50% of votes capable of being cast at a general meeting of all shareholders of the company.

Supplementary Product Disclosure Statement (SPDS) updates or adds to the information in the **PDS**.

Theft means the dishonest appropriation of **property insured** with the intention of permanently depriving **you** of it.

Vehicle means any type of machine on wheels or on self-laid tracks made or intended to be propelled by other than manual or animal power and any trailer or other attachment to be utilised in conjunction with or drawn by any such machine.

Watercraft means anything made or intended to float or travel on or through water other than model boats.

We/us/our means QBE Insurance (Australia) Limited, ABN 78 003 191 035. Licence No. 239545.

You/your/insured means any person, company or legal entity shown in the **Schedule** as the policyholder.

Fire and defined events

This section forms part of this **Policy** only if shown in the **Schedule**.

About this Section

This Section covers physical **loss** of or **damage** to your property caused by or arising out of any insured event listed in this Section.

What we cover

Provided 'Fire and defined events' is shown under 'What's Covered' in the **Schedule**, we will cover you for **loss** or **damage** occurring during the **period of insurance** to **your property insured** shown in the **Schedule**, located at **your premises**, caused by, arising out of or connected to an insured event specified below.

Insured events

1. (a) Fire

What we exclude:

We will not cover **loss** or **damage** to any **stock** or **contents** caused by any process involving the direct application of heat to that **stock** or **contents** provided that this Exclusion will be limited to the item or items directly and immediately affected.

1. (b) Escape of Molten material from its intended confines

What we exclude

We will not cover:

- (a) the cost of repairing any fault which permitted the escape of molten material;
- (b) the cost of retrieving or removing escaped molten material from any escape channel or safety catchment;
- (c) **loss** of or **damage** to the molten material that has escaped; or
- (d) **loss** of or **damage** to furnace linings, crucibles, moulds, other containers or ladles from which molten material escaped.

2. Lightning or thunderbolt

3. Explosion or implosion

What we exclude

We will not cover **loss** of or **damage** to any pressure vessel (including a boiler) which is not used solely for domestic purposes or that has a value of more than \$250,000, where the **damage** is directly caused by the explosion or implosion of such pressure vessel.

4. Earthquake, tsunami, subterranean fire or volcanic eruption

What we exclude

- (a) we will not cover the first \$20,000 or 1% of the total of the **insured amounts** specified in the **Schedule** that relate to the **damaged property** at the **premises** for each claim under this **event**, whichever is the lower;
- (b) for example, if the **insured amount** in the **Schedule** for 'Buildings' is \$1,000,000 and the **insured amount** for 'Contents' is \$500,000 and the earthquake causes **damage** to the **buildings** and **contents**, you will be required to contribute the first \$15,000 (1% of \$1,500,000) of a claim as this amount is less than \$20,000;

- (c) you will only be required to pay one **excess** for **damage** that results from an **event** during any period of 168 consecutive hours;
- (d) **damage** arising from an insured event that occurs more than 168 consecutive hours after the **event** will be considered to be a separate **event** in which case an additional **excess** will be required.

5. Impact

What we cover

We cover **loss** or **damage** caused by impact from:

- (a) **vehicles** or their loads;
- (b) **watercraft** and **hovercraft**;
- (c) animals;
- (d) a falling **building** or other structure or part thereof;
- (e) **aircraft** or other aerial devices or articles dropped or falling from them, sonic boom, satellites, spacecraft, space debris or meteorites; or
- (f) falling trees or branches, masts, satellite dishes, antennae and aerials; but, excluding the **loss** of or **damage** to those objects unless caused by another insured event. This cover includes the reasonable costs of removal and disposal of such trees and branches which have caused the **loss** or **damage**.

What we exclude

We will not cover **loss** or **damage** caused by eating, chewing, clawing or pecking by any animal or bird.

6. Riot, civil commotion or labour disturbances

What we cover

We cover **loss** or **damage** caused by the acts of:

- (a) strikers, locked-out workers, persons taking part in labour disturbances and persons of malicious intent acting on behalf of or in connection with any political organisation; or
- (b) any lawful authority in connection with the strike, lockout, labour disturbance or political violence.

What we exclude

We will not cover **loss** or **damage** caused by total or partial cessation of work or the retarding or interruption or cessation of any process or operation; provided that this exclusion will not apply to subsequent **loss** or **damage** caused by an insured event which may result from such cessation of work or retarding or interruption or cessation of any process or operation.

7. Storm, wind and rain (including snow, sleet or hail)

What we cover

This is limited to:

- (a) storm;
- (b) wind;
- (c) rainwater;
- (d) cyclones or tornadoes;
- (e) snow or sleet;
- (f) hail; and
- (g) run-off of rainwater that accumulates directly on and flows across normally dry ground or that overflows from public roadside gutters, channels and drains that are normally dry or swimming pools, spas or saunas.

What we exclude

We will not cover **you** for more than \$25,000 in respect of any one insured event for **loss** of or **damage** to **property** in the open air, gates, fences, retaining walls, shade-cloth, hail nets, exterior textile awnings or blinds, shade houses, fibreglass houses or glass houses, unless a higher amount is specified in the **Schedule** with regard to **loss** or **damage** caused by this insured event.

We will not cover **loss** or **damage** caused by:

- (a) **flood**, however caused;
- (b) the sea, including tidal wave, storm surge or high-water, unless it is caused by or arises out of an earthquake or a tsunami;
- (c) erosion, landslide, mud slide, subsidence or any earth movement unless it is caused by or arises out of and occurs within 168 hours of this insured event;
- (d) steam or condensation;
- (e) water seeping or percolating the **building** from outside the **premises**, or that occurs gradually due to lack of maintenance;
- (f) compaction, shrinkage or expansion of the earth or land but **we** will pay the cost to restore soil or earth to the extent that it is necessary to repair insured **damage** to **your building**.

We will not cover **loss** of or **damage** to any **building** (or its **contents**) in the course of construction or reconstruction, unless the **building** is enclosed and under roof with all outside doors and windows permanently in place.

8. Water damage

What we cover

We cover **loss** or **damage** caused directly or indirectly by the discharge, leaking or overflowing of water from:

- (a) any pipe, water system (including a fire protection system), tanks or drains installed in and servicing the **building** or surrounding property; or
- (b) any public water main, drain or gutter.

We will also pay:

- (c) the reasonable exploratory costs incurred in locating the source of the **damage**, provided it is **your** responsibility to pay for these costs; and
- (d) if water is discharged from a fire protection system, any expenses incurred by **you** for the attendance of the fire brigade for the purpose of shutting off the water supply following an **accidental** discharge of water from a fire protection system.

9. Leakage of liquid other than Water

What we cover

We cover **loss** or **damage** caused directly or indirectly by the discharge, leaking or overflowing of liquid other than water from any pipe, tank or storage system at the **premises** or at any surrounding property.

10. Malicious acts (including by vandals and thieves)

What we exclude

Under this insured event **we** will not cover:

- (a) **theft** or disappearance of **property** other than **theft** of parts of the **building** or the **building** services where **buildings** are insured;
- (b) **loss** or **damage** caused by persons rioting or participating in civil commotion for which cover is provided under insured event 6 – 'Riot, civil commotion or labour disturbances';

11. Accidental damage

What we cover

We cover **accidental loss** or **damage** to **property** at the **premises**, not otherwise insured under insured events 1 to 10 above or excluded from cover under 'What we exclude' shown below.

What we exclude

We will not cover **loss** of or **damage** to **property** that is or could have been insured under any other section, even if **you** have not selected the other section or have had cover under the other section excluded or otherwise denied by **us**.

We will not cover **you** for **loss** or **damage** caused by:

- (a) any of the insured events 1 to 10, this also includes any of the 'insured events' related exclusions;
- (b) mechanical, hydraulic, electrical breakdown or electronic failure, or malfunction unless caused by any of insured events 1 to 10; provided that this exclusion will not apply to **loss** or **damage** caused by flying fragments from any broken **machinery** or **electronic equipment** (as defined in the 'Machinery and/or electronic equipment breakdown' section);
- (c)
 - (i) normal wear and tear, gradual deterioration, scratching, marring, developing flaws, normal upkeep or any gradual cause;
 - (ii) corrosion, rust, oxidation, any form of **fungus**, wet or dry rot, dampness of atmosphere, variation in temperature, evaporation, disease, shrinkage;
 - (iii) pollution or contamination of any **property**, unless caused by any of insured events 1 to 10 or this insured event;
 - (iv) **loss** of weight or exposure to light, change in colour, flavour, texture or finish;
- (d)
 - (i) inherent vice or latent defect; provided that this exclusion will apply only to the discrete part(s) or component(s) of any **property** so affected and will not apply to subsequent **loss** or **damage** to any other part(s) or component(s) of such **property** caused by any of insured events 1 to 10;
 - (ii) creeping, heaving, normal settling, shrinkage, seepage, vibration, expansion in **buildings**, pavements, roads, car parks and the like;
 - (iii) error or omission in design, plan, or specification, or failure of design, or failure during testing; provided that this exclusion will apply only to the discrete part(s) or component(s) of any **property** so affected and will not apply to subsequent **loss** or **damage** to any other part(s) or component(s) of such **property** caused by any of insured events 1 to 10;

- (iv) faulty materials or workmanship; provided that this exclusion will apply only to the discrete part(s) or component(s) of any **property** so affected and will not apply to subsequent **loss** or **damage** to any other part(s) or component(s) of such **property** caused by any of insured events 1 to 10;

provided that exclusions (c)(i) to (c)(iv) and (d)(i) to (d)(iv) will not apply to subsequent **loss** of or **damage** to the **property insured** caused by any circumstances not excluded under this 'Fire and defined events' section notwithstanding that these may in turn have been caused by any of the circumstances in (c)(i) to (c)(iv) and (d)(i) to (d)(iv) above.

- (e) any unexplained inventory shortage or disappearance resulting from clerical or accounting errors, or shortage in the supply or delivery of materials or goods;
- (f) **theft**; unless **your buildings** insured under this section are occupied by a tenant or tenants under a lease agreement and such tenant(s) are not named as **insureds** under this **policy**. In such case, **we** will indemnify **you** for **loss** or **damage** caused by **theft** in accordance with the terms and conditions of the 'Theft' section regardless of whether the 'Theft' section is selected by **you** or not; provided that **our** liability will be limited to \$20,000 in respect of any one **event** unless any higher amount is specified in the **Schedule**;
- (g) **data** processing or **media** failure or breakdown or malfunction of a processing system including operator error or omission;
- (h) loading or unloading in connection with delivery or transportation of **stock** or **contents**; provided that this exclusion does not apply to incidental movement of **property** within the **premises**;
- (i) infidelity, dishonesty, embezzlement, misappropriation, or fraud including forgery, erasure or counterfeiting by **you** or any **employee**;
- (j) erosion, subsidence, landslip or mud slide or any other earth movement unless caused by any of insured events 1 to 10;
- (k) smoke or soot from industrial operations (other than sudden and unforeseen **damage** resulting therefrom);
- (l) demolition, other than demolition by or on the order of a public authority for the purpose of preventing or diminishing imminent **damage**, and/or inhibiting the spread of, fire or any other insured event threatening **property** covered by this **policy**.

We will not cover **loss** of or **damage** to:

- (a) animals and plants other than when insured as **stock** of the **business**;
- (b) land and growing crops except where specifically provided under extra cover – 'Landscaping';
- (c) **glass** or signs except where **you** are a tenant of a **building** and required by the terms of **your** lease to insure **glass**;
- (d) **property** undergoing any process of manufacture. However this exclusion (d) will not apply to **loss** or **damage** arising from a cause not otherwise excluded external to the manufacturing process.

What we exclude

We will not cover:

1. Maintenance or defects

Loss or **damage** caused by or arising out of:

- (a) rust or corrosion;
- (b) inherent or structural defects;
- (c) developing flaws, gradual deterioration, normal upkeep of **property**, or existing defects or lack of maintenance to **property**; unless **you** can show **you** did not know about the deterioration, defect or lack of maintenance. **You** cannot claim for repairing the deterioration or defect or the maintenance.

Provided that this exclusion 1(a) to 1(c) will not apply to subsequent **loss** of or **damage** to **your property** caused by or arising out of any insured **event** listed in this section, which results from any event referred to in this Exclusion 1(a) to 1(c).

2. Consequential loss

Loss of use, **loss** of earning capacity or any other **consequential loss**.

3. Pollutants

Loss or **damage** caused by or arising from contamination of property by pollutants except when caused directly by or resulting from the operation of a peril insured under the 'Fire and defined events' section.

Extra covers

We will also provide the following extra covers in this section, subject to the terms, conditions and exclusions of this **Policy**, unless provided otherwise.

Unless stated otherwise below, any amounts payable under these extra covers apply in addition to the **insured amount**, and will not be reduced by the amount of any applicable **excess**.

1. Capital additions

What we cover

We cover loss or damage caused by an insured event to any additions and alterations to **your buildings** and **contents** at any one **premises** to an amount not exceeding 20% of the total **insured amount** on **buildings** and **contents** or \$500,000, whichever is the lesser.

2. Catastrophe inflation protection

What we cover

Notwithstanding anything stated to the contrary in extra covers – 'Capital additions' and 'Prevention of **loss** or **damage**', if any of **your buildings** are **damaged** as a direct result of a **catastrophe** **we** will:

- (a) increase the **insured amount** applicable to such **building** under this section by up to 20%, provided that **your building** is rebuilt; and
- (b) increase the amounts payable under extra cover – 'Capital additions' (relating to **buildings** only) and paragraph (c) of extra cover – 'Prevention of loss or damage and make safe expenses' of this section by 20%;

to cover any **increased building costs** for labour and materials and any other additional costs which may apply after the insured event.

This extra cover does not operate to increase the total **insured amount** for the purposes of calculating the application of any extra cover or the 'Underinsurance' condition in this section.

'increased building costs' means the difference between the cost of reinstatement actually incurred in accordance with the basis of settlement provisions of this section and the cost of reinstatement that would have applied had the insured event not occurred.

What we exclude

We will not pay:

- (a) more than the **increased building costs** which are actually incurred by **you** as a direct result of the catastrophe;
- (b) any amount under this extra cover until **you** have incurred costs exceeding the insured amount applicable to such **building** under this section;
- (c) any claim under this extra cover if **you** choose not to rebuild the **buildings** (or any part of them) at the premises shown in **your Schedule**. We will not increase the insured amount to pay for **damage** to any property other than **buildings**.
- (d) any claim under this extra cover if **your Schedule** shows the **building** as being insured for 'indemnity value'.

3. Damage to business records away from the premises

What we cover

We will pay the reasonable costs incurred due to **loss** of or **damage** to computer system records, documents, manuscripts, plans, drawings, designs and **business** books of every description used for the purposes of **your business** if they are **lost** or **damaged** in a **vehicle** accident or stolen from a locked **vehicle** during the **period of insurance**.

4. Damage to glass in vacant buildings

What we cover

If **you** own but do not occupy any **buildings** shown as insured under this section at the **premises**, we will cover **you** for the following costs directly related to the breakage of **glass** during the **period of insurance** in a rentable area of the **building** that is vacant at the time of the breakage:

- (a) the cost of temporary shuttering pending replacement of the broken **glass**;
- (b) the costs incurred in replacing reflective materials and burglar alarm tapes and connections attached to the **glass**;
- (c) the cost incurred in repairing or replacing **damage** to window, door or showcase frames and their fittings, but not to bars, grilles or shutters; or
- (d) the cost incurred in repairing or replacing tiles on shop and office fronts and around the **glass**.

What we exclude

We will not pay more than \$8,000 during any one **period of insurance** for all claims under this extra cover unless a higher amount is specified in the **Schedule**.

We will not cover **you** for any breakage:

- (a) of **glass** caused by or arising out of fire;
- (b) of **glass**:
 - (i) when in transit or while being fitted into position or removed from its fitting;
 - (ii) in light fittings;
 - (iii) that is cracked or imperfect prior to breakage;
 - (iv) that is not fit for the purpose intended; or

(v) that is in a glasshouse.

(c) plastic signs.

We will not cover any claims under this extra cover if:

- (a) **you** have selected the 'Glass' section of this **policy**;
- (b) **your insured building** is leased to a tenant; or
- (c) the **premises** has remained unoccupied or untenanted for a continuous period longer than 90 consecutive days and we have not agreed to an extended period in writing.

5. Directors' and employees' tools of trade and personal property

What we cover

We will pay for **loss** of or **damage** to directors' and employees' tools of trade and personal property caused by an insured event as if they were **contents**.

What we exclude

We will not pay more than \$5,000 for any one person's tools of trade and personal property for any one insured event.

If such tools of trade or personal property are covered under another insurance policy, we will only pay for **loss** or **damage** not otherwise covered by that other policy.

6. Discharge of mortgages

If **property insured** has been **damaged** and the **damage** is covered by this section, where the total **insured amount** on **property insured** is not otherwise exhausted, we will pay up to the balance of the total **insured amount** on **property insured**, for the reasonable legal costs to discharge a mortgage or mortgages on **buildings** or **contents** following settlement of a claim on the basis of a total **loss** whether actual or constructive.

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

7. Expediting Expenses

What we cover

We will pay reasonable costs and expenses for express carriage rates and extra payments for overtime, night, Sunday or holiday working incurred in connection with the repair or reinstatement of **property insured** as a result of an insured event.

What we exclude

We will not pay more than fifty percent (50%) of the normal cost of repair or reinstatement of the **property insured**.

8. Fire brigade attendance fees

We will pay up to \$100,000 any one **event** for any statutory charges payable by **you** to a fire brigade or fire fighting authority for attendance at a fire or chemical emergency involving the **property insured**.

9. Floating stock

What we cover

Where we pay a claim for **loss** of or **damage** to **stock** at the **premises**, we will pay more than the **stock insured amount** at that **premises** to account for the temporary transfer of **stock** between **premises** provided that:

- (a) there are at least two **premises** specified in the **Schedule** and an **insured amount** has been separately specified in the **Schedule** for **stock** at each **premises** insured under

this section, including the affected **premises**; and

- (b) **you** transfer the **stock** between **premises** as a usual **business** practice.

What we exclude

We will not pay a claim under this extra cover where **stock** levels in **excess** of the **insured amount** at a **premises** have been temporarily located at that **premises** for a period exceeding 90 consecutive days and where **we** have not agreed in writing to an extended period.

We will not pay more than the total of the **stock insured amounts** for all **premises**.

10. Alternative - Green Replacement

What we cover

We will pay additional costs incurred to repair, replace or re-build **damaged** buildings and **contents** using **sustainable products**.

'sustainable products' means:

- (a) products that increase the efficiency of the **building** relating to the use of energy and/or water;
- (b) recycled materials that reduce environmental impacts.

What we exclude

We will not pay more than 25% of the normal cost of repair or reinstatement of the **damaged building** and **contents** for any one **event**.

11. Government fees

What we cover

We will pay any fee, contribution or other impost payable to any government, local government or other statutory authority where payment of the fee, contribution or impost is necessary to the obtaining of consent to reinstate any **property insured**.

What we exclude

We will not be liable for payment of any fines and/or penalties imposed upon **you** by any such authorities.

12. Landscaping

What we cover

We will pay for **loss** of or **damage** to landscaping at the **premises** during the **period of insurance**, arising from an insured event. **We** will also pay resultant expenses necessarily incurred in cleaning, clearing and/or repairing drains, gutters, sewers and the like all contained in or on or forming part of or implicitly pertaining to the **buildings**.

Landscaping includes trees, shrubs, plants, lawns, garden plots, including rockwork, paving, statues and other ornamentation and edging.

What we exclude

We will not pay more than \$50,000 or 20% of the **insured amount** at the **premises** where the insured event has taken place, whichever is less.

We will not pay for any **loss** of or **damage** to landscaping which occurs as a result of insured event 7 'Storm, wind and rain (including snow, sleet or hail)'.

13. Liability for duty

What we cover

We will pay **your** liability for customs, excise and/or other duties which **you** may become liable to pay in the event of **loss** of or **damage** to **property insured** and/or **your** liability to compensate others who may become liable for such customs, excise and/or other duties as a result of the **loss** or **damage**.

14. Limited transit cover

What we cover

We will cover **you** for **loss** of or **damage** to **stock** or **contents**, which are in transit in any **vehicle** anywhere in **Australia** and away from the **premises**, caused by a collision or overturning of the **vehicle** or by any of the following insured events which occur during the **period of insurance**:

- (a) Insured event 1 (a) - Fire;
- (b) Insured event 2 - Lightning or thunderbolt;
- (c) Insured event 3 - Explosion or implosion;
- (d) Insured event 4 - Earthquake, tsunami, subterranean fire or volcanic eruption during any period of 168 consecutive hours;
- (e) Insured event 6 - Riot, civil commotion or labour disturbances;
- (f) Insured event 8 - Water damage; or
- (g) Insured event 9 - Malicious acts (including by vandals and thieves).

What we exclude

We will not pay more than:

- (a) \$50,000; or
- (b) 20% of the highest **insured amount** for **contents** or **stock** at any one **premises**;

for each **event**, whichever is the lesser.

We will not cover **you** for any claims under this extra cover if **you** have selected the 'Transit' section.

15. Loss of land value

What we cover

If **we** pay for a claim for **loss** of or **damage** to a **building** at the **premises**, **we** will pay for any reduction in land value that results from the decision by any legal authority not to allow rebuilding or only to allow partial rebuilding of that **building** at the **premises**.

What we exclude

We will not pay more than:

- (a) 20% of the **building insured amount** specified in the **Schedule**; or
- (b) \$100,000

whichever is the lesser, unless a higher amount is specified in the **Schedule** for 'Loss of land value'.

16. Playing Surfaces

What we cover

We will cover **you** for the cost of repairing **damage** to outdoor playing surfaces at the **premises**, caused by:

- (a) vandals or malicious persons other than **you** or **your** guests, director's partners, officers, **employees** or members, or their guests;

- (b) fire occurring to **property insured** at the **premises** for which **we** have admitted liability under this section; or
- (c) the action of the firefighting services, police or other emergency services in attending to their duties at the **premises**.

What we exclude

We will not pay more than \$50,000 or the **insured amount** specified in the **Schedule** for 'Playing surfaces' whichever is the greater for each **event** under this extra cover.

17.Prevention of loss or damage and make safe expenses

What we cover

We will cover **you** for the necessary costs that **you** incur:

- (a) to extinguish a fire occurring during the **period of insurance** on or in the vicinity of **your premises**, which causes or threatens **loss** of or **damage** to **your property**;
- (b) to prevent or diminish imminent **damage** to **your property** or threatening **your property** by any other insured event; or
- (c) for immediate make safe expenses and for the temporary protection and safety of **your property** at the **premises** necessitated by **damage** from an insured event occurring during the **period of insurance**, including the employment of security services.

What we exclude

We will not pay more than \$100,000 for any one **event** under this extra cover.

The 'Prevention of loss or damage and make safe expenses' extra covers will not be cumulative under this **Policy**. The highest single limit between the relevant cover sections will apply.

18.Professional fees

What we cover

We will pay the reasonable cost of architects', surveyors', consulting engineers', legal and other professional fees and clerks of works' salaries for estimates, plans, specifications, quantities, tenders and supervision, incurred in the repair or replacement of **lost** or **damaged property insured**.

What we exclude

Where the **insured amount** is exhausted, **we** will not pay more than \$25,000 for any one **event** for this extra cover unless a higher amount is specified in the **Schedule** for 'Professional fees'.

19.Reinstatement of insured amount

What we cover

If **we** pay an amount for a claim under this **Policy** section **we** will automatically reinstate the **insured amounts** for **property insured**. **You** will not have to pay any additional premium.

What we exclude

This extra cover does not apply if **we** pay the full '**building**' **insured amount** under this section in respect of a single claim.

20.Removal of debris

What we cover

We will pay the reasonable costs of:

- (a) removal, storage and disposal of **debris** and/or the demolition, dismantling, shoring up, propping, underpinning or other temporary repairs incurred by **you**;
- (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 insured **damage**, together with the cost of cleaning up;
- (c) demolition and removal any **property** belonging to **you**:
 - (i) which is necessary for the purpose of reinstatement, replacement or repair of any **property insured** as a result of insured **damage**; or
 - (ii) that is no longer useful for the purpose it was intended, providing such demolition and removal is necessary for the purpose of the reinstatement or replacement of any **property insured** as a result of insured **damage**.

What we exclude

Where the total **insured amount** on **property insured** is exhausted, **we** will not pay more than:

- (a) 20% of the total **insured amount** shown in the **Schedule**; or
- (b) \$100,000

whichever is the greater.

21.Rewriting of records

What we cover

We will pay the cost additional clerical and professional costs incurred by **you** for the **rewriting of records** if they are **lost** or **damaged** while located at **your premises** or off-site anywhere in **Australia** or **New Zealand**, by an event which **you** are covered for under the 'Fire and defined events' section.

What we exclude

Where the **insured amount** is exhausted, **we** will not pay more than \$25,000 for this extra cover unless a higher amount is specified in the **Schedule** for 'Rewriting of records'.

We will not pay **you** for any financial **loss** caused by or resulting from the **loss** of or **damage** to **your** records under this extra cover.

22.Seasonal increase

What we cover

We will automatically increase the **insured amount** in respect of **stock** by 50% or such other amount as is specified in the **Schedule** during a **seasonal increase period**.

23.Temporary cover for new premises

What we cover

We will cover **you** for **loss** or **damage** occurring during the **period of insurance** at any new **premises** arising from any of insured events 1 to 11 inclusive, provided that:

- (a) **you** first occupy the new **premises** during the **period of insurance**;
- (b) the **business** carried on at or from the new **premises** is the same as specified in the **Schedule**;

- (c) the **property** at the new **premises** is of a similar nature as the buildings, **contents** and **stock** located at the **premises** and would have been covered if they were located at any of **your** existing **premises**.

What we exclude

We will not cover **you** for more than 50% of the highest **insured amount** for each category of **property** at the **premises** specified in the **Schedule**. If more than one **premises** is specified in the **Schedule** then this 50% limitation will apply to the highest **insured amount** for each category of **property** across all of the insured **premises**.

For example, if **you** insure two existing **premises**, one which has the **building** insured for \$1,000,000 and the other \$2,000,000, then the **building** at any new **premises** will be covered up to a limit of \$1,000,000 (50% of \$2,000,000, the higher of the two **insured amounts** for this category of **property** insured at a **premises**).

We will not cover **you** under this extra cover for any **loss** or **damage** at the new **premises** that occurs more than 60 days after **you** first occupy the new **premises** unless, in the meantime:

- (a) **you** provide **us** with full details of the new **premises**; and
- (b) **we** agree to provide cover;
- (c) **you** and **we** agree on **insured amounts**; and
- (d) **you** agree to pay any reasonable additional premium that **we** require, having regard to the nature of the risk as **we** assess it.

24. Temporary removal of stock and contents

What we cover

We will pay for **loss** of or **damage** to **stock** or **contents** during the **period of insurance** caused by an insured event if the **stock** or **contents** have been temporarily removed to any other **premises** within **Australia**.

What we exclude

We will not pay more than 20% of the **insured amount** of the applicable **stock** or **contents** for any one **event**.

For example, if the **insured amount** for **stock** is \$100,000 and there is **loss** of or **damage** to **stock** that has been temporarily removed from the **premises** as a result of an insured event, **we** will pay up to \$20,000 (20% of \$100,000).

We will not pay for **loss** of or **damage** to:

- (a) **vehicles**, except for fork lift trucks and similar appliances that are used for hauling or conveying goods at the **premises**;
- (b) **stock** that **you** have consigned to another person for sale unless it is owned by **you** or is **property** for which **you** are responsible; or
- (c) **stock** or **contents** that have been removed from the **premises** in excess of 90 consecutive days at the time of the **loss** or **damage**.

25. Theft of external property

What we cover

If **you** own but do not occupy a **building** shown as insured under this section at a **premises**, **we** will cover **you** for **theft** occurring during the **period of insurance** of plant, plumbing or wiring services that are not part of that **building** but which are securely attached (by means other than the connection to a power point) to the **building** structure.

What we exclude

We will not pay more than \$10,000 in the aggregate during the **period of insurance** for all claims under this extra cover.

We will not pay for any **loss** or **damage** caused by **your** tenants.

26. Undamaged foundations and/or undamaged buildings

What we cover

- (a) If the **building** foundations at the **premises** are either undamaged or are not destroyed by an insured event that causes other **damage** to the **building** but a government or statutory authority requires reinstatement of the **building** to be carried out on another site, then the foundations will be considered as destroyed.
- (b) Where any **buildings** at the **premises** are **damaged** and (due to the exercising of any statutory powers and/or delegated legislation and/or authority by any government or statutory authority) reinstatement of such **buildings** has to be carried out upon any other site or sites, then, the undamaged portion(s) of such **buildings** will be considered as being destroyed.

Provided that if the presence of such abandoned foundations or undamaged portion(s) of such **buildings** increases the sale value of the original **building** site, then such increase in sale value will be regarded as salvage and the amount thereof (less sale costs) will be payable to **us** by **you** upon completion of the sale of the site or will be deducted from the final amount of any monies payable by **us**, whichever will occur later.

27. Unpacking expenses

What we cover

We will pay reasonable costs and expenses incurred in taking inventory, including unpacking, repacking and restacking, to identify, quantify and value any **loss** or **damage** to **property** insured during the **period of insurance**, including examination of **property** not belonging to **you** but in **your** care custody and control.

What we exclude

We will not pay more than 20% of the **insured amount** of the applicable **stock** or **contents** for any one **event**.

For example, if the **insured amount** for **stock** is \$100,000 and there is **loss** of or **damage** to **stock** as a result of an insured event, **we** will pay up to \$20,000 (20% of \$100,000).

Optional covers

1. Flood

When '**flood**' is shown in the current **Schedule**, **we** will cover **loss** or **damage** to **property** insured caused by **flood**.

2. Strata title mortgagee(s) interest

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

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

We will pay the mortgagee the lowest of:

- (a) the **insured amount** specified in the **Schedule**;
- (b) the amount that **you** would incur to repair the **damaged** part of the **building** to a condition similar to but no better than when new;

- (c) if the body corporate (or similar) partially covers the **loss**, any difference between the cost of the **damage** and the payment by or on behalf of the body corporate; or
- (d) the amount sufficient to discharge the mortgage held by **you** over the unit at the date of the **damage**.

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

We only pay a claim if:

- (a) a claim would be payable under Insured Events 1 to 11 of this section (and not subject to any exclusions or other limitation in this **Policy**);
- (b) any insurance policy taken out by body corporate or similar does not respond to or only partially covers the **loss**; and
- (c) the mortgagee requires **you** to discharge **your** mortgage.

If **you** have arranged this **Policy** to insure only the interest of a mortgagee in a strata title unit then no extra covers are payable under this **Policy**.

Conditions

These conditions apply to all covers and claims under the 'Fire and defined events' section.

1. Event

Only for the purpose of the application of any **excess**, all **loss** or **damage** resulting from:

- (a) earthquake, volcanic eruption, subterranean fire;
- (b) bushfire; or
- (c) atmospheric disturbance

occurring during each period of 168 consecutive hours will be considered as one **event**, whether continuous or sporadic in its sweep and/or scope, and whether the **loss** or **damage** was due to the same seismological or meteorological conditions.

Each **event** will be deemed to have commenced on the first happening of any such **loss** or **damage**, not within the period of any previous **event**.

2. Tenants actions

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

- (a) **you** have taken all reasonable actions, as soon as **you** become aware of conditions causing the breach, to have the tenant comply with the terms and conditions of this section;
- (b) **you** notify **us** within a reasonable amount of time of becoming aware of the breach;
- (c) **you** agree to pay a reasonable increase in premium for the additional risk, if requested by **us**, having regard to the nature of the risk as **we** assess it.

3. Underinsurance

In the event of **loss** or **damage** covered under this section:

- (a) for claims settled on a reinstatement or replacement basis, **we** will be liable for no greater proportion of the **loss** or **damage** than the total **insured amount** as specified in the **Schedule** for all **property insured** at the **premises** where the **loss** or **damage** occurs, bears to 80% of the cost (net of any **input tax credit** that **you** could claim) which would have been incurred in reinstatement at the time when the **Policy** was entered into, if the whole of the **property insured** had been destroyed at that time; or
- (b) for claims settled on an indemnity value basis, **we** will be liable for no greater proportion of the **loss** or **damage** than the total **insured amount** specified in the **Schedule** for all **property**, at the **premises** where the **loss** or **damage** occurs, bears to 80% of the indemnity value (net of any **input tax credit** that **you** could claim) of all of the **property insured** at the time when this **Policy** was entered into.

This condition does not apply if the amount of any **loss** or **damage** (net of any **input tax credit** that **you** could claim) is less than 10% of the total **insured amount** specified in the **Schedule** for all of the **property insured** at the **premises** where the **loss** or **damage** occurs.

What we pay

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

The claim payment basis **you** are covered for is reinstatement or replacement value, unless shown otherwise in the **Schedule**.

The maximum **we** will pay for any one claim, other than a claim for a **specified item**, under this section is the **insured amount** shown in the **Schedule** or adjusted in accordance with this section, whichever is the higher.

The maximum **we** will pay for each **specified item** is the **insured amount** shown in the **Schedule** for that item.

1. Reinstatement or replacement value

Unless the **Schedule** shows **you** are insured for 'indemnity value', when **buildings**, **contents** or **specified items** are **lost** or **damaged**, subject to the **insured amounts** and other **Policy** limitations, **we** will pay **you**:

- (a) the cost that **you** would incur to rebuild, repair or restore the buildings at the **premises** shown on **your Schedule** or at another site if required by **you**;
- (b) the cost that **you** would incur to repair or restore the **contents** or **specified items** and, if not possible, then replacing them with new **property** of similar quality capable of performing the functions of the **damaged property**;

We will pay the market value or its purchase price, whichever is the lesser, but not exceeding its original cost to **you** for items that become obsolete due to the replacement of **contents** or **specified items** with new or **property** of similar quality.

- (c) the amount shown on the proof of purchase documentation for **specified items**;
- (d) the amount of a valuation by the Auctioneers and Valuers Association of Australia for **specified items** of paintings, works of art, antiques and curios.

Reinstatement or replacement is subject to the following conditions:

- (a) the work of rebuilding, replacing or repairing must be commenced and completed by **you** within a reasonable time after the **loss** or **damage**, after **our** consent has been obtained (which will not be unreasonably withheld), otherwise the amount **we** pay will be no more than the cost that would have been incurred if the work of rebuilding, replacing or reinstatement had been commenced and carried out with reasonable dispatch;
- (b) when rebuilding at another site, **we** will not pay more than the cost **we** would have incurred to reinstate the **building** that is **damaged** or the actual cost incurred in rebuilding at the alternative site whichever is lesser;
- (c) when any **property** is **damaged**, but not destroyed, **we** will not pay more than the amount that **we** could have been called upon to pay had that **property** been destroyed;
- (d) **we** will only pay to return the **property** to a condition substantially the same as, but not better or more extensive than, its condition when new, using **building** materials readily available and in common use in **Australia**.

2. Indemnity value

If **your** **Schedule** shows that **you** are insured for 'indemnity value' then, for the purpose of calculating any **loss** settlement, 'Indemnity value' means:

- (a) the cost that **you** would incur to reinstate, replace or repair the **property insured** to a condition substantially the same as but not better or more extensive than its condition at the time that the **loss** or **damage** occurred, taking into consideration its, age, condition and remaining useful life; or
- (b) where such property is not to be reinstated, replaced or repaired, the value of such **property insured** to **you** at the time that the **loss** or **damage** occurred, taking into consideration market value (if any), age, condition and remaining useful life having regard to the nature and location of such **building** and/or **contents** and the purpose(s) for which it is owned, maintained or used by **you**.

3. Extra cost of reinstatement: buildings or contents (excluding stock and specified items)

If **you** are insured under this section on a reinstatement or replacement value basis, **we** will also pay the extra cost of reinstatement or replacement of **buildings** or **contents** (excluding **stock** and **specified items**) which is necessarily incurred to comply with the requirements of any Act of Parliament or regulation or any by-law or regulation of any Municipal or other statutory authority, other than those relating to heritage status of the **building**.

The following conditions apply:

- (a) the work of rebuilding, replacing or repairing must be commenced and completed within a reasonable time after the **loss** or **damage**, after **our** consent has been obtained (which will not be unreasonably withheld), otherwise the amount **we** pay will be no more than the extra cost of reinstatement or replacement that would have been incurred if the work of rebuilding, replacing or repairing had been commenced and carried out with reasonable dispatch;
- (b) the work of reinstatement may be carried out wholly or partially upon any other site, if the requirements of the act, regulation or by-law necessitate it, subject to **our** liability not being increased;

- (c) the amount payable by **us** will not include any additional costs in complying with any requirement that **you** had been required to comply with before the **loss** or **damage** occurred;
- (d) the 'Underinsurance' condition will not be applied to the amount payable under this clause.

If the cost of reinstatement of the **damage** directly caused by any of the insured events is less than 50% of what would have been the cost of reinstatement of the **property insured** had such **property** been destroyed, the amount recoverable will:

- (a) be limited to the extra cost necessarily incurred in reinstating the **damaged** portion of the **building** only;
- (b) not include any extra cost in relation to any portion of the **property** not **damaged**; and
- (c) not exceed, in any event, the amount that **we** would have paid if that **building** had been totally destroyed.

4. Extra cost of reinstatement: Heritage building

If **you** are insured under this section on a reinstatement or replacement value basis for **loss** of or **damage** to any **building** that is subject to any heritage listing or protection and **you** choose to rebuild, replace or repair the **building** at the same location, **we** will pay the extra cost of rebuilding, replacing, or repairing the **building**, that is related to obtaining special materials or employing specialised labour to match up or reproduce unique or distinctive ornamental or architectural features of the **building** to comply with standards imposed by any lawful heritage protection authority.

We will not pay more than the cost necessary to rebuild, replace or repair any such heritage listed **building** to a reasonably equivalent appearance and capacity using original design and suitable modern equivalent materials, if the original materials are not available.

The following conditions apply:

- (a) the work of rebuilding, replacing or repairing must be commenced and completed within a reasonable time after the **loss** or **damage**, after **we** approve **your** claim, otherwise the amount **we** pay will be no more than the extra cost of reinstatement or replacement that would have been incurred if the work of rebuilding, replacing or repairing had been commenced and carried out with reasonable dispatch; and
- (b) the amount payable will not include any additional costs in complying with any requirement that **you** had been required to comply with before the **loss** or **damage** occurred.
- (c) the 'Underinsurance' condition will not be applied to the amount payable under this clause 4.

If the cost of reinstatement of the **damage** directly caused by any of the insured events is less than 50% of what would have been the cost of reinstatement of the **property insured** had such **property** been destroyed, the amount recoverable will:

- (a) be limited to the extra cost necessarily incurred in reinstating the **damaged** portion of the **building** only;
- (b) not include any extra cost in relation to any portion of the **property** not **damaged**; and
- (c) not exceed, in any event, the amount that **we** would have paid if that **building** had been totally destroyed.

5. Loss of floor space

If any **buildings** insured under this section on a reinstatement or replacement value basis can only be rebuilt with a reduced floor space as a result of:

- (a) an Act of Parliament or regulations; or
- (b) a by-law or regulation of any municipal or other statutory authority;

we will, in addition to the amount payable for reinstatement of such **buildings**, pay **you** the difference between:

- (a) the actual cost of rebuilding the **building** with the reduced floor space; and
- (b) the estimated cost of rebuilding the **building** with the floor space it had at the time of its destruction.

6. Output replacement

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

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

7. Basis of Settlement - Stock or customers' goods

We will:

- (a) pay the replacement cost of raw materials, supplies and other merchandise not manufactured by **you** at the time and the place of replacement, provided that replacement will have been carried out with reasonable dispatch or, if not replaced, the value of such **property** to **you** at the time and place of the **damage** but not exceeding its original cost price to **you**;
- (b) pay the replacement cost of the raw materials and the cost of labour and other manufacturing charges expended on materials in process of manufacture, calculated at the time and place of the **damage**;
- (c) pay the replacement cost of the raw materials and the cost of labour and other manufacturing charges expended on finished goods without any allowance for profit or the cost of re-stocking such goods, whichever is the lesser;

- (d) pay the market value of **obsolete stock** at the time of the **damage** or its purchase price (net of any **input tax credit** that **you** could claim), whichever is the lesser, but not exceeding its original cost to **you**;
- (e) replace or repair the **stock** or customers' goods with **property** or materials equal to or of a similar standard and specification as the **stock** or customers' goods at the time of the **loss** or **damage**; or
- (f) pay the cost that **you** would incur to repair or replace the **lost** or **damaged stock** or customers' goods;
- (g) in respect of goods sold but not delivered for which you are responsible (and with regard to which, under the conditions of sale or any statute or at common law, the contract of sale is cancelled either wholly or in part by reason of the **damage**) pay the contract price, or in the case of a partial cancellation of the contract of sale, that part of the contract price which will have been **lost** to **you** because of the partial cancellation.

8. Branded stock

We will not sell branded **stock** as salvage without **your** consent.

If **you** do not agree to **us** selling the branded **stock** as salvage, **we** will pay the market value of the **stock** before brands, labels or names have been removed by **you** or on **your** behalf, provided a reasonable allowance is agreed for the value of the goods and this allowance is deducted from the claim settlement.

Excess

You must pay the **excess** shown in the **Schedule** that applies to a claim under this section.

Definitions

The following words have the following meanings for this section only. **You** should also refer to the General definitions in Part C – terms and conditions section.

Debris means the residue of **damaged property**, substances and matter remaining following a defined **event** impacting **your premises** and **property insured** under the 'Fire and defined events' section, including substances and chemicals used to extinguish or suppress **damage** occasioned to or threatening **your property**.

Employee means any person while employed by **you** in the **business** who **you** compensate by salary, wages or commission and have the right at all times to govern, control and direct in the performance of their work.

Employee does not include:

- (a) any broker, factor, consignee or contractor; or
- (b) any person who is one of **your** partners, directors or trustees unless that person is also **your employee**.

Property means buildings, **contents**, **stock** and **specified items** at the **premises**.

Specified items means each item of **property** that is specifically described in the **Schedule** for the 'Fire and defined events' section.

Business income protection

This section forms part of this **Policy** only if shown in the **Schedule**.

About this section

This section covers loss of business income and an increased cost of working due to a reduction in turnover resulting from the interruption of or interference with your business in consequence of an insured event. Cover also includes the additional protections outlined in this section under 'Extra covers'.

What we cover

Provided 'Business Income Protection' is shown under 'What we cover' in the **Schedule**, we will insure **you** for:

- (a) a reduction in **your**:
 - (i) **business income** if 'business income' is shown in the **Schedule**;
 - (ii) **gross rentals** if 'gross rentals' is shown in the **Schedule**;

and

- (b) an increase in cost of working expenses;

following a reduction in **turnover** arising from interruption of or interference with **your business** in consequence of **insured damage**, caused by an **insured event**, to any building or any other property or any part thereof used by **you** at the **premises** for the purpose of **your business**.

Cover commences from the time the results of the **business** are affected and continuing for the duration of the **indemnity period**.

Provided that:

- the **insured damage** occurs during the **period of insurance**; and
- **our** payment is in accordance with 'What we pay' for the item(s) described under (a) and/or (b) above; and
- **we** have paid for or admitted liability in respect of such **damage**, unless no such payment shall have been made or liability shall not have been admitted for such **damage** (by **us** or another insurer) solely due to the application of an **excess**.

Our liability in no case will exceed in respect of each item the **insured amount** shown in the **Schedule** for that item.

How we calculate your Insured Amount

1. For **business income** where the **indicative rate of business income** is not greater than 75% of **turnover your insured amount** for 12 months **indemnity period** is 1 times (100%) the turnover achieved by the **business** in the 12 months prior to the commencement of cover.
1. For **business income** and **gross rentals** where the **indicative rate of business income** is greater than 75% of **turnover, your insured amount** for 12 months **indemnity period** is 1.2 times (120%) the **turnover** achieved by the **business** in the 12 months prior to the commencement of cover.
2. For **indemnity periods** in excess of 12 months, the **insured amount(s)** will be the proportionate increased multiple (years) of the 12 months **insured amount(s)** applicable in 1. and 2.; or
3. For new businesses the **insured amount(s)** under 1, 2 or 3 above the indicative rate of business income will be applied to the value of turnover forecast for the initial 12 months **period of insurance**.

What we pay

1. Business income cover

If the **Schedule** shows that **you** are insured for 'business income' we will pay for:

- (a) loss of **business income** resulting from a reduction in **turnover**. This amount is calculated by applying the **rate of business income** of the **business** to the amount by which the **turnover** during the **indemnity period** falls short of the **standard turnover** in consequence of **insured damage** covered by this section; and/or
- (b) an increase in cost of working expenses. This is the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **turnover of your business** in consequence of **insured damage** covered by this section. **We** will not pay additional expenditure that exceeds the sum produced by applying the **rate of business income** to the amount of the reduction in **turnover** thereby avoided;

less any sum saved during the **indemnity period** in respect of such of the charges and expenses of **your business** payable out of **business income** as may cease or be reduced in consequence of the **insured damage**.

Optional Express Settlement Provision applicable to Item 1(a)

- (a) For **indemnity periods** not exceeding three months duration.

You may elect to have **your** claim for loss of **business income** settled by applying the industry average percentage amount stated in the **Schedule** representing the **indicative rate of insurable business income** for businesses having the same classification as **your business**, to the reduction in monthly **turnover** experienced by **your business** in consequence of the **insured damage**. The average percentage amount for **your business** is shown in **your Policy Schedule**.

No deduction for savings in other working expenses will be made for this three month period and **our** payments will be made monthly subject to **your** accountant or other professional person providing relevant financial information on a timely basis.

The under-insurance provisions of this section will not apply to this Optional Express Settlement Provision.

- (b) For indemnity periods exceeding three months duration.

To expedite progress payments and restore cash flow, **you** may elect to have **your** claim for loss of **business income** for initial payments in the first three months of the **indemnity period** calculated and paid using the industry **indicative rate of insurable business income** in accordance with the 'Express Settlement Provisions' described in (a) above.

However, the amount payable by **us** for the full duration of the **indemnity period** will be calculated in accordance with Items 1(a) and 1(b) of "What we pay for business income cover" shown above adjusted for progress payments received under the Express Settlement Provision and for:

- (i) savings in the working expenses of the **business** since the date of the **insured damage**; and
- (ii) under-insurance if those provisions of the **Policy** are found relevant to **your** insurance.

Should adjustment for the above factors result in a refund exceeding the amount due to **you** as the indemnity in the remainder of the **indemnity period**, **you** will be required to give credit for any overpayment made in the initial period but will not be required to refund the balance of the amount in difference.

2. Gross rentals cover

If the **Schedule** shows that **you** are **insured** for '**gross rentals**' **we** will pay for:

- (a) **loss of gross rental turnover**. The amount payable will be the amount by which the **gross rentals** received during the **indemnity period** falls short of the **standard gross rentals** in consequence of **insured damage** covered by this section; and/or
- (b) **increase in cost of working**. This is the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of **gross rentals** in consequence of **insured damage** covered by this section. **We** will not pay the amount of any additional expenditure which exceeds the amount of the loss of **gross rentals** thereby avoided.

For **indemnity periods** not exceeding three months duration:

- (i) no deduction for savings in other working expenses will be made for this three month period and **our** payments will be made monthly subject to **your** accountant or other professional person providing relevant financial information on a timely basis; and
- (ii) the under-insurance provisions of this section will not apply.

For **indemnity periods** exceeding three months duration, to expedite progress payments and restore cash flow **we** will not deduct savings from progress payments for the first three months of the **indemnity period** in respect of charges and expenses payable out of **gross rentals** as may cease or be reduced in consequence of the **insured damage**.

However, the amount payable by **us** for the full duration of the **indemnity period** will be calculated in accordance with Items 2(a) and 2(b) of 'What we pay for Gross Rentals cover' above and adjusted for initial progress payments for the first three months of the **indemnity period** and for:

- (i) savings in the working expenses of the **business** since the date of the **insured damage**; and
- (ii) under-insurance if that provision of the **Policy** is found to apply.

Should adjustment for the above factors result in a refund exceeding the amount due to **you** as the indemnity in the remainder of the **indemnity period**, **you** will be required to give credit for any overpayment made in the initial period but will not be required to refund the balance of the amount in difference.

Limits to what we pay for business income and gross rentals

The most **we** will pay for all claims arising from any one event for:

- (a) **business income** including increase in cost of working and Extra Covers is the **insured amount** for '**business income**;
- (b) **gross rentals** including increase in cost of working and Extra Covers is the **insured amount** for '**gross rentals**'; and
- (c) **Optional Extra Covers** is the **insured amount** selected by **you** stated in **your Policy Schedule**.

If your insured amount is too low

Your Business Income Protection cover is subject to the following under-insurance provisions, which require **you** to insure for full value. If **you** do not do so, the amount **we** pay will be reduced to take into account the proportion of under-insurance as stated below.

Under-insurance provision:

If the **turnover** amount declared by **you** for each item of cover as representing the **turnover** in the 12 months prior to the commencement of cover is less than 80% of the actual **turnover** achieved in that period, the amount payable by **us** for that item will be proportionately reduced.

This under-insurance provision will not apply:

- (a) if the amount of **your** claim is less than 10% of the **insured amount** applying to the item insured; or
- (b) to for the payment of amounts due under the extension for Optional Extra Covers;
- (c) to claims for new businesses where the commencement date of the period of insurance is within the first two years of the date of start up; or
- (d) where the **turnover** and **insured amount(s)** have been stated in a valuation prepared by LMI Group (including, but not limited to, LMI's online business interruption calculator) or by a suitably qualified valuer.

Extra Covers

This section is extended to include the following Extra Covers 1 to 13 inclusive are payable provided that the **insured amount(s)** expressed against the relevant item(s) in **your Policy Schedule** is/are not otherwise exhausted.

For the purposes of this section, loss and/or **damage** in the circumstances described in each Extra Cover shall be deemed to be loss resulting from **insured damage** to **property insured** at the **premises**.

1. Business that attracts customers

What we cover

We will insure **you** for loss as described in clause 'What we pay', resulting from interruption of or interference with **your business** in consequence of **damage** to any property within a multi tenanted complex and/or business precinct in which your **business** is located; and the **damage** results in a reduction in the number of customers coming to the area.

2. Computer installations

What we cover

We will insure **you** for loss, as described in clause 'What we pay' resulting from interruption of or interference with **your business** in consequence of **damage** to **computer equipment** (as defined in the 'Machinery and/or electronic equipment breakdown' section of this **Policy**) utilised by **your business** anywhere in **Australia**.

3. Documents temporarily removed

What we cover

We will insure **you** for loss, as described in clause 'What we pay' resulting from interruption of or interference with **your business** in consequence of **damage** to **your** documents or documents held in trust by **you** as part of **your business** that are:

- (a) temporarily removed to other premises anywhere is **Australia**; or
- (b) in transit to any place in **Australia**.

4. Extended Indemnity Period

What we cover

Where the results of **your business** are still adversely affected by a reduction in **turnover** at the expiration of the **indemnity period** caused by the interruption or interference with the **business** and due to savings, or other circumstances, the **insured amount(s)** is/are not fully exhausted, **we** agree to provide continuing cover for an extended **indemnity period** not exceeding 12 months beyond the **indemnity period** shown in the **Schedule** for loss directly resulting from a reduction in the **turnover** of the **business** in consequence of the **insured damage**.

Such extended cover applies to loss of **business income**, **gross rentals** and associated Extra Covers and to Optional Extra Covers as may be applicable.

We will not pay more in the aggregate any one event including this Extra Cover 4, than the **insured amount** shown in the **Schedule** for:

- (a) **business income** and **gross rentals** including the associated Extra Covers; or
- (b) Optional Extra Covers.

5. Infectious diseases, murder, suicide, bomb threat

What we cover

We will cover **you** for loss of **business income** or **gross rentals** that is caused by or results from closure or evacuation:

- (a) of the whole or part of the **premises** by order of a competent government, public or statutory authority as a result of:
 - (i) infectious or contagious human disease manifesting at the **premises**;
 - (ii) vermin or pests or defects in the drains or other sanitary arrangements at the **premises**;
 - (iii) poisoning of customers directly caused by the consumption of food or drink provided on the **premises**.
- (b) murder or suicide occurring at or nearby the **premises**; or
- (c) shark or crocodile attack occurring within a 20 kilometre radius of the **premises**;
- (d) bomb threat occurring at or in the vicinity of the **premises**

The matters described in paragraphs (a) to (d) shall be deemed to be loss resulting from **insured damage to property insured** at the **premises** provided that the period of interruption exceeds 48 hours.

In the event that interruption exceeds 48 hours, cover will be provided from the time of interruption.

What we exclude

We will not pay any loss that is directly or indirectly caused by or arises from, or is in consequence of or contributed by:

- (a) Rabies;
- (b) Cholera;
- (c) Highly Pathogenic Avian Influenza in humans;
- (d) any disease determined by the World Health Organisation to be a Public Health Emergency of International Concern (PHEIC); or
- (e) any 'listed human disease', biosecurity emergency or human biosecurity emergency the subject of the *Biosecurity Act 2015 (Cth)*;

whether discovered at your **premises** or elsewhere (or the fear or threat of such disease or emergency, whether actual or perceived). A reference to the *Biosecurity Act 2015 (Cth)* includes any amendment, replacement, re-enactment or successor legislation. A reference to listed human disease, biosecurity emergency or human biosecurity emergency shall have the meaning found in any replacement definition, in any amendment, replacement, re-enactment or successor legislation, or where there is no replacement definition the term shall have the meaning of a term which is substantially similar in meaning as defined in or declared in any amendment, replacement, re-enactment or successor legislation.

- (f) cleaning, repairing or checking the **premises**.

6. Premises in the immediate vicinity (prevention of access)

What we cover

We will insure you for loss, as described in clause 'What we pay', resulting from interruption of or interference with **your business** in consequence of **damage** to property within a 50 kilometre radius of the **premises**, if the **damage** prevents or hinders the use of or access to the **premises**.

7. Prevention of access by a public authority

What we cover

We will insure **you** for loss, as described in clause 'What we pay', resulting from interruption of or interference with **your business** that is caused by any legal authority preventing or restricting access:

- (a) to **your premises**; or
- (b) to premises in the vicinity of **your premises**; or
- (c) by ordering the evacuation of the public,

as a result of injury or **damage** to or threat of **damage** to property or injury to persons within a 50 kilometre radius of **your premises**.

What we exclude

We will not cover **you** for:

- (a) Rabies;
- (b) Cholera;
- (c) Highly Pathogenic Avian Influenza in humans; or
- (d) any disease determined by the World Health Organisation to be a Public Health Emergency of International Concern (PHEIC); or
- (e) any 'listed human disease', biosecurity emergency or human biosecurity emergency as defined in or declared under the *Biosecurity Act 2015 (Cth)*

whether discovered at your **premises** or elsewhere (or the fear or threat of such disease or emergency, whether actual or perceived). A reference to the *Biosecurity Act 2015 (Cth)* includes any amendment, replacement, re-enactment or successor legislation. A reference to listed human disease, biosecurity emergency or human biosecurity emergency shall have the meaning found in any replacement definition, in any amendment, replacement, re-enactment or successor legislation, or where there is no replacement definition the term shall have the meaning of a term which is substantially similar in meaning as defined in or declared in any amendment, replacement, re-enactment or successor legislation.

- (f) an **act(s)** or **terrorism**.

8. Registered motor vehicles owned or operated by you

What we cover

We will insure you for loss, as described in clause 'What we pay', resulting from interruption of or interference with your **business** in consequence of **damage** to any registered vehicle or trailer owned or operated by You when they are at the **premises** or at other premises anywhere in **Australia**.

What we exclude

We will not pay for loss as insured by this section, which arises out of damage to any registered motor vehicle whilst on a public highway or thoroughfare.

9. Roads, bridges and railway lines

What we cover

We will insure you for loss, as described in clause 'What we pay', resulting from interruption of or interference with your **business** in consequence of **damage** to roads, bridges and railways lines:

- (a) over which raw materials, components and **stock** used in your **business** are conveyed to and from the **premises** if the **damage** prevents the supply, delivery or dispatch of these goods to and from the **premises**; or
- (b) which are used by your **customers** if the **damage** prevents them accessing your **premises** and the goods or services you provide.

10. Storage Sites

What we cover

We will insure you for loss, as described in clause 'What we pay', resulting from **damage** to property for which you are or may be responsible, while such property is at any storage premises in **Australia** not occupied by you.

What we exclude

We will not pay more than 20% of the declared **turnover** or the **insured amount** shown in your **Policy Schedule** whichever is the greater.

11. Transit

What we cover

We will insure you for loss, as described in clause 'What we pay', resulting from interruption of or interference with your **business** in consequence of **damage** to your insured property whilst in transit by road, rail, sea or air to any place in **Australia** away from the **premises**.

12. Unspecified suppliers' or customers' premises

What we cover

We will insure you for loss, as described in clause 'What we pay', resulting from interruption of or interference with your **business** in consequence of **damage** to property at the Australian premises of:

- (a) your suppliers, of components, goods, materials or services including their direct suppliers (other than those services provided by any utilities as described under Extra Cover 13 'Essential services'); or
- (b) manufacturers of products utilised or sold by the **business**; or
- (c) repairers or processors of materials or components or goods; or

- (d) any customer to whom you supply components, goods, materials or services and clients or property at the premises of their direct suppliers or customers; or at worksites when your **business** entails work away from premises.

What we exclude

We will not pay more than 20% of the declared **turnover** or the **insured amount** shown in your **Policy Schedule** whichever is the greater.

13. Essential services

What we cover

We will insure you for loss, as described in clause 'What we pay', resulting from interruption of or interference with your **business** in consequence of insured **damage** to land based property located in **Australia** that belongs to or is under the control of any company or authority producing, supplying or delivering the electricity, gas, water, sewerage or communication services, used by the **business** provided that where the property of the supplier is not located at or immediately adjacent to your premises, the period of interruption exceeds 48 hours.

In the event that interruption exceeds 48 hours, cover will be provided from the time of interruption.

Special Provisions

This section is extended to include the following special provisions. Special Provisions 1 to 6 inclusive are payable provided that the **insured amount(s)** expressed against the relevant item(s) in your **Policy Schedule** is/are not otherwise exhausted.

1. Departmental Clause

What we cover

If your **business** is conducted in departments or business units, the independent trading results of which are ascertainable, then, the **business income** and/or **gross rentals** covers will apply separately to each department or business unit affected by the **damage**.

For the purpose of this clause, **gross rentals** from the letting of property at your **premises** will be regarded as the proceeds of one such department or business unit.

What we exclude

We will not pay more than the declared **turnover** or the **insured amount(s)** shown against '**business income**' or '**gross rental's**' in the **Schedule**, whichever is the greater for all losses resulting from the same **event**.

2. Green Building Alternatives – Delayed Period of Restoration

What we cover

We will pay you for loss, as described in clause 'What we pay', resulting from additional time needed to repair or replace a building or structure with eco-friendly products.

What we exclude

This Extra Cover does not apply if the interruption to your **business** is caused by loss or damage to a building or structure that is not covered under this **Policy**.

We will not pay for more than an additional 30 days for any one event.

3. Government incentives

What we cover

If **we** pay a claim for reduction in **your business income or gross rentals**, **we** will also pay for any reduction in **business income or gross rentals** resulting from the loss of government approved incentives, subsidies or market development allowances to which **your business** would have been entitled but for the occurrence of the **damage**.

4. Interdependency - Australia

What we cover

Loss as insured by this section of the **Policy** resulting from interruption of or interference with the **business** in consequence of:

- (a) **damage** to property not insured by the 'Fire and defined events' section of the **Policy** and situated at any other premises in **Australia** owned and/or occupied and/or used by **you** for the purpose of the **business** or any other business; or
- (b) the occurrence of any of the circumstances described under 'Extra Covers' causing interruption or interference with the operations of business at such other premises in **Australia**; or
- (c) damage to property insured by the 'Fire and defined events' section of this **Policy** at a situation that does not derive any turnover

shall be deemed to be loss resulting from **damage** to property used by **you** at the **premises**.

5. Reduced Margin

What we cover

If, in consequence of **damage** giving rise to a claim under this **Policy**, **turnover** is maintained at a reduced **rate of business income**, from the increased sale of low margin goods, an equitable allowance shall be made for the loss of **business income**. No allowance shall be made for an increase in the ratio to **turnover** of any other uninsured expenses.

6. Reinstatement of Insured Amount

What we cover

If **we** pay any amount(s) for a claim under this section, **we** will automatically reinstate the **insured amount(s)** for **business income or gross rentals**. **You** will not have to pay any additional premium.

What we exclude

This Special Provision 6 however does not apply in the event of a total loss where **we** pay the full **insured amount** for **business income or gross rentals** in respect of a single claim under this section.

Optional Extra covers

Applies only where indicated on your Policy Schedule under 'What we cover'.

If **we** agree to pay a claim under this **Policy** section arising from interruption of or interference with **your business** in consequence of any **event** described in clause 'What we pay', **we** will also cover **you** for 'Business Recovery Expenses' stated in clauses 1 to 5 of this part.

We will not pay more for any or all of these Optional Extra Covers in the aggregate than the **insured amount** shown in the **Policy Schedule** under 'Business Recovery Expenses' for any one event.

Business Recovery Expenses

1. Additional/Increase in Cost of Working

What we cover

We shall extend this section to cover **you** for **additional/increase in cost of working** not otherwise recoverable, necessarily and reasonably incurred during the **indemnity period** in consequence of the **insured damage** for the purpose of avoiding or diminishing reduction in **business income and gross rentals** and/or resuming and/or maintaining normal business operations and/or services. In the case of landlord's cover for **gross rentals** this includes reletting expenses incurred in marketing the insured property, agent's fees and legal fees for drafting and arranging contracts.

2. Professional fees

What we cover

We will pay the reasonable costs incurred by **you** for professional fees and other expenses incurred by **you** (not otherwise recoverable under General Claims Condition 13 'Claims Preparation Expenses') for preparation and negotiation of claims under both this and the 'Fire and defined events' sections.

3. Contractual Fines or Penalties

What we cover

Following a claim for reduction in **business income**, **we** will also indemnify **you** for **your** liability to pay:

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

4. Goodwill

What we cover

Following **damage** to any building at **your premises** **we** will pay for the actual cost of goodwill incurred by **you** when purchasing a business in order to maintain **your business** activities. Provided that:

- (a) **we** will only pay these goodwill costs when the **building** that is **damaged** cannot or will not be repaired or rebuilt due to any refusal by any owner or lessor (other than **you**) to repair or rebuild; or any restrictions imposed by any legal authority; and
- (b) the purchase of the **business** is incurred because **you** were unable to continue **your business** at the **premises** as a result of the **damage** to the **buildings** not being repaired or rebuilt; and

- (c) the cause of the **damage** to the **buildings** would have been covered by the 'Fire and defined events' section of this **Policy** had that **building** been insured under that section; and
- (d) the business that is purchased is similar to **your business**.

5. Outstanding accounts receivable

What we cover

We will pay loss sustained by **you** in respect of **outstanding debtor balances** which **you** are unable to trace, establish or collect (in whole or in part) in consequence of **damage** to **your** records of accounts receivable.

In addition **we** will pay:

- (a) All interest charges at ruling bank rates on any loan to offset impaired collections pending repayment of such amount(s) rendered uncollectible as a result of such **damage**.
- (b) Interest lost by **you** in consequence of such impaired collections.
- (c) Additional expenditure reasonably incurred in tracing and establishing the amount(s) of **outstanding debtor balances** as a result of such **damage**.
- (d) collection expenses, in excess of normal collection costs, incurred as a result of such **damage**.

Where there is proof that a loss covered by this optional insurance has occurred, but **you** cannot more accurately establish the total amount of **outstanding debtor balances** as at the date of loss, such amounts shall be computed as follows:

- (i) determine the total amount of **outstanding debtor balances** on the last working day of the month which ended twelve months before the beginning of the month in which the **damage** has occurred;
- (ii) calculate the average percentage increase or decrease in the total amounts of **outstanding debtor balances** on the last working day of each of the twelve months immediately preceding the month in which the **damage** has occurred;
- (iii) the amount determined under paragraph (i), increased or decreased by the percentage calculated in accordance with paragraph (ii) shall be deemed to be the total amount of **outstanding debtor balances** at the time and date of the **damage**;
- (iv) the amount determined under paragraph (iii) shall be adjusted as may be necessary to provide for any demonstrable variance from the amount so determined occurring before, but during the month in which, the **damage** has occurred; due consideration shall also be given to normal monthly trends in receipts;
- (v) there shall be deducted from the total amount of **outstanding debtor balances**, however established, the amount of such outstanding **debtor balances** evidenced by records not **lost** or **damaged**, or otherwise established or collected by **you**, and an equitable amount to provide for doubtful debts.

Conditions applicable to this cover section

Other factors when calculating reduction in Business Income and Gross Rentals

In deciding the amount by which **your business income** and, **gross rentals**, has been reduced, **we** will consider:

1. Other circumstances and trends

We shall adjust **your rate of business income, standard turnover and standard gross rentals**, as may be necessary to provide for the trend of **your business** and for variations in or other circumstances affecting **your business** either before or after the **damage** or which would have affected **your business** had the **damage** not occurred; so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the **damage** would have been obtained during the **indemnity period**.

However:

- (i) Where the **indemnity period** does not exceed three months duration we will not adjust the '**indicative rate of insurable business income**' where **you** elect to have **your** claim for loss of **business income** under Item 1(a) of 'What we pay' paid in accordance with the 'Optional Express Settlement Provision (a) for loss of **business income**'.
- (ii) Where the **indemnity period** exceeds three months duration and **you** elect to have the initial payments subject to Optional Express Settlement Provision (b) for the first three months of the **indemnity period**. We will not adjust the '**indicative rate of insurable business income**' when making these initial payments.

However during the remainder of the **indemnity period**, the **rate of business income** will be adjusted for the trend of **your business** and the adjustment will apply to all claims for the full duration of the **indemnity period**. Such adjustment may increase or reduce the amount payable to **you** as the indemnity during the remainder period where the adjusted **rate of business income** varies from the '**indicative rate of insurable business income**'.

2. Alternative trading at any other premises

We will take into account any other trading that **you** carry out, or which is carried out on **your** behalf or for **your** benefit, at any other premises in an attempt to minimise the amount of **your** loss.

We will not make any deduction(s) for any fluctuations in trading results at any of **your** other **premises**, which have not been brought about as a result of the interruption of or interference with **your business** at the **premises** where the **damage** has occurred.

3. Accumulated stocks

We will take into account any run down of accumulated **stock** which is carried out to postpone any reduction in **business income**. Provided that this Condition 3. does not apply to claims where the **indemnity period** does not exceed three months duration and **your** claim is settled in accordance with clause (a) of the 'Optional Express Settlement Provision'.

4. Salvage sale

If, following **damage** giving rise to a claim under this **Policy** section, **you** hold a salvage sale during the **indemnity period**, Clause 1(a) of 'Business income' of this **policy** section shall, for the purpose of such claim, read as follows:

- (a) In respect of reduction in **turnover**: the sum produced by applying the **rate of business income** to the amount by which the **turnover** during the **indemnity period** (less the **turnover** for the period of the salvage sale) shall, in consequence of the **damage**, fall short of the **standard**

turnover, from which shall be deducted the **business income** actually earned during the period of the salvage sale.

5. Turnover output

Where **business income** has been selected and in the event of **damage** giving rise to a claim under this cover section, at **your** option, the word 'Output' may be substituted for the term '**turnover**'.

For the purpose of this cover section, 'Output' shall mean the sale and/or invoice value of goods manufactured and/or processed by **you** in the course of **your business** at the **premises**.

Provided that only one such meaning ('**turnover**' or '**output**') shall be operative in connection with any one event involving **damage**.

If **you** select the cover available under this clause, the clause headed 'Alternative Trading' shall be altered to read as follows:

If during the **indemnity period**, goods are sold, work is performed or services are rendered elsewhere than at the **premises** for the benefit of **your business** either by **you** or by others acting on **your** behalf, the money paid or payable in respect of such sales, work or services will be brought into account in arriving at the **output** during the **indemnity period**.

6. New business

We will use the results of your **business** prior to the date of the **damage** as the basis to settle **your** claim if the **damage** covered under this section occurs before the end of the first financial year of **your business**. Those results shall be adjusted if necessary to reflect other circumstances and trends as described in Condition 1. above.

7. Termination of Cover under this section

Notwithstanding anything contained herein to the contrary, if during any period in respect of which this **Policy** is in force:

- (a) **you** cease to carry on **your business** or any part of **your business** is disposed of, permanently discontinued or **your** interest in the **business** or such part thereof ceases otherwise than by death; or
- (b) **you** (being a corporation) are placed in liquidation (or provisional liquidation), or are placed under Official Management, enter into a Scheme of Arrangement, or have Receivers and/or Managers appointed over **your** assets or undertaking(s); or
- (c) **you** (being a natural person) become a bankrupt or enter into a Scheme of Arrangement or Compromise or Composition with creditors;

then the insurance cover provided under this section of the **Policy** in respect of **your business** or such part of **your business** shall automatically and forthwith cease. However, such termination of cover shall not apply if any of the events stated in clauses (a), (b) or (c) result from interruption of or interference with the **business** from a circumstance covered by this section.

In the event of the **indemnity period** having begun to run in respect of any claim relating to **your business** or part thereof, the **indemnity period** shall thereupon be at an end, unless its continuance be admitted by memorandum signed by or on **our** behalf.

8. Progress Payments

Quite apart from the Express Settlement Provisions set out under 'What we Pay', subject to **your** accountant or other professional person providing relevant financial information on a timely basis, **we** agree to make regular progress payments throughout the duration of the **indemnity period**. **We** shall endeavour to make such payments monthly or with the frequency otherwise agreed with **you**.

Definitions applicable to this section

Business income means income for goods sold or work done less purchases, electric power generated and sold, or payments received for services rendered, less discounts allowed.

Damage (with **damaged** having a corresponding meaning) means physical loss, destruction or damage occurring during the **period of insurance** caused by or arising out of an **insured event**.

Extra covers means the amounts **we** have agreed to pay described under the 'Extra covers' clause of this section.

Gross rentals means the **money** paid or payable to **you** by tenants in respect of the rental of the **premises damage** including monies paid by the lessee as outgoings under the terms of the rental or leasing agreement, and for services rendered by **you** or on **your** behalf in connection with the rental.

Indemnity period means the period commencing from the time when the results of **your business** are affected arising from the interruption or interference experienced following the **damage**, and ending when the results of **your business** are no longer affected by the **damage** or on the expiry of the number of months shown in the **Schedule**, whichever first happens.

Indicative rate of insurable business income means:

- (a) the industry average percentage amount representing the indicative rate of insurable **business income to turnover** for businesses with the same occupational classification as **your business** shown in the **Schedule**.

The industry average percentages are based on:

- (i) the sales value of goods and services less discounts after adjustment for the net movement in value of opening and closing stock and/or work in progress; and
- (ii) exclude purchases of stock and materials and components incorporated in finished products;

or

- (b) an alternative rate of insurable **business income to turnover** agreed by **you** and **us** to be applied to **your** claims under the Optional Express Settlement Provisions applicable to Item 1(a) of "What we Pay" in this section when the industry indicative rate of insurable gross income to **turnover** for businesses with the same occupational classification as **your business** does not match the results of **your business**.

Insured damage means physical loss, destruction or damage to **property insured** at the **premises** during the **period of insurance** covered by a peril or event described under the definition 'Insured events'.

Insured events means:

Any peril or event causing physical loss, destruction or damage to property when both the property that is damaged and the cause of the damage is covered under any one or more of the following sections of this **Policy**:

1. (a) Fire and defined events;
- (b) Theft;
- (c) Money;
- (d) Glass;
- (e) Portable and valuable items;
- (f) Goods in transit;

- (g) Machinery and/or electronic equipment breakdown, solely with regard to **damage** caused by the explosion, rupture, collapse, bursting, cracking or overheating of any **boilers and/or pressure plant** (as defined in that section of the **Policy**);

or

2. any other policy insuring the events in 1(a) to 1(g) above and for which **we** have admitted liability; or
3. provided that in relation to the Extra Covers 1 to 13 this damage would have been covered under the events in 1(a) to 1(g) had such property had been insured under any of those sections.

LMI Group means

Loss Management International Group Pty Ltd ABN 69 086 256
171 Financial Services Licence Number 283777, 428 Burke Road,
Camberwell, Victoria 3124.

Outstanding debtor balances means the total amount owed to **your business** by customers as at the end of the month immediately prior to the date of the **damage**, adjusted for:

- (a) bad debts;
- (b) amounts debited (or invoiced but not yet debited) and credited (including credit notes and cash not passed through the books at the time of the **damage**) to customers' accounts in the period between the date to which the last statement relates, and the time of the **damage**; and
- (c) any abnormal condition of trade which had, or could have had, a material effect on **your business**.

Rate of business income means the rate of **business income** as applicable to this **Policy**, expressed as a percentage, earned on the **turnover** during either:

- (a) the financial year immediately before the date of the **damage**; or
- (b) if **your business** has been operating for less than one year at the date of the **damage**, the period between the date of commencement of **your business** and the date of the **damage**;

adjusted in accordance with Condition 1. 'Other circumstances and trends'.

Standard gross rentals means the **gross rentals** during that period, which corresponds with the **indemnity period** in either:

- (a) the 12 months immediately before the date of the damage; or
- (b) if **your business** has been operating for less than one year at the date of the **damage**, the proportional equivalent, for a period equal to the **indemnity period**, of the **gross rentals** realised during the period between the commencement of **your business** and the date of the **damage**;

adjusted in accordance with Condition 1. 'Other circumstances and trends'.

Standard turnover means the **turnover** during that period which corresponds to the **indemnity period** in either:

- (a) the 12 months immediately before the date of the **damage**; or
- (b) if **your business** has been operating for less than one year at the date of the **damage**, the proportional equivalent, for a period equal to the **indemnity period**, of the **turnover** realised during the period between the commencement of **your business** and the date of the **damage**

adjusted in accordance with Condition 1. 'Other circumstances and trends'.

Turnover means the separate amounts relating to each category of cover received for:

- (a) goods sold, work done or services rendered in the course of **your business** at the **premises** less the amount of any discounts allowed and after adjustment for opening and closing stock and/or work in progress; or
- (b) renting or leasing all or any part of the premises to others including money paid as outgoings under the terms of the rental or leasing agreement and for services rendered by **you** or on **your** behalf in connection with the rental.

The amounts of **your** opening and closing stock and/or work in progress in (a) above to be arrived at in accordance with **your** normal accounting practices.

Optional Endorsement - Payroll

Not applicable to this section unless:

- (a) the **indemnity period** is 12 months or more;
- (b) the **insured amount** is calculated on **turnover** in a valuation prepared by **LMI Group** (including but not limited to LMI's on line business interruption calculator) or by a suitably qualified valuer; and
- (c) **we** state in the **Schedule** that Optional Endorsement - 'Payroll' has been selected for cover.

How we calculate your Insured Amount for Payroll

The **insured amount** for payroll is one times (100%) of the sum selected by **you** for insurance under Optional Endorsement - 'Payroll' stated in the endorsement section of the **Schedule**.

Variations applying to this cover section

- Definitions – inclusion of Payroll

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

- Definition of **business income** amended to exclude **payroll** when this Optional Endorsement – 'Payroll' has been selected to apply to this insurance, excepting where claims are being adjusted at **your** option under the Optional Express Settlement Provisions described in clause 'What we pay'
- Condition 1 – Other circumstances and trends

Wording extended to include **payroll**

What we cover following loss of turnover

Provided Optional Endorsement - 'payroll' is shown in the **Schedule** as an endorsement applicable to this section, cover is extended to insure loss in respect of **payroll** arising from interruption or interference with the **business** in consequence of **insured damage** to:

- (a) reduce or avoid loss of turnover;
- (b) maintain normal business operations and services;
- (c) resume normal business operations and services; and/or
- (d) pay out payroll in lieu of notice;

up to the amount of the **insured amount** shown against payroll in your **Policy Schedule**.

Severance Pay

Provided the **insured amount** for **payroll** is not exceeded, **we** will also pay such expenditure as **you** are obligated or have agreed to pay under industrial awards, determinations, decisions or agreements for severance pay and/or in lieu of notice to employees whose services are terminated during the **indemnity period** in consequence of the **insured damage**.

Limit on what we pay for payroll.

We will not pay more under this endorsement for all claims arising from the same event than the **insured amount** for **payroll** shown in the **Schedule** against Optional Endorsement – 'Payroll'.

Optional Endorsement – Rent Default

What we cover

Where "Rent default" is shown on **your Schedule** **we** will indemnify **you** up to the limit specified for loss of **rent** during the period of insurance if **your tenant** breaches the **lease agreement** and:

- (a) permanently vacates **your rental premises** before the end of the tenancy period specified in the **lease agreement** but does not give **you** or **your agent** the required notice; or
- (b) ceases to pay **rent** owed to **you** or **your agent** and remains in default after **you** have issued all required notices; or
- (c) is legally evicted from **your rental premises**.

What we exclude

We will not pay:

- (a) for the first 4 consecutive weeks of each occurrence of **rent default** by a **tenant**;
- (b) if the **lease agreement** does not have a specified end date and is operating as a periodic tenancy (including a periodic tenancy after a fixed term **lease agreement** has expired);
- (c) for a **lease agreement** which applies to premises used for domestic or residential purposes;
- (d) if the **rent** is already in arrears at the time of commencement of this cover;
- (e) for any period of **rent default** whilst the premises are unavailable for occupation due to maintenance, repair or renovation work;
- (f) if the **tenant** leaves the premises and **you** have failed to rectify a notice of remedy breach, issued by the **tenant** to **you**;
- (g) for any loss of **rent** arising from any **tenant** or corporations with common directors who have previously defaulted on their rental payments with **you**.

Variations applying to this cover section.

1. Definitions applying to this optional cover:

Agent means a licensed property manager or licensed real estate agent.

Lease agreement means the written and enforceable agreement between **you** or **your agent** and **your tenant** setting out the terms and conditions of occupation of **your** commercial premises including the end date of the tenancy period and the amount or method of calculation of rent payable to **you** and the timing thereof.

Rent means the amount of money paid or payable by the **tenant** under the terms of the **lease agreement**.

Rent default means when **your** tenant fails to pay rent in accordance with the **lease agreement**.

Rental premises means the building at the situation specified in the **Schedule**.

Tenant(s) means the person(s) or legal entity named in the current **lease agreement**.

2. Special Provision "Reinstatement of Insured Amount" does not apply to the cover provided under this optional endorsement for **Rent default**.

Limit on what we pay for rent default.

We will not pay more under this optional cover for all claims from the same event than the **insured amount** for **rent default** shown in the **Schedule** against **rent default**.

How we calculate your Insured Amount for Rent Default

Commencing from the fifth consecutive week **your tenant** is in default, **we** will pay the actual weekly **rent** payable as set out in the rental contract.

If **we** have accepted a claim for **rent default** under this cover extension **we** will also pay legal costs incurred with our prior written consent to:

- (a) legally evict **tenants**; and/or
- (b) recover amounts owed by **your tenants**.

The most **we** will pay for **your** legal costs in any one period of insurance is \$5,000, additional to the cover provided for **rent default**.

Cover for **rent default** will cease at the earlier of the time when:

- (a) rental payment re-commences; or
- (b) the vacated premises are re-tenanted.

Subject to the maximum amount payable under this section of the **Policy** not otherwise being exhausted, the amount **we** will pay in total for all claims for **rent default** at the situation during any one period of insurance is the lesser of:

- (a) the calculated rent for the indemnity period specified on the **Schedule**; or
- (b) 13 weeks calculated rent.

Theft

This section forms part of this **Policy** only if shown in the **Schedule**.

About this Section

This Section covers the loss of or damage to your contents and stock (including cigarettes and liquor if cigarettes and liquor are specified in the Schedule) at your premises from theft, attempted theft, armed hold up or an actual or threatened assault.

What we cover

Provided **'Theft'** is shown under 'What's Covered' in the **Schedule** we will cover **you** for **loss** of or **damage** to **your contents** and **stock** at **your buildings** which occurs during the **period of insurance** and is caused by one or more of the following:

- (a) **theft** or attempted **theft** following actual forcible and violent entry to or exit from the **buildings**;
- (b) **theft** or attempted **theft** by a person unlawfully concealed in a **building** during **business hours** who, after hours, breaks out of the **building**;
- (c) **theft** or attempted **theft** following assault or violence or immediate threat to **you** (or **your employees**) or any other person lawfully at the **buildings** (for example, armed hold-up);
- (d) **theft** or attempted **theft** by a person who breaks into any locked cabinet and/or counter and/or showcase, which is located on **your premises**.

What we exclude

We will not cover:

1. Theft by you or your employees

Loss of or **damage** to **property insured** committed by **you** or **your employees**, other than by an **employee** following forcible and violent entry to **your premises**.

2. Certain property

Loss of or **damage** to:

- (a) **money**, where the **loss** or **damage** is greater than \$250;
- (b) jewellery, precious metals or stones, bullion or furs, unless these items form part of **your stock**;
- (c) **vehicles**, unless they are **stock**, except for fork lift trucks and similar appliances that are used for hauling or conveying goods at the **buildings**, or customers' goods; or
- (d) **Glass**, unless **stock** of the **business**.

3. Open space

Loss of or **damage** to **property insured** taken from any open space, whether fenced or unfenced, outside the walls of the **building**, except as expressly provided by extra cover – 'Theft without forced entry'.

4. Access

Loss of or **damage** to **property insured** if entry is gained to the **building**:

- (a) by use of a key or security code, unless obtained from forcible entry to other **premises** including residences of management or staff; or
- (b) through an unlocked door or window;

except as provided for under:

- (c) Extra Cover – 'Employee dishonesty'; and
- (d) Extra Cover – 'Theft without forced entry'.

5. Consequential loss

Loss of use, loss of earning capacity and any other consequential loss.

Extra covers

We will also provide the following extra covers in this section, subject to the terms, conditions and exclusions of this **Policy**, unless provided otherwise.

Unless stated otherwise below, any amounts payable under these extra covers apply in addition to the **insured amount**, and will not be reduced by the amount of any applicable **excess**.

1. Damage to business premises

What we cover

We will pay for the cost to repair **your premises** and fixtures and fittings contained inside.

What we exclude

We will not pay more than the total of:

- (a) the remaining **insured amount** for each item covered after payment of a claim; and
- (b) the sub-limit (if any) shown in the **Schedule** for this extra cover, or \$10,000 whichever is the greater.

2. Directors and employees tools of trade and personal property

What we cover

We will pay for **loss** of or **damage** to directors' and employees' tools of trade and personal property caused by **theft** or attempted theft as if they were **contents**.

What we exclude

We will not pay more than \$5,000 for any one item and \$10,000 overall in respect of any one **event**.

If such tools of trade or personal property are covered under another insurance policy, we will only pay for **loss** or **damage** not otherwise covered by that other policy.

The 'Directors and employees tools of trade and personal property' extra covers will not be cumulative under this **Policy**. The highest single limit between the relevant cover sections will apply.

3. Employee dishonesty

What we cover

We will cover **you** for loss of **stock**, **contents** or **electronic equipment** as a direct result of **employee** dishonesty occurring during the **period of insurance**, which is discovered within 60 days of the **employee** dishonesty occurring.

What we exclude

We will not pay for any loss:

- (a) arising from the conduct of an **employee** after **you** have knowledge of or information about any prior act of fraud or dishonesty by the **employee**;
- (b) arising from the conduct of an **employee** outside **Australia**;
- (c) where you are unable to identify which **employee** is responsible;

- (d) arising from fraud or dishonesty committed by any of **your employees** committed with **your** connivance.

We will not pay more than \$5,000 occurring during any one **period of insurance** committed by an **employee**, whether acting alone or in collusion with any other person(s), and **we** will not cover any claims under this extra cover if **you** are insured under the 'Employee Dishonesty' section.

The 'Employee dishonesty' extra covers will not be cumulative under this **Policy**. The highest single limit between the relevant cover sections will apply.

4. Death following assault

What we cover

We will pay \$10,000 to **your** estate, or the estate of any director, **employee**, officer or **business** partner of the insured named in the **Policy Schedule** provided:

- (a) **your**/their death directly results from an assault that occurs during a **theft** or attempted **theft** in the **period of insurance** of **property insured** owned by **you** or for which **you** are legally responsible or have accepted responsibility to insure prior to the occurrence of any **loss** or **damage**; and
- (b) the death occurs within 12 months of the assault.

What we exclude

The 'Death following assault' extra covers will not be cumulative under this **Policy** and the highest single limit between the relevant cover sections will apply.

5. Damage to rented buildings

What we cover

We will pay for **damage** to the **buildings** that **you** occupy as a tenant if you are legally liable for that **damage** under **your** tenancy agreement, provided that the **damage** is due to **theft** or attempted **theft** of property following actual forcible and violent entry to or exit from the **buildings** which occurs during the **period of insurance**.

What we exclude

We will not pay more than \$10,000 for any one event.

6. New premises – temporary cover

What we cover

We will pay for **loss** of or **damage** to stock or **contents** at any new premises which **you** first occupy during the **period of insurance** provided that:

- (a) the **business** carried on at or from the new premises is the same as shown in the current **Schedule**;
- (b) only stock or **contents** that would have been covered if it were located at the **buildings**, will be covered at the new premises; and
- (c) the new premises has similar protection systems as are contained in the **buildings**.

You must provide **us** with full details of the new premises. If **we** agree to cover **stock** or **contents** at the new premises, **you** must pay any reasonable additional premium **we** ask for, having regard to the nature of the risk as **we** assess it.

What we exclude

We will not pay more than 50% of the highest total **insured amount** for each category of property at the **premises** shown in the **Schedule**.

For example, if **you** insure two existing **premises**, one which has an **insured amount** for **stock** of \$100,000 for **stock** and the other \$200,000, then any new premises will be covered for up to \$100,000 (50% of \$200,000), the higher of the two **insured amounts** for **stock**.

We will not cover **you** under this extra cover for any **loss** or **damage** at the new premises that occurs more than 60 days after **you** first occupy the new premises unless, in the meantime:

- (a) **you** provide **us** with full details of the new premises; and
- (b) **we** agree to provide cover;
- (c) **you** and **we** agree on **insured amounts**; and
- (d) **you** agree to pay any reasonable additional premium that **we** require, having regard to the nature of the risk as **we** assess it.

7. Permanently fixed (non-portable) apparatus

What we cover

We will pay for **loss** or **damage** caused by **theft** or attempted **theft**, whether following forcible and violent entry or otherwise, of permanently fixed (non-portable) apparatus or appliances (not **building** services), owned by **you** or for which **you** are legally responsible or have assumed a responsibility to insure, attached to the **building** other than by means of a flexible or tensile cord to a power point.

What we exclude

We will not pay more than:

- (a) \$10,000; or
- (b) the balance of the **insured amount** on **contents**.

whichever is the greater for any one **event**.

8. Replacement of locks and keys

What we cover

We will pay the reasonable cost of replacing locks, keys, electronic access cards, magnetic keys, or similar devices and combinations used in the **business**, if, as a result of **theft**, keys or combinations are stolen, or if there are reasonable grounds to believe that keys and/or electronic access cards have been duplicated.

We will also pay the reasonable cost of opening **safes** and **strongrooms** because of the **theft** of keys or combinations during a **theft**.

What we exclude

We will not pay more than \$10,000 for any one **event**.

The 'Replacement of locks and keys' extra covers will not be cumulative under this **Policy**. The highest single limit between the relevant cover sections will apply.

9. Reinstatement of insured amount

What we cover

If **we** pay an amount for a claim under this **Policy** section **we** will automatically reinstate the **insured amounts** for **property insured**. **You** will not have to pay any additional premium.

10. Removal of debris

What we cover

We will pay the reasonable costs for the removal of any property belonging to **you** which has no salvage value and is no longer useful for the purpose it was intended, providing such demolition and removal is necessary for the purpose of the reinstatement or replacement of any **property insured** as a result of insured **damage**.

What we exclude

Where the total **insured amount** on **property insured** is exhausted, **we** will not pay more than \$5,000 in respect of such reasonable costs.

11. Rewriting of records

What we cover

We will pay the additional clerical and professional costs incurred by you for the **rewriting of records** if they are **lost** or **damaged** while located at **your premises** or off-site anywhere in Australia or New Zealand, by an event which **you** are covered for under this 'Theft' section.

What we exclude

We will not pay more than \$25,000 or the unexhausted portion of the **contents insured amount** for this 'Theft' section, whichever is the higher, for any one **event** unless a higher amount is specified in the **Schedule** for 'Rewriting of records'.

We will not pay **you** for any financial **loss** caused by or resulting from the **loss** of or **damage** to **your** records under this extra cover.

12. Seasonal Increase

What we cover

We will automatically increase the **insured amount** in respect of **stock** by 50% or such other amount as is specified in the **Schedule** during a **seasonal increase period**.

13. Security Charges

What we cover

We will pay for:

- (a) the cost of developing images stored on **media** from security cameras; and
- (b) the cost to replace security film and to restore the security system to its former functionality; and
- (c) charges by **your** security company for callout and reporting expenses;

following a **theft** or attempted **theft** that is covered by this section.

What we exclude

We will not pay more than the total of:

- (a) the remaining **insured amount** for each item covered after payment of a claim; and
- (b) either the sub-limit (if any) shown in the **Schedule** for this extra cover, or \$5,000 whichever is the greater.

The 'Security Charges' extra covers will not be cumulative under this **Policy** and the highest single limit between the relevant cover sections will apply.

14. Temporary protection

What we cover

We will pay the reasonable and necessary costs of temporary protection incurred, or for the employment of guards or watchman by **you**, for the safety and protection of the **building** pending repair of **damage** to the **building** caused by a **theft** or attempted theft.

What we exclude

We will not pay more than \$10,000 for any one **event**.

The 'temporary protection' benefits will not be cumulative under this **Policy** and the highest single limit under the relevant cover section will apply.

15. Temporary removal of property

What we cover

We will pay for **loss** of or **damage** to **stock** or **contents** temporarily removed from the **premises** to any other premises in **Australia** during the **period of insurance**.

What we exclude

We will not pay more than 20% of the **insured amount** shown in the **Schedule**.

We will not cover:

- (a) loss of any contents or stock which does not belong to you, or for which you are not legally responsible;
- (b) stock which consists of cigarettes or liquor;
- (c) stock or contents which have been removed for more than 90 consecutive days, unless a longer period has been agreed in writing.

16. Theft without forced entry

What we cover

We will cover **you** for **loss** or **damage** by **theft** or attempted theft occurring during the **period of insurance** to:

- (a) **contents** other than **electronic equipment** and **stock**; provided **we** will not cover you for more than \$10,000 for any one event;
- (b) **electronic equipment**, which is not stock; provided **we** will not cover **you** for more than \$20,000 for any one **event** unless a greater amount is specified in the **Schedule**;
- (c) **stock** or **contents** in any open sided structure such as verandahs or yards or other open spaces within the boundaries of the situation; provided **we** will not cover **you** for more than \$5,000 for any one **event**;

where there are no signs of forcible and violent entry to or exit from **your premises**.

What we exclude

This extra cover does not cover shoplifting or **theft** by your **employees**.

Subject to the sum insured not being otherwise exhausted.

We do not cover **loss** as a result of unexplained disappearance, unexplained or inventory shortage, clerical or accounting errors or shortage in supply or delivery to or from the **premises**.

Conditions

These conditions apply to this Section.

1. Proof of fraud or dishonesty

In the event of a claim under extra cover – 'Employee dishonesty', **you** must supply us with all records and documents that may reasonably assist **us** in substantiating and investigating the act of fraud or dishonesty and **your** rights of recovery. This includes but is not limited to all records (including computer, electronic and accounting records), video and audio recordings, working papers, internal memoranda, police reports, accounting records and audit documents.

What we pay

1. Stock

With respect to **stock** and customers' goods, **we** will either:

- (a) pay **you** the cost that **you** would incur to replace or repair the **stock** at the time of the **loss** or **damage**;
- (b) pay **you** the value of **obsolete stock** or its purchase price, whichever is the lesser, but no more than the original cost to **you**;

If **we** replace or repair the **stock we** will do so with property or materials equal to or of a similar standard and specification as the **stock** before it was **damaged**.

2. Contents

With respect to **contents**, **we** will either:

- (a) repair or replace the **contents**; or
- (b) pay **you** the cost that **you** would incur to repair or replace of the **contents**.

With respect to **contents** that are paintings, works of art, antiques or curios **we** will only pay the value of the item up to a maximum of \$10,000 for each item unless a higher amount is specified in **your** current **Schedule**.

Excess

You must pay the **excess** shown in the **Schedule** that applies to a claim under this Section.

Definitions

The following words have the following meanings for this section only. **You** should also refer to the General definitions in Part C – terms and conditions section.

Employee will bear the meaning given in the General definitions.

However, '**employee**' does not include:

- (a) any broker, factor, consignee or contractor;
- (b) any partner, director or trustee unless that person is also **your employee**.

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

- (a) raw materials, components, supplies and other merchandise not manufactured by **you**;
- (b) materials in process of manufacture;
- (c) finished goods manufactured by **you**;
- (d) goods sold but not delivered and goods held by **you** on consignment or commission;
- (e) customers' goods for which **you** are responsible;
- (f) consumable materials used in the operation of **machinery**;
- (g) pallets, containers and packaging materials.

Under this 'Theft' section, stock does not include **cigarettes and liquor** unless they are specified in **your** current **Schedule**.

Money

This section forms part of this **Policy** only if shown in the **Schedule**.

About this Section

This Section covers the loss of or damage to money at the premises or in transit to or from the premises.

What we cover

Provided '**Money**' is shown under 'What's Covered' in the **Schedule**, we will cover **you** for **loss** of or **damage** to **money** occurring during the **period of insurance** while:

- (a) **in transit**;
- (b) in a **building** at the **premises** during business hours;
- (c) in a **building** at the **premises** outside of business hours;
- (d) in an **ATM**, **safe** or **strongroom** at the **premises**;
- (e) in the **custody** of an authorised person including while held at a private residence until the next business day when the money can be deposited with a financial services provider.

What we exclude

We will not cover:

1. ATMs

Loss of or **damage** to **money** that does not belong to **you**, or for which **you** are not legally responsible, in or from an **ATM**.

2. Consequential loss

Loss of use, loss of earning capacity and any other consequential **loss**.

3. Discovery of loss

Loss not discovered within 10 working days of the **loss** occurring.

4. Key or combination in building

Loss of or **damage** to **money** in or from any **safe** or **strongroom** opened by a key or by use of details of a combination that are left in the **building** outside **business hours**.

5. Missing money

Loss of or **damage** to **money**:

- (a) due to shortages resulting from clerical or accounting errors; breakdown or malfunction of any machine or electrical or electronic device; or loss due to errors in receiving or paying out;
- (b) by any intentional or wilful act or omission by **you** or **your employees** with **your** connivance but this exclusion does not apply to theft of money by **your employees** following forcible and violent entry to the **premises**; or
- (c) except as expressly provided by extra cover – 'Employee dishonesty', by any fraudulent or dishonest acts committed by **you**, or any of **your employees** acting alone or in collusion with others.

6. Loss outside Australia

Loss of or **damage** to **money** occurring outside **Australia**, except as proved under extra cover – 'Traveller's money'.

7. Professional carrier

Loss of or **damage** to **money** while being carried by professional money carriers, which is more specifically insured by such carriers, and which insurance responds in the event of a claim to the amount of the claim, excepting the **excess** amount over and above such more specific insurance which **excess** is held to be covered hereunder.

Provided that where in the ordinary course of **business** **you** enter into an agreement with such carriers and such agreement provides that **you** will indemnify and/or hold harmless and/or release from liability such carriers in respect of **loss** or **damage** which may occur as a result of any cause or **event** insured against under this Section, then this exclusion 7 will not apply.

8. Unlocked and unattended vehicle

Loss of or **damage** to **money** in or from an unlocked and unattended **vehicle**.

9. Unoccupied premises

Loss of or **damage** to **money** when the **premises** are left unoccupied unless any burglar alarm system which protects the **premises** is:

- (a) operative during the period the **premises** are left unoccupied; and
- (b) maintained in good working condition.

Extra covers

We will also provide the following extra covers in this section, subject to the terms, conditions and exclusions of this **Policy**, unless provided otherwise.

Unless stated otherwise below, any amounts payable under these extra covers apply in addition to the **insured amount**, and will not be reduced by the amount of any applicable **excess**.

1. Directors and employees tools of trade and personal property

What we cover

We will pay for **loss** of or **damage** to directors' and **employees'** tools of trade and personal property during a **theft** or attempted **theft** of **money** covered under this section.

What we exclude

We will not pay more than \$5,000 for any one item and \$10,000 overall in respect of any one **event**.

If such tools of trade or personal property are covered under another insurance policy, we will only pay for **loss** or **damage** not otherwise covered by that other policy.

The 'Directors and **employees** tools of trade and personal property' extra covers will not be cumulative under this **Policy**. The highest single limit between the relevant cover sections will apply.

2. Counterfeit Money

What we cover

We will pay for the **loss** sustained by **you** due to the acceptance in good faith of counterfeit **Australian** currency notes during the **period of insurance**.

What we exclude

We will not pay more than \$500 in any one **period of insurance**.

3. Employee dishonesty

What we cover

We will pay for **loss of money** as a direct result of **employee** dishonesty during the **period of insurance** which is discovered within 45 days of the **employee** dishonesty occurring.

What we exclude

We will not cover:

- (a) any **loss** arising from the conduct of an **employee** after **you** have knowledge of or information about any prior act of fraud or dishonesty by the **employee**;
- (b) any **loss** arising from the conduct of an **employee** outside **Australia**;
- (c) any **loss** where **you** are unable to identify which **employee** is responsible;
- (d) any **loss** or part of a **loss** arising from the conduct of an **employee**, where the proof of the **loss**, either as to its occurrence or as to its amount, is dependent upon an inventory stock take or a profit and loss calculation;
- (e) fraud or dishonesty committed by **your family**; or
- (f) fraud or dishonesty committed by any of **your employees** committed with **your** connivance.

We will not pay more than:

- (a) \$5,000 for any one **event**; and
- (b) \$5,000 in total for all claims for **employee** dishonesty during the **period of insurance**.

We will not pay any claims under this extra cover if **you** are insured under the 'Employee dishonesty' cover section. Additionally the 'Employee dishonesty' extra covers will not be cumulative under this **Policy** and the highest single limit between the relevant cover sections will apply.

4. Death following assault

What we cover

We will pay \$10,000 to **your** estate, or the estate of any director, **employee**, officer or **business** partner of the insured named in the **Policy Schedule** provided:

- (a) **your**/their death directly results from an assault that occurs during a **theft** or attempted **theft of money** owned by **you** or for which you are legally responsible or have accepted responsibility to insure prior to the occurrence of any **loss** or **damage** in the **period of insurance**; and
- (b) the death occurs within 12 months of the assault.

The 'Death following assault' extra covers will not be cumulative under this **Policy** and the highest single limit between the relevant cover sections will apply.

5. Loss of or damage to safes, strongrooms and cash carrying bags

What we cover

If the **safe** or **strongroom** or cash carrying bag is **lost** or **damaged**, we will either:

- (a) repair the **safe** or **strongroom** or cash carrying bag;
- (b) replace the **safe** or **strongroom** or cash carrying bag with an item of a specification equal to but not better or more extensive than it was when new;
- (c) if the **loss** or **damage** is confined to part of the **safe** or **strongroom**, repair or pay **you** the cost of repair of that part plus the cost of any necessary dismantling and reassembling; or

- (d) pay **you** the cost that **you** would incur to repair or replace the **safe** or **strongroom** or cash carrying bag.

What we exclude

We will not pay costs of alterations, improvements or overhauls carried out when the **lost** or **damaged safe** or **strongroom** is repaired or replaced.

We will not pay more than \$10,000 for any one **event**.

6. Psychological counselling

What we cover

We will pay for reasonable costs incurred by **you** obtaining professional counselling, as a result of an armed robbery or hold up (including attempted armed robbery or hold up).

What we exclude

We will not pay more than \$2,000 per person and \$6,000 for any one **event**.

We do not provide cover for any costs incurred which are covered by Medicare or private health insurance for which **we** are not permitted by law to provide.

7. Reinstatement of insured amount

What we cover

If **we** pay an amount for a claim under this **Policy** section, **we** will reinstate the **insured amounts** for **money**. **You** will not have to pay any additional premium.

8. Replacement of locks and keys

What we cover

We will pay the reasonable cost of replacing locks, keys and combinations used in the **business** if, as a result of **theft of money** covered under this section, keys or combinations are stolen, or there are reasonable grounds to believe that keys have been duplicated.

We will also pay the reasonable cost of opening **safes and strongrooms** because of the **theft** of keys or combinations during a **theft of money** covered under this section.

What we exclude

We will not pay more than \$10,000 for any one **event**.

The 'Replacement of locks and keys' extra covers will not be cumulative under this **Policy** and the highest single limit between the relevant cover sections will apply.

9. Seasonal increase

What we cover

We will automatically increase the applicable **insured amounts** in respect of **money** by either:

- (a) 50% or such other amount as is specified in the **Schedule** during a **seasonal increase period**; or
- (b) 100% or \$75,000, whichever is the lesser, during any long weekend which occurs as a result of the government gazetting Monday or Friday as a public or bank holiday. This increase will apply up until **your financial services provider's** closing time on the next **business** day after such holiday.

10. Security Charges

What we cover

We pay for:

- (a) the cost of developing images stored on **media** from security cameras;
- (b) the cost to replace security film and to restore the security system to its former functionality; and
- (c) charges by **your** security company for callout and reporting expenses;

following a **theft** or attempted **theft** of **money** that is covered by this section.

What we exclude

We will not pay more than:

- (a) \$5,000; or
- (b) the sub-limit (if any) shown in the **Schedule** for this extra cover; whichever is the greater for any one event.

The 'Security Charges' extra covers will not be cumulative under this **Policy**. The highest single limit between the relevant cover sections will apply.

11. Temporary cover for new premises

What we cover

We will extend **your** cover to include **money** at, or in transit to or from any new **business** premises occupied by **you** after the commencement of the **period of insurance**, within **Australia**, for 30 days from first being used by **you** (unless the **period of insurance** or **your** occupancy of such premises ends sooner, whichever will first occur), but the cover is limited to:

- (a) the **business** described in the **Schedule**; and
- (b) the **money** insured described in the **Schedule**.

What we exclude

We will not pay more than 20% of the **insured amount** shown in the **Schedule** in relation to each item of **money** covered under this **Policy** section.

Full details of such additional premises are to be supplied to **us** within 30 days of **your** commencement to use the premises. If **we** agree to cover **money** at the additional premises beyond this 30 day period, **we** may require payment of reasonable additional premium, having regard to the nature of the risk as **we** assess it.

12. Temporary protection

What we cover

We will pay the reasonable and necessary costs incurred by **you** in effecting temporary protection, or the employment of guards or watchman, by **you**, to safeguard the **money** at the **premises** as a result of **theft** or attempted **theft** that is covered under this section.

What we exclude

We will not pay more than \$10,000 for any one **event**.

The 'Temporary protection' extra covers will not be cumulative under this **Policy** and the highest single limit between the relevant cover sections will apply.

13. Travellers' money

What we cover

We will pay for **loss** of **money** during the **period of insurance** in **your** custody, or in the custody of an **employee**, while travelling on **business** anywhere in the world.

What we exclude

We will not pay more than:

- (a) \$10,000; or
- (b) the **insured amount** specified in the **Schedule** for 'Money In Transit',

whichever is the lesser for any one **event**.

What we pay

We will pay **you** the amount of any **money** that is lost or damaged.

1. Securities

In the case of any certificates of stock, bonds, coupons and all other types of securities the amount of the securities will be calculated as follows:

- (a) if the securities can with **our** approval be replaced, the cost of replacement paid or payable by **you**; or
- (b) otherwise, the greater of:
 - (i) the price for which **you** purchased them, or
 - (ii) the closing market value on the last business day prior to the date of discovery by **you** of the **loss**; or
 - (iii) the closing market value on the last business day prior to the date of discovery by **you** of the **loss** or destruction of the securities, or if the time of discovery by **you** is after the close of the market, their closing market value on the day of discovery by **you** of the **loss** or destruction of the securities.

In the case of a loss of subscription, conversion or redemption privileges through the **loss** of any security, the value of such privileges will be the value immediately preceding the expiration of the subscription, conversion or redemption, in the currency in which the **loss** was sustained.

2. Other Currencies

Losses sustained in currencies other than Australian dollars will be calculated by converting the amount of **loss** to Australian dollars at the market rate at the time of settlement of the **loss** or such other rates as may have been expressly agreed with **us**. If there is no market price or value on the relevant day, then the value will be agreed between **you** and **us**.

3. Travellers cheques, vouchers and tickets

In the case of travellers cheques, discount house vouchers or lottery tickets, the amount will be calculated at the original purchase price incurred by **you**.

Limits to what we pay

We will not pay more than, in respect of:

- (a) **money in transit** at the time of the **loss** or **damage**, the '**money in transit**' **insured amount** specified in the **Schedule**;
- (b) **money** on the **premises** during **business hours** at the time of the **loss** or **damage**, the '**money** on the premises during **business hours**' **insured amount** specified in the **Schedule**;

- (c) **money** on the **premises** outside **business hours** at the time of the **loss** or **damage**, the '**money** on the **premises** outside **business hours**' **insured amount** specified in the **Schedule**;
- (d) **money** in a locked **safe** or **strongroom** at the time of the **loss** or **damage**, the '**money** in locked **safe** or **strongroom**' **insured amount** specified in the **Schedule**;
- (e) **money** in private residence \$2,000 plus any additional amount specified in the **Schedule**.

Excess

You must pay the **excess** specified in the **Schedule** that applies to a claim under this section.

Definitions

The following words have the following meanings for this section only. **You** should also refer to the General definitions in Part C – terms and conditions section.

Financial service provider means a bank, building society or credit union or an agency for any of these.

In your custody means in **your** custody and control at **your** private residence or in the custody and control of persons authorised by **you** at their private residences until the next business day when the **money** can be deposited with **your financial service provider**.

In transit means:

- (a) during a journey to or from the **premises** to anywhere in **Australia** until the next business day when the **money** can be deposited with **your financial service provider**;
- (b) **Money** contained in the nightsafe, **safe**, depository chute or **ATM** of any **financial services provider** where you normally transact **business** is '**in transit**' while deposited;
- (c) includes wages and salaries collected from the bank but not paid to employees until it is in the physical control of employees.

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

Glass

This Section forms part of this **Policy** only if shown in the **Schedule**.

About this Section

This Section covers loss of or damage to glass at the premises.

What we cover

We will cover **you** for **breakage** of **external glass** or **internal glass** which **you** own or for which you are legally responsible or have accepted responsibility to insure, occurring during the **period of insurance** at the **premises**.

What we exclude

We will not cover:

1. Some types of glass

Glass:

- (a) forming part of stock;
- (b) in light fittings;
- (c) that is cracked or imperfect prior to **loss** or **damage**;
- (d) that is in a glasshouse, conservatory or the like, radio, television, computer screen or any domestic item normally carried by hand such as a vase, crystal, china ware or glass in a photo frame.

2. Consequential loss

Loss of use, loss of earning capacity and any other consequential loss.

Extra covers

We will also provide the following extra covers in this section, subject to the terms, conditions and exclusions of this **Policy**, unless provided otherwise.

Unless stated otherwise below, any amounts payable under these extra covers apply in addition to the **insured amount**, and will not be reduced by the amount of any applicable **excess**.

1. Broken plastic signs

What we cover

We will pay for **loss** of or **damage** to plastic signs at the **premises** during the **period of insurance**.

What we exclude

We will not pay more than \$8,000 for any one **event**.

Extra Costs

What we cover

We will pay for the following extra costs provided they are reasonably incurred by you, and are directly related to breakage of the glass covered under this section:

- (a) the cost of temporary shuttering, boarding up and/or the employment of security guards to safeguard otherwise exposed stock or **contents** pending replacement of the broken **glass**;
- (b) the cost incurred in replacing sign-writing, ornamentation and burglar alarm tapes and connections attached to the **glass**;
- (c) the cost incurred in repairing or replacing **damage** to window, door or showcase frames and their fittings;

- (d) the cost incurred in repairing or replacing tiles on shop and office fronts and immediately around the broken **glass**;
- (e) the cost of after hours services, express delivery and labour at overtime rates in relation to the repair and replacement of broken **glass**;
- (f) the cost of replacing any window tinting or window tinting film;
- (g) **damage** to **your** stock or **contents** caused by broken **glass** where **we** have agreed to pay a claim under this 'Glass' cover section.

What we exclude

We will not pay more than \$8,000 in total for any one **event** for these extra costs.

What we pay

We will pay for the cost of replacement of broken **glass** with **glass** of similar manufacture and quality. We will also pay the extra cost necessarily incurred to comply with the minimum requirements of any statutory authority when replacing the **glass**.

Excess

You must pay the **excess** specified in the **Schedule** that applies to a claim under this section.

Definitions

The following words have the following meanings for this section only. **You** should also refer to the General definitions in Part C – terms and conditions section.

Breakage means:

- (a) for plate or sheet **glass** or porcelain, a fracture extending through the entire thickness of the **glass** or porcelain;
- (b) for laminated **glass**, a fracture extending through the entire thickness of a lamination but not any other **damage** or disfiguration.

External glass means:

- (a) external fixed glass or plastic material used as glass forming part of **your premises** and any shatter resistant or reflective film affixed to the glass;
- (b) ceramic tiled shop fronts.

Glass means **Internal glass**, **external glass** and **specified glass**.

Internal glass means:

- (a) glass or plastic material used as glass in internal partitions, windows and doors, glass in counters, glass in furniture, counters, shelving and showcases, fixed and hanging mirrors, vitreous china and ceramic including but not limited to fixed washbasins, sinks, ceramic vitreous china urinals, toilet pans and cisterns; and
- (b) glass or plastic material used as glass in showcase frames, display cabinets and counter frames.

Specified glass means glass specifically described in the **Schedule** under 'specified glass'.

Legal liability

This section forms part of this **Policy** only if shown in the **Schedule**.

About this cover

This section covers you for amounts **you** may become legally liable to pay by way of **compensation** in respect of personal injury and/or property damage and/or advertising injury occurring within the geographical limits as a result of an occurrence in connection with your business. It also provides cover for a range of costs and expenses.

Insuring clause

This section covers **you** for amounts that you will become legally liable to pay by way of **compensation** in respect of **personal injury, property damage or advertising injury** which first happens during the **period of insurance** within the Geographical Limits in connection with the **insured business or products** caused by or arising out of any **occurrence**.

Costs and expenses

We will in respect of any claim covered by the insuring clause:

- (a) defend, in **your** name and on **your** behalf, any claim or suit against you alleging **personal injury, property damage or advertising injury** and seeking damages on account thereof even if any of the allegations made in such claim or suit are groundless, false or fraudulent;
- (b) pay all charges, expenses and legal costs incurred by **us** or by **you** with **our** prior written consent (which consent will not be unreasonably delayed or withheld) for:
 - (i) the investigation, defence or settlement of any such claim or suit, including loss of salaries or wages because of **your** attendance at any hearing or trial at **our** request; or
 - (ii) bringing or defending appeals in connection with such claim or suit; or
 - (iii) pre-judgement interest awarded against the **insured** on that part of the judgement payable by **us**.
- (c) pay all charges, expenses and legal costs recoverable from or awarded against **you** in any such claim or suit and all interest accruing on **our** portion of any judgement until **we** have paid, tendered or deposited in court that part of such judgement which does not exceed the limit of liability;
- (d) pay premiums on:
 - (i) bonds to release attachments for amounts not exceeding the applicable limit of liability of this **Policy** but we will have no obligation to apply for or furnish any such bond;
 - (ii) appeal bonds and/or security for costs required in any suit but we will have no obligation to apply for or furnish any such bonds and/or security for costs.
- (e) pay expenses incurred by **you** for:
 - (i) rendering first aid or surgical or medical or therapeutic relief to others at the time of any **personal injury** (other than any medical expenses where payment is prevented by law);
 - (ii) temporary protection of damaged or undamaged property of any person or party, including temporary repairs, shoring up or underpinning thereof;

- (iii) purchasing or hiring or erection and dismantling of hoarding, barriers, fences and any other form of temporary protection, including any such protection which **you** are required to provide by any government, local government or other statutory authority.
- (f) pay all legal costs incurred by **you** with our consent (which consent will not be unreasonably delayed or withheld) for representation of **you** at any:
 - (i) coronial inquest or other inquiry including but not limited to any Royal Commission or Government Enquiry arising out of any alleged breach of statutory duty which could result in a claim insured against by this section of the **Policy**;
 - (ii) prosecution, inquiry, hearing or other proceedings of a disciplinary nature in any court, tribunal or other legally constituted body relating to liability insured against by this section of the **Policy**.
- (g) pay up to \$25,000 in respect of each claim or series of claims arising out of any one **occurrence** for reasonable professional fees and such other expenses incurred by the **insured** for the preparation of a claim under this **Policy**;
- (h) And provided further that:
 - (i) any amounts paid by us as costs and expenses pursuant to clauses a. to g. inclusive, will be in addition to the applicable limit of liability;
 - (ii) in respect of any claims or suits originating in any court in **North America**, the limit of liability will include all amounts paid by **us** for such costs and expenses;
 - (iii) where **we** are prevented by law or otherwise from making payments on **your** behalf, **we** will indemnify **you** for legal liability incurred to the extent that such liability is covered by this section of this **Policy**;
 - (iv) in jurisdictions where **we** may not legally be permitted to, or cannot for any other reason, defend any claim or suit against **you**, **we** will reimburse **you** for the costs of defending that claim or suit incurred with **our** prior written consent (which consent will not be unreasonably delayed or withheld).

Your insurance under this section

What we cover

Provided "Legal Liability" is shown under 'What's covered' in the **Schedule**, **we** will insure **you** for **legal liability** claims. Provided "Products Liability" is shown under 'What we cover' in the **Schedule**, we will also insure **you** for **products liability** claims.

What we pay

Legal liability

The limit of liability specified in the **Schedule** for '**legal liability**' represents the maximum amount which **we** will be liable to pay in respect of any one claim or series of claims arising out of any one **occurrence**.

Products liability

The limit of liability specified in the **Schedule** for '**products liability**' represents the maximum amount which **we** will be liable to pay:

- (a) in respect of any one claim or series of claims; and
- (b) in the aggregate during the **period of insurance**.

The **excess** payable by **you** will not reduce the applicable limit of liability under **legal liability** or **products liability**.

What we exclude

This section does not cover:

1. Advertising injury

Liability for **compensation** in connection with **advertising injury** resulting from:

- (a) any statement made at your direction where you are aware that the statement or part of the statement is false;
- (b) your failure to perform your obligations pursuant to any contract. However this exclusion 1(b) will not apply to any claim for unauthorised appropriation of advertising ideas contrary to an implied contract;
- (c) any incorrect description of your products or services;
- (d) any mistake in advertised price of your products or services;
- (e) any failure of your products or services to conform with advertised purpose, performance, quality, fitness, longevity or durability;
- (f) your activities where your principal occupation or business is advertising, broadcasting, publishing or telecasting; or

2. Aircraft & aircraft products

Liability for **compensation** arising from:

- (a) the ownership, operation or use by **you** of any **aircraft**;
- (b) any **products** that are **aircraft** or **aircraft** component parts used for maintaining an **aircraft** in flight or moving upon the ground or used in the construction of an **aircraft** hull or machinery which **you** know are intended for incorporation into any part of an **aircraft**.

3. Asbestos

Any actual or alleged liability whatsoever for any claim or claims for **personal injury**, **property damage** or **advertising injury** directly or indirectly caused by, arising out of, resulting from or in consequence of, or in any way involving asbestos, or asbestos contained in any materials in whatever form or quantity.

4. Contractual liability

Liability assumed by **you** under any contract, warranty or agreement that requires **you** to:

- (a) effect insurance cover over real or personal property;
- (b) assume liability for **compensation** regardless of fault;

However this exclusion 4(b) will not apply to any:

- (i) liability that would have been implied by law in the absence of such contract, warranty or agreement; or
- (ii) liability pursuant to contractual terms including warranties regarding merchantability, quality, fitness or care of **your products** which are implied by law or statute; or
- (iii) liability assumed under an **incidental contract**; or
- (iv) liability assumed under any contracts specifically designated in the **Schedule** or in any **endorsement(s)** to this **Policy** section.

5. Defamation

Liability for defamation:

- (a) resulting from statements made prior to the commencement of the **period of insurance**;
- (b) resulting from any statement made at **your** direction where **you** knew the statement or part of the statement to be false;
- (c) incurred by any **insured** if the **insured business** is advertising, broadcasting, publishing or telecasting.

6. Electronic data

Liability directly or indirectly caused by, arising from or in any way connected with:

- (a) the communication, display, distribution or publication of **electronic data**;
- (b) however this shall not apply to any claim for **personal injury** or **advertising injury**;
- (c) the total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of **electronic data**;
- (d) any error in creating, amending, entering, deleting or using **electronic data**;
- (e) the total or partial inability or failure to receive, send, access or use **electronic data** for any time period or at all;

But this exclusion does not apply to **personal injury** and/or **property damage** and/or **advertising injury** arising out of any material which is already in print by the manufacturer in support of any of its products, including by not limited to product use and safety instructions or warnings, and which is also reproduced on its site.

7. Employers liability

Liability caused by or arising from:

- (a) **personal 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 law or legislation relating to workers compensation or accident compensation whether or not such policy, fund, scheme or self-insurance has been effected.

However, this exclusion will not apply to the extent that **your** liability would not be covered under any such policy, fund, scheme or self-insurance arrangement had **you** complied with **your** obligations pursuant to any such law or legislation;

- (b) the provisions of any industrial award or agreement or determination or any contract of employment or workplace agreement where such liability would not have been imposed in the absence of such industrial award or agreement or determination or contract of employment or workplace agreement;
- (c) any law relating to **employment practices**.

For the purpose of this exclusion 7 only:

- (i) the term 'worker' means any person deemed to be employed by **you** pursuant to any workers compensation law or legislation;
- (ii) voluntary workers, secondees and work experience students (if any) will not be deemed to be **your** workers.

Notwithstanding Exclusion 4, Exclusions 7(b) and 7(c) will not apply with respect to liability of others assumed by the **insured** under a written contract or agreement.

8. Faulty or incomplete work

The cost of performing, completing, correcting or improving any work undertaken by **you**, but this exclusion does not apply to **personal injury** or **property damage** resulting from such unperformed, incomplete, incorrect or unimproved work.

9. Fines, penalties, punitive, exemplary or aggravated damages

Liability for any fines, penalties, punitive damages, exemplary damages or aggravated damages.

10. Liquidated damages

Liability arising out of liquidated damages clauses, penalty clauses or performance warranties except to the extent that the liability would have attached in the absence of such clauses or warranties.

11. Loss of use

Liability for loss of use of tangible property, which has not been physically lost, damaged or destroyed, directly arising out of:

- (a) a delay in or lack of performance by **you** or on **your** behalf of any contract or agreement; or
- (b) the failure of any **products** or work performed by **you** or on **your** behalf to meet the level of performance, purpose, quality, fitness, or durability expressly or impliedly warranted or represented by **you**. However this exclusion 11. b. will not apply to loss of use of other tangible property resulting from sudden and accidental physical loss, destruction of or damage to any **products** or work performed by **you** or on **your** behalf after such **products** or work have been put to use by any person or organisation other than **you**.

12. Owned property

Property damage to property owned by **you**.

13. Pollution

Liability caused by, arising directly or indirectly from or in any way connected with:

- (a) the actual, alleged or threatened discharge, dispersal, release, seepage, migration or escape of **pollutants** into or upon land, the atmosphere or any watercourse or body of water;
- (b) any costs and expenses incurred in preventing the discharge, dispersal, release, seepage, migration or escape of, or testing and monitoring for containing, removing, nullifying, or cleaning up, of **pollutants**.

Provided that with respect to liability incurred outside **North America**, this exclusion will not apply where such discharge, dispersal, release, seepage, migration or escape is caused by a sudden, identifiable, unintended and unexpected event from **your** standpoint which takes place in its entirety at a specific time and place during the **period of insurance**.

Provided further that this exclusion will apply to any liability incurred in **North America** regardless of how it arises.

14. Products defect

Liability caused by, arising from or in any way connected with **property damage** to any **products** where such **property damage** is directly caused by a fault or defect in the **products**.

However this exclusion will only apply to **property damage** to the specific part of the **product** which directly causes the damage due to its faulty or defective nature.

15. Products guarantee

Liability directly or indirectly caused by, arising from or in any way connected with any warranty or guarantee given by **you** or on your behalf in relation to any insured **product**.

However this exclusion will not apply to the product safety, product standards or product information requirements of any Commonwealth, state or territory legislation.

16. Products recall

For damages, costs or expenses arising out of the withdrawal, recall, inspection, repair, reconditioning, modification, reinstallation, replacement or loss of use of any **products** where such **products** are withdrawn or recalled from the market or from use because of any known, alleged or suspected defect or deficiency in such **products**.

17. Professional liability

Liability caused by or arising out of any breach of duty owed in a professional capacity by **you** or any person for whose breaches **you** may be held legally liable. However, this exclusion will not apply to any claim for **personal injury** or **property damage** arising out of:

- (a) the rendering of or failure to render professional medical advice by **medical persons** employed by **you** to provide first aid and other medical services at **your** premises;
- (b) advice or services provided by **you** without charging a specific fee; or
- (c) advice or services given by **you** in respect of the use or storage of the **products**.

18. Property in physical or legal control

Liability for **property damage** to property owned by, leased, hired, on loan or rented to **you** or otherwise in **your** physical or legal control other than:

- (a) premises or part of the premises (including the contents of such premises) leased or rented to **you**, or temporarily occupied by **you** for the purpose of the **insured business**, but no indemnity is granted if **you** have assumed the responsibility to insure such premises;
- (b) premises temporarily occupied by **you** (including the contents of such premises) for the purpose of carrying out work in connection with the **insured business**, but no indemnity is granted for physical damage to or destruction of that part of any premises or contents on which the **insured** has been working if such physical damage or destruction arises solely from such work;
- (c) any other property temporarily in **your** possession for the purpose of being worked upon, but no indemnity is granted for physical damage to or destruction of that part of any property on which **you** have been working if such physical damage or destruction arises solely from such work;
- (d) any **vehicle** (including its contents, spare parts and accessories while they are in or on a **vehicle**) not belonging to or used by **you**, whilst such **vehicle** is in a car park owned or operated by **you** provided that **you** do not operate the car park for reward, as a principal part of the **insured business**;
- (e) the personal property, tools and effects of any of **your** directors, partners, proprietors, officers, executives or **employees**, or the clothing and personal effects of any of **your** visitors;

- (f) notwithstanding exclusion 4 any property (except property owned by **you**) whilst in **your** physical or legal care, custody or control whether or not the **Insured** has accepted or assumed legal liability for such property other than under a contract.

Provided that our liability to pay **compensation** under this clause 18(f) will not exceed \$250,000 or the sub-limit set out in the **Schedule** under the heading "property in physical or legal control" for any one **occurrence** during the **period of insurance**.

19. Vehicles

Liability for **personal injury** and/or **property damage** caused by or arising out of the operation, ownership, possession or use by **you** of any **vehicle**:

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

Provided this exclusion will not apply:

- (i) to **personal injury** where that compulsory liability insurance or statutory indemnity does not provide indemnity where the reason or reasons why the compulsory liability insurance or statutory indemnity does not provide indemnity for **personal injury** or **property damage** do not involve any breach by **you** of any legislation relating to **vehicles**. The limit of liability for **personal injury** under this clause (i) will be the greater of:
 - (a) the limit specified in the **Schedule** for 'Legal liability'; or
 - (b) \$32,500,000 if you have also taken cover under the 'Commercial Motor' section and only because of the exclusion in clause 6 - 'Supplementary bodily injury' of Part 2 Third party liability of that section (that the cover does not apply if you have taken the 'Legal Liability' section) are not entitled to indemnity under the 'Commercial Motor' section.
- (ii) where the **property damage** arises out of or in connection with the loading or unloading of any **vehicle** or from the delivery or collection of goods by any **vehicle**;
- (iii) where the **property damage** arises from the operation or use of any **vehicle** which is designed primarily for lifting, lowering, loading, unloading, while being operated or used by **you** or on **your** behalf within the confines of **your premises**;
- (iv) where the **property damage** arises as a result of the use of any **vehicle** (including any tool, implement, machinery or plant forming part of or attached to or used in connection with such **vehicle**) whilst being operated or used by **you** or on **your** behalf as a tool of trade at your **premises** or any **worksite**;
- (v) where the **property damage** arises as a result of the use of any **vehicle** temporarily in **your** care, custody and control for the purpose of parking; or
- (vi) for **property damage** arising out of the movement by **you** or by any **employee(s)** of **yours** of any **vehicle** or trailer not belonging to **you** which is interfering with access to or from **your premises** or any site where **you** are carrying out work;

- (vii) where the **property damage** arises out of or in connection with the movement of any **vehicle** which is required to be conditionally registered in accordance with the law of any state or territory in **Australia** in the event of the **Insured** inadvertently and unintentionally failing to effect conditional registration.

20. Watercraft or Hovercraft

Liability directly or indirectly caused by, arising from or in any way connected with:

- (a) the ownership, operation or use by **you** of any **watercraft** or **hovercraft** exceeding 15 metres in length whilst such **watercraft** or **hovercraft** is on, in or under water; or
- (b) the repair, service or maintenance of any **watercraft** or **hovercraft** exceeding 15 metres in length or the installation of any products into any **watercraft** or **hovercraft** exceeding 15 metres in length unless such repair, service, maintenance or installation does not affect the navigation, propulsion or safety of such **watercraft** or **hovercraft**.

However this exclusion 20 will not apply with regard to claims arising out of:

- (i) **watercraft** used in operations carried out by any independent contractor for whose conduct **you** may be held liable;
- (ii) **watercraft** owned and operated by others and used by **you** for business entertainment; or
- (iii) floating jetties or floating pontoons.

Conditions

These conditions apply to this **Policy** section.

1. Acquisitions

Notwithstanding anything contained herein to the contrary, the indemnity provided by this section of the **Policy** extends to include properties, assets, companies or firms formed or acquired by **you** or of which **you** assume management responsibility during the **period of insurance**, provided that:

- (a) the nature or activities of such properties, assets, companies or firms are consistent with the description of the **insured business** as stated in the **Schedule**; or
- (b) where the nature or activities of such property, assets, companies or firms are inconsistent with the description of the **insured business** as stated in the **Schedule**, **we** must be notified in writing not more than 90 days after the formation, acquisition or assumption of management responsibility.

Provided that:

- (i) **we** reserve the right to vary the terms of this section of the **Policy** and charge any additional premium deemed appropriate in the circumstances, having regard to the nature of the risk as **we** assess it;
- (ii) no indemnity will be granted in respect of claims for **personal injury**, **property damage** or **advertising injury** where such injury or damage occurred prior to the date of such acquisition, formation or assumption of management responsibility.

2. Bankruptcy or insolvency

We will not be relieved from the payment of any claims by reason of **you** becoming bankrupt or insolvent.

3. Additions and/or Alterations to Buildings and Plant

Where additions and/or alterations to buildings or plant are being performed at **your premises** by any contractor employed by **you**, notwithstanding the definition of **business** in this section, the cover granted by this section extends to indemnify **you** against any claim for the payment of compensation in respect of **personal injury** or **property damage** for which you are responsible arising from an occurrence happening in connection with the conduct of the **business** during the period of the contract works, that is independent of the contractor's performance and for which you are not indemnified under the contractor's insurance.

Provided that nothing in this clause will result in an increase in **our** limit of liability in respect of any **occurrence** or **period of insurance** and cover is subject to the terms and conditions otherwise applicable to this cover section.

4. Claims notification and procedures

You will:

- (a) as soon as reasonably practicable provide **us** with full written particulars of every **occurrence**, circumstance or claim. If **you** get any demands, a notice prosecution details of an inquest or similar communications from other parties, **you** must tell **us** within 72 hours of **you** receiving any such demands, notices or communications. If **you** unreasonably delay in telling **us**, **we** may not cover any legal or other costs that result from that delay, in accordance with **our** rights at law, including under the *Insurance Contracts Act 1984 (Cth)*;
- (b) use **your** best endeavours to preserve any damaged or defective property or CCTV camera tapes or media which may prove necessary or useful by way of evidence in connection with any claim;
- (c) so far as may be reasonably practicable, make no alteration or repair to any premises, machinery, fittings, appliances or plant until **we** have had an opportunity to inspect them and have given **our** written consent (which consent will not be unreasonably delayed or withheld), except in order to prevent further **personal injury**, **property damage** or **advertising injury**;
- (d) in the event of an **occurrence**, at **your** own expense take all reasonable precautions to prevent further **personal injury**, **property damage** or **advertising injury** arising out of the same or similar circumstances, but such mitigation costs will not be recoverable under this section of the **Policy**;
- (e) not make any admission, offer, promise or payment in connection with any **occurrence** or claim without **our** written consent (which consent will not be unreasonably delayed or withheld);
- (f) give to **us** all information, statements, documents and assistance as may reasonably be required in the prosecution, defence or settlement of any claim at **your** own expense.

We will have full discretion in the conduct of any legal proceedings and in the settlement of any claim. **We** will act reasonably having regard to **your** interests and will keep **you** informed if **you** ask **us** to.

5. Currency

The currency applicable to this section of the **Policy** will be in Australian dollars (AUD) and all references to AUD dollar amounts will be taken to be Australian dollars unless otherwise stated.

6. Cross liabilities

Where the **insured** comprises more than one legal entity, each of those legal entities will be treated as if a separate **Policy** had been issued to each of them. Provided that the amount payable by **us** in respect of any one claim or series of claims arising out of one **occurrence** or in the aggregate, as the case may be, will not exceed the limit of liability as specified in the **Schedule** regardless of the number of legal entities that comprise the **insured**.

7. Excess

The amount shown in the **Schedule** as an 'excess' will be the first amount payable for all claims arising out of any one **occurrence** which is to be borne by **you** including amounts payable under costs and expenses in this section of the **Policy**. Limits of liability under this section are not reduced by the amount of any **excess** applicable to a claim.

8. Discharge of liabilities

We may at any time pay to **you** in respect of all claims against **you** arising directly or indirectly from any one **occurrence**:

- (a) the limit of liability or such limit specified in this section of the **Policy** in respect thereof (after deduction of any amount or amounts already paid in respect thereof); or
- (b) any lesser amount for which the claim or claims can be settled.

Upon such payment we will relinquish conduct or control of and be under no further liability under this section of the **Policy** in connection with such claim or claims except for costs, charges and expenses incurred by us or **you** with **our** prior written consent (which consent will not be unreasonably delayed or withheld).

The sum for which the claim or claims can be settled is either:

- (a) the amount for which the claimants offer to settle the claim or claims; or
- (b) the amount assessed by a Senior Counsel, taking into account:
 - (i) the economics of the matter;
 - (ii) the damages and costs which the claimants are likely recover by;
 - (iii) the likely defence costs; and
 - (iv) **your** prospects of successfully defending the claim.

If **you** and **we** cannot agree on the Senior Counsel, **we** will ask the President of the Bar Association in the relevant State or Territory to nominate one.

We will include the cost of the Senior Counsel's opinion in **your** defence costs.

9. Inspection and audit

We will have the right, but not the obligation, to inspect **your** premises and operations at any reasonable time with reasonable notice. Neither, **our** right to make an inspection, nor the failure to make an inspection, nor the making of an inspection, nor any report of any inspection will constitute an undertaking or representation by **us** on **your** behalf or for the benefit of **you** or others, to determine or warrant that such premises or operations are safe or healthful or fit for use, or fit for a particular purpose, or compliant with any law, rule or regulation.

10. Policy law

All disputes in relation to this section of the **Policy** will be determined by Australian courts, and in accordance with the laws of the state or territory of Australia in which this **Policy** is issued.

11. Premium adjustment

Unless otherwise stated, the premium charged for this section of the **Policy** is a flat premium and not subject to adjustment, except in relation to the provisions contained within condition 1 of this section and General condition 1.

12. Reasonable care

You must:

- (a) exercise reasonable care that only competent **employees** are engaged and will take reasonable measures to maintain all premises, fittings and plant in safe and sound condition;
- (b) take all reasonable precautions to:
 - (i) prevent any **personal injury**, **property damage** or **advertising injury**;
 - (ii) prevent the manufacture, sale or supply of defective **products**; and
 - (iii) comply and ensure that **your employees**, independent contractors and agents comply with all statutory obligations, by-laws or regulations imposed by any public authority for the safety of persons or property.
- (c) take reasonable action to trace, recall or modify any **products** containing any defect or deficiency of which **you** know or have reason to suspect has any defect or deficiency. Such reasonable action to trace, recall or modify any **products** will be undertaken at **your** expense.

13. Severability

This section, including any amendment, renewal or variation or **endorsement** to or of it, will be construed as if each person, corporation, entity or other organisation entitled to claim under it, whether a party to the contract of insurance or not, had made a proposal, application or request for this section, or amendment, or renewal, or variation or **endorsement**, in respect of their interest only. Further any information or knowledge possessed by a person, corporation, entity or other organisation entitled to claim under this section, whether possessed before or after the contract was entered into, will not be imputed to any other person, corporation, entity or other organisation.

We will not seek any relief whatsoever (including cancellation of this section) for non-disclosure or misrepresentation or both against a person, corporation, entity or other organisation entitled to claim under this section unless **we** would have been entitled to that relief had the person claiming been the only person covered by this section.

14. Subrogation

In the event of a payment to **you** or on **your** behalf under this section of the **Policy**, **we** will be subrogated to all of **your** rights of recovery against any person or organisation.

At **our** request and expense, **you** will do all things reasonably required by **us** for the purpose of enforcing any rights and remedies or of obtaining indemnity from other parties to which **we** are entitled pursuant to this section of the **Policy**.

Should **you** incur any legal liability which is not covered by this section of this **Policy**:

- (a) due to the application of an **excess**; and/or
- (b) where the amount(s) of any judgement(s) or settlement(s) exceed(s) the applicable limit of liability;

you will be entitled to the first call on the proceeds of all recoveries made, by either **you** or **us**, on account of such legal liability until fully reimbursed for such uninsured amount or amounts (less the actual costs of making such recoveries where those costs are incurred by **us**) and any remaining amount(s) will be applied to the reimbursement of **us**.

Definitions

The following words have the following meanings for this section only. **You** should also refer to the General definitions in Part C – terms and conditions section.

Advertising injury means:

- (a) defamation; or
- (b) any infringement of copyright or passing off of title or slogan; or
- (c) any act error or omission, including the use of advertising or merchandising ideas; or
- (d) unfair competition, or idea misappropriation; or
- (e) invasion or breach of privacy; or
- (f) any unintentional breach of the misleading or deceptive conduct provisions of the *Trade Practices Act 1974 (Commonwealth)* or *Schedule 2 to the Competition and Consumer Act 2010 (The Australian Consumer Law (ACL))*, or any Fair Trading or similar legislation of any country, state or territory,

arising from any actual or alleged advertisement, publicity article, broadcast or telecast provided it is caused by or arises out of **your** advertising activities.

Compensation means:

Monies paid or agreed to be paid as a result of any judgement, award or settlement for **personal injury**, **property damage** or **advertising injury**.

Electronic data means:

Any facts, concepts or information converted to a form usable for communications or displays or distribution or processing by electronic or electromechanical data processing or electronically controlled equipment which includes but is not limited to programs or software or other coded instructions for such equipment.

Employee means:

Any person who is employed by **you** or in respect of whom **you** are required to have cover for compensation under any relevant workers' compensation act or ordinance.

Employment practices means:

Any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, harassment or discrimination in respect of **your employees**.

Geographical limits means:

Anywhere in the world, excepting in those countries where you are required to arrange liability insurance with an insurer or organisation licensed in that country, state or territory to grant such insurance or **North America** where this section of the **Policy** will only apply in respect of:

- (a) **products** exported to **North America** without **your** knowledge; and/or
- (b) travelling **employees** and/or directors, partners, proprietors, officers or executives whose normal place of residence is outside **North America** and who are not undertaking manual work or supervision of work while in **North America**.

Incidental contracts means:

- (a) any written rental and/or lease and/or hiring agreement of real or personal property, not containing an obligation to insure such property;
- (b) any written contract with any authority or entity responsible for the supply of electricity, fuel, gas, natural gas, air, steam, water, sewerage reticulation control systems, waste disposal facilities, telephone and communications services or other essential services, except those in connection with work done by **you** for such authorities or entities;
- (c) any written contract with any railway authority for the loading, unloading or transport of **your** products, including any contract relating to the operation of railway sidings;
- (d) those contracts specifically designated in the **Schedule**.

Insured business means:

All activities involved in the business specified in the **Schedule** and will include:

- (a) the ownership and tenancy of premises by the **named insured**;
- (b) the provision of any sponsorship, charities, galas, first aid, medical, ambulance or fire fighting services by or on behalf of the **named insured** and of any persons mentioned in clause f. of the definition of 'you, your, insured' of this section;
- (c) private work undertaken by **employees** or any director, partner, proprietors, officers or executives of the **named insured**;
- (d) the provision of any canteen, social and/or sporting club or welfare and/or child care facilities by or on behalf of the **named insured** and any of the persons mentioned in clause f. of the definition of 'you, your, insured' of this section, which are primarily for the benefit of **employees**;
- (e) prior activities which are substantially the same as the **insured** business which the insured has ceased to conduct but in respect of which the **named insured** may retain a legal liability;
- (f) participation in any exhibition by the **insured** or on their behalf;
- (g) any activities described in underwriting information provided to **us** prior to inception of the **period of insurance**;
- (h) the hire or loan of plant and/or equipment to other parties;
- (i) conducted tours of the **insured's** premises.

Legal liability means:

Your legal liability in respect of **personal injury, property damage** or **advertising injury** in connection with the insured business caused by or arising out of any occurrence other than **products liability**.

Medical persons means:

Medical persons, including but not limited to, medical practitioners, medical nurses, dentists and first aid attendants.

Named insured means:

- (a) the individuals, companies or other organisations named in the **Schedule**;
- (b) all existing and prior subsidiary and/or controlled companies or other organisations in respect of which the **insured** may retain a legal liability (including subsidiaries thereof) of any company named in the **Schedule** incorporated in **Australia** and/or any other organisations under the control of such company;
- (c) all subsidiary and/or controlled companies or other organisations (including subsidiaries thereof) of any company named in the **Schedule** incorporated in **Australia** and which are constituted or acquired by such company during the **period of insurance**;
- (d) every subsidiary and/or controlled company and/or other organisation of any company named in the **Schedule**, which is divested during the **period of insurance**, but only in respect of claims made against such divested subsidiary and/or controlled corporation or organisation caused by or arising out of **occurrences** insured against by this section of this **Policy** which occurred prior to the date of such divestment.

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** that is neither expected nor intended (except for matters set out in clause e. of the definition of 'personal injury') by **you**.

With respect to **personal injury** and **property damage**, all events of a series consequent upon or attributable to one source or original cause will be deemed to be 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) will be deemed to be one occurrence.

Personal injury means:

- (a) bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and mental injury, including loss of consortium or services resulting therefrom;
- (b) false arrest, false imprisonment, wrongful detention, malicious prosecution and humiliation;
- (c) defamation or other invasion of right of privacy, unless arising out of **advertising injury**;
- (d) wrongful entry or wrongful eviction or other invasion of right of private occupancy;
- (e) assault and battery which was not committed by **you** or at **your** direction, unless committed for the purpose of preventing or eliminating danger to persons or property;
- (f) discrimination as a result of race, religion, sex, marital status, age, intellectual impairment, disability or otherwise not committed by the **insured** or at the **insured's** direction unless insurance thereof is prohibited by law.

Pollutants means:

Any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste material. 'waste material' includes material to be recycled, reconditioned or reclaimed.

Products means:

Anything (after it has ceased to be **your** physical possession or legal control), manufactured, constructed, erected, assembled, installed, grown, extracted, produced or processed, treated, modified, repaired, serviced, bottled, labelled, handled, sold, hired, supplied, resupplied or distributed, imported or exported, by **you** or on **your** behalf (including **your** predecessors in the **insured business**), including any packaging or containers thereof, also including the design, formula or specification, directions, markings, instructions, advice or warnings given or omitted to be given in connection with such **products** and anything which, by law or otherwise, **you** are deemed to have manufactured in the course of the **insured business** including discontinued **products**.

However, **products** do not include:

- (a) food and beverage supplied by **you** or on **your** behalf primarily to **employees** as a staff benefit;
- (b) any vending machine or any other property rented to or located for use of others but not sold by **you**.

Any claims made against **you** in respect of **personal injury** or **property damage** arising out of an **occurrence** in connection with items specified in a. and b. above will be regarded as **legal liability** claims hereunder.

Products liability means **your** legal liability in respect of **personal injury** or **property damage** caused by or arising out of any **products** or the reliance upon a representation or warranty made at any time with respect to such **products**, but only where such **personal injury** or **property damage** occurs after **your products** have ceased to be in **your** physical custody or under **your** legal control.

Property damage means:

- (a) physical loss, destruction of or damage to tangible property, including loss of use from such physical loss, destruction or damage at any time resulting thereof;
- (b) loss of use of tangible property which has not been physically lost, destroyed or damaged.

Stand-alone superannuation fund means:

A superannuation fund or pension fund established by the **named insured** under its own trust structure and either managed by them or on their behalf. It does not include an industry fund, a wholesale master trust, a retail master trust, or public sector employees' funds.

Tool of trade means:

A **vehicle** that has tools, implements, machinery or plant attached to or towed by the **vehicle** and is being used by **you** at **your** premises or on any **worksite**. **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.

Vehicle means:

Any type of machine on wheels or on self laid or ski tracks made or intended to be propelled by other than manual or animal power and any trailer or other attachment to be utilised in conjunction with or drawn by any such machine.

Watercraft means:

Any vessel, craft or thing made or intended to float on or in or travel through water, other than model boats.

Worksite means:

Any premises or site where any work is performed for or in connection with the **insured business** together with all areas surrounding such premises or site or all areas in between such premises or site that **you** use in connection with such work.

You, your, insured means:

- (a) the **named insured**;
- (b) every past, present or future director, shareholder, partner, proprietor, officer, executive or **employee** of the **named insured** (including the spouse of any such person while accompanying such person on any commercial trip or function in connection with the **insured business**), or work experience persons or volunteers while such persons are acting for or on behalf of the **named insured** or within the scope of their duties in such capacity;
- (c) any employer stand-alone superannuation fund managed by the **named insured**, and the trustees and the directors of the trustee of such fund, but not any investment or retirement fund managers;
- (d) every principal in respect of liability of such principal arising out of:
 - (i) the performance by or on behalf of the **named insured** of any contract or agreement or the performance of work for such principal, but only to the extent required by such contract or agreement and in any event only for such coverage and limits of liability as are provided by this section of the **Policy**;
 - (ii) any **products** sold or supplied by the **named insured**, but only in respect of the **named insured's** own acts or omissions in connection with such **products** and in any event only for such coverage and limits of liability as are provided by this section of the **Policy**.
- (e) every person, corporation, organisation, trustee or estate to whom or to which **you** are obligated by reason of law, whether express or implied, to provide insurance such as is afforded by this section of this **Policy**, but only to the extent required by such law other than by liability created by a contract and in any event only for such coverage and limit of liability as are provided by this section of the **Policy**;
- (f) every officer, member, **employee** or voluntary helper of the **named insured** whilst working in a canteen, social or sporting club, or providing first aid, medical, ambulance or fire fighting services, or running **employee** charities, welfare or child care facilities but only while they are working, providing or running the service in question in their capacity as such an officer, member, **employee** or voluntary helper;
- (g) any director, partner, proprietor, officer or executive of the **named insured** in respect of private work undertaken by any **employee** for such person and any **employee** whilst actually undertaking such work;
- (h) the estates, legal representatives, heirs or assigns of:
 - (i) any deceased or insolvent persons; or
 - (ii) persons who are unable to manage their own affairs by reason of mental disorder or incapacity;
 who would otherwise be indemnified by this section of the **Policy**, but only in respect of liability incurred by such persons as described in clauses (h)(i) and (h)(ii) above.
- (i) every party including joint venture companies and partnerships to whom the **named insured** is obligated by virtue of any contract or agreement to provide insurance such as is afforded by this section of the **Policy**, but only to the extent required by such coverage and limits of liability as are provided by this section of this **Policy**.

Legal liability optional extensions

When the optional extensions of cover titled:

- Consumer protection cover for Queensland electricians; or
- Victorian plumbers liability,

are shown on the Policy Schedule the following variations to this cover section apply.

Consumer protection cover for Queensland electricians

This optional extension is only to apply in respect of electrical work performed in Queensland.

Definitions applying to this optional extension only

Word or term	Meaning
Broadform products liability	The Policy of insurance covering an occurrence which caused personal injury to a third party, or any loss or damage to the property of a third party other than the work itself, directly or indirectly arising from the activities as an electrical contractor directly or indirectly arising from the products or activities.
Certificate of Test	The certificate required under Section 26 of the <i>Electrical Safety Regulations 2013 (Qld)</i> .
Completed electrical work	<p>(a) Electrical work for which the electrical contractor has issued a Certificate of Test, or</p> <p>(b) work the electrical contractor has connected to supply.</p>
Consumer protection	<p>Any consequential financial loss reasonably incurred by the building owner as a result of any defects or non completion of the electrical work (as described in this optional extension) including but not limited to:</p> <p>(a) any loss of any deposit or progress payments or any part of progress payments;</p> <p>(b) the cost of alternative accommodation, removal and storage costs that are reasonably and necessarily incurred; and</p> <p>(c) non completion of electrical work due to:</p> <p>(i) the death or legal incapacity of the electrical contractor;</p> <p>(ii) the disappearance of the electrical contractor;</p> <p>(iii) the electrical contractor becoming insolvent under administration;</p> <p>(iv) the cancellation or suspension of the electrical contractor's licence under the <i>Electrical Safety Regulation 2013 (Qld)</i>;</p>

Word or term	Meaning
	(v) the early termination of the contract by the building owner as a result of the electrical contractor's wrongful failure or refusal to complete the electrical work.
Contract	A written agreement to carry out electrical work and includes a domestic building contract or other building contract that includes electrical work.
Defects in domestic electrical work	<p>(a) A failure to carry out electrical work consistent with current electricity legislation, industry practices and standards and in accordance with any plans and specifications set out in the contract;</p> <p>(b) a failure to use materials in the electrical work that are good and suitable for the purpose for which they are used;</p> <p>(c) the use of materials in the electrical work that are not new unless the contract expressly permits the use of materials that are not new;</p> <p>(d) a failure to carry out the electrical work in accordance with and in compliance with all laws and legal requirements or any applicable Australian or other relevant standard or code of practice including without limiting the generality of this paragraph, the <i>Electricity Safety Act 2002 (Qld)</i> with any amendments and regulations made under that Act;</p> <p>(e) a failure to carry out electrical work with due care or skill and in the case of domestic electrical work a failure to complete the electrical work:</p> <p>(i) by the date or within the period specified by the contract;</p> <p>(ii) within a reasonable time if no date or period is specified.</p> <p>(f) if the contract states the particular purpose for which the electrical work is required or the result which the building owner wishes the work to achieve so as to show that the building owner relies on the electrical contractor's skill and judgement, a failure to ensure that the electrical work and any materials used in carrying out the electrical work:</p> <p>(i) are fit for the purpose;</p> <p>(ii) are of such a nature and quality that they will achieve that result; or</p> <p>(g) a failure to maintain a standard or quality of electrical work specified in the contract;</p>

Word or term	Meaning
	(h) a reference to any material in sub-clause (c) (d) or (g) does not include any material that is supplied by the building owner or the owner's agent.
Disappearance	Cannot be found after due search and enquiry.
Domestic dwelling	any residential premises but other than: <ul style="list-style-type: none"> (a) any residence that is not intended for permanent habitation; or (b) a rooming house; (c) a motel, residential club, residential hotel, or residential part of licensed premises; (d) a nursing home, hospital, or accommodation associated with a hospital; or (e) the common areas under the control of the Body Corporate in residential villas, townhouses, duplex, triplex, quadruplex or home units which make up the body corporate; (f) any watercraft.
Domestic electrical work	Work for a domestic dwelling proprietor or for individual proprietors of single domestic dwellings forming part of residential villas, townhouses, duplex, triplex, quadruplex or home units.
Electrical work	Defined in the Electrical Safety Regulations 2013 (Qld.).
Insolvent under administration	A person who is bankrupt in respect of a bankruptcy from which the person has not been discharged and includes a person: <ul style="list-style-type: none"> (a) who has executed a deed of arrangement under Part X of <i>The Bankruptcy Act 1966 (Cth)</i>, (or the corresponding provisions of the law of another jurisdiction) where the terms of the deed have not been fully complied with; and (b) whose creditors have accepted a composition under Part X of <i>The Bankruptcy Act 1966 (Cth)</i>, (or the corresponding provisions of the law of another jurisdiction) where a final payment has not been made under that composition.
Limit of liability	The limit of liability that is shown in the 'Certificate' and this wording.
Trade practices liability	Any liability that arises as a result of conduct by the electrical contractor that contravenes the <i>Competition and Consumer Act 2010 (Cth)</i> other than any fine or penalty imposed by such contravention.

Cover

In our Legal liability cover section you will find cover for public liability and products liability. In this optional extension you will find cover for:

1. Defects in electrical works;
2. Trade practices liability;
3. Liability arising from the testing of your own work and the work of others;
4. Resultant personal injury, property damage or loss arising from incorrect advice or design;
5. Non-completion of domestic electrical work;
6. Consumer protection.

Limit of liability

Our liability under this optional extension is limited to:

1. in respect of trade practices liability the maximum amount we will pay is the cost of rectifying the relevant electrical work;
2. for all other liability referred to in covers 1, 3, 4, 5 and 6 the maximum amount we will pay is:
 - (a) \$50,000 per any one claim or service of claim in relation to a Certificate of Test or if the Certificate of Test relates to more than one home;
 - (b) \$50,000 in respect of each domestic installation.
3. for the reasonable legal costs and expenses associated with successful enforcement of a claim against you or us.

Exclusions applicable to this optional extension

1. We do not cover you for any loss damage or liability:
 - (a) resulting from a product defect provided that:
 - (i) we bear the onus of establishing that the claim (or part of a claim) is based on a product defect; and
 - (ii) we agree that nothing in this exclusion removes the cover given to you by this optional extension in relation to you supplying or using any appliance, material, substance or other thing that you were aware was defective, or that you should reasonably be aware was defective.
 - (b) resulting from:
 - (i) fair wear and tear or depreciation of electrical work or;
 - (ii) a failure by the building owner to reasonably maintain the electrical work.
2. for consequential financial loss resulting from non-domestic electrical work;
3. directly or indirectly caused by, contributed to, or arising from exposure to asbestos;
4. we do not cover you in respect of all legal costs of any person making a claim against you that are not directly or indirectly related to:
 - (a) the enforcement of this Policy; or
 - (b) a liability in respect of which you are covered under this Policy;
5. we do not cover you for claims for liquidated damage for delay or damages for delay that may arise under contract provided that this exclusion does not apply to increases in rectification costs caused by a delay.

Conditions applicable to this optional extension

1. Period that insurance must cover:

- (a) for the liabilities referred to in covers 1, 2 and 4 of this optional extension, you are only covered in respect of electrical work of which The Certificate of Test is required from the time you agree to carry out that work until:
 - (i) seven years after you last issued the compliance certificate in relation to that work; or
 - (ii) if you did not issue a compliance certificate in relation to the work, seven years after you stopped carrying out that work.
- (b) you are covered in respect of electrical work for which a compliance certificate is required for completed work liability that arises from personal injury to a third party or loss or damage to the property of a third party (other than property that is part of the electrical work itself) that occurs during the Period of Insurance caused by an occurrence that happens in connection with the carrying out of the electrical work (regardless of when the electrical work was carried out).
- (c) The cover provided in covers 1, 2 and 4 of this optional extension continues to apply throughout the relevant period specified in condition 1(a) of this optional extension even if you cease to be a licensed or registered electrician before the end of that period and even if you cease to maintain this Policy.

2. Insurer to comply with court orders, etc.

We agree to comply with any order made against you by a court, the disputes or any other competent judicial body, in respect of any liability for which you are indemnified under this Policy (including any excess that you may be obliged to pay to us).

3. Limitation for common property

- (a) this clause applies if a claim is paid by us in relation to the common property of a building or complex or multiple homes and the property in which the building or complex stands, and on which electrical work is carried out, is subject to a subdivision;
- (b) we will reduce the amount we pay under this Policy in respect of any one home in the building or complex by an amount calculated by dividing the amount of the claim paid by us by the number of homes in the building or complex.

4. Limitation concerning non-completion of work

If you fail to complete electrical work for any reason then this Policy does not cover you for claims for the whole or a specified part of any payment made under a contract that exceeds the value of the work completed at the time of payment.

5. Deemed acceptance of claims

- (a) this clause only applies in relation to domestic electrical work;
- (b) this clause does not apply in relation to completed electrical work liability;
- (c) we agree to accept liability for a claim in we do not notify the person making the claim within 90 days from when we receive the claim in writing that we accept or dispute the claim, unless we obtain an extension of time from the person in writing or from the Disputes Tribunal.

6. Ministerial Order to prevail in the case of conflict with this Policy

We agree that if any term of this Policy conflicts, or is inconsistent with the 'Electrical contractors insurance requirements' which outlines the requirements for electrical contractors insurance required under Section 51 of the Electrical Safety Regulation 2013 (Qld) then this Policy is to be read and to be enforceable as if it complied with that document.

7. Claims not to be refused on the grounds that Policy obtained by fraud, etc.

- (a) this clause only applies in relation to domestic electrical work;
- (b) we agree that we will not refuse to pay a claim (other than a claim in respect of completed electrical work liability) under this Policy on the ground that this Policy was obtained by misrepresentation, fraud or nondisclosure by you or anyone acting on your behalf;
- (c) you agree that if we make a payment under this Policy to, or for the benefit of, a building owner under the circumstances contemplated by this clause, by doing so we are not restricting our right to recover that payment from you.

8. Insurer must give effect to certificates

- (a) this clause only applies in relation to domestic electrical work;
- (b) if we give you a certificate stating that you are covered by insurance, we agree that we will not refuse to pay a claim on that insurance (other than a claim in respect of completed electrical work liability) under this Policy on the ground that you have not paid the premium for the Insurance;
- (c) you agree that if we make a payment under this Policy to, or for the benefit of, a building owner under the circumstances contemplated by this clause, by doing so we are not restricting our right to recover that payment from you.

9. Deemed notice of defects

We agree that if a person gives notice of defects in writing to you or us, that person is to be taken for the purposes of this Policy to have given notice of all defects of which the defect notified are directly or indirectly related, whether or not the claim in respect of the defects that were actually notified has been settled.

10. Claimant may enforce this Policy directly in certain cases

We and you both agree:

- (a) that a person who is entitled to claim against you in respect of any liability for which you are indemnified under this Policy may enforce this Policy directly against us for the person's own benefit if:
 - (i) any event listed in Cover 4., of this optional extension occurs; or
 - (ii) you refuse to make a claim against us; or
 - (iii) there is an irretrievable breakdown of communication between you and us; and
- (b) that for the purpose of such enforcement the person has the same rights and entitlements as you would have had under any legislation applicable to you; and
- (c) that we will pay to the person the full amount of any liability for which you are indemnified under this Policy despite any failure by you to pay any excess that you are required to pay.

11. Section 54 of the Insurance Contracts Act 1984 to apply

- (a) we acknowledge that Section 54 of the *Insurance Contracts Act 1984 (Cth)* applies to this Policy
- (b) despite condition 11(a), we agree that we will not rely on Section 54 to reduce our liability under this Policy or to reduce any amount that is otherwise payable in respect of a claim by reason only of a delay in a claim being notified to us if:
 - (i) the person who makes the claim notifies you, either orally or in writing; or
 - (ii) that person or you notifies us in writing within 180 days of the date when the person first became aware, or might reasonably be expected to have become aware, of some fact or circumstance that might give rise to the claim.

12. Notification concerning claims settled

We and you both agree that we will notify the Electrical Licensing Board in writing in the manner required by the Electrical Licensing Board of the settling of payment of any claim under this Policy.

13. Conflicting provisions

- (a) nothing in this optional extension should be read as limiting indemnity under this optional extension with respect of any defect as a result of any error in design, specification formula or pattern or the provision of advice that is incidental to any electrical work undertaken by the electrician;
- (b) to the extent that condition 13(a) is in conflict with any other provision in this optional extension, condition 13(a) will prevail.

14. Excess

You are liable to pay us in respect of each claim paid by us under this Policy the amount paid by us or the amount specified in the Policy Schedule as the excess. Provided you are not liable to pay an excess more than once in relation to any claim comprising more than one defect or two or more claims that relate to the same defect.

15. You must co-operate with us

- (a) You agree in relation to a claim or prospective claim:
 - (i) to make reasonable efforts to assist and inform us or our agent; and
 - (ii) to attend the relevant building site for the purpose of inspecting, rectifying or completing electrical work (unless the building owner refuses you access to the site);
- (b) we may reduce the amount of a claim by a building owner by an amount that reasonably represents the cost resulting from an unreasonable refusal by the building owner to give you access to a building site if we have asked you to attend the site.

16. Provision concerning cancellation

We agree that the cancellation of this Policy:

- (a) will only take effect 30 days after we give both the Electrical Licensing Board and you notice in writing of the cancellation; and
- (b) has no effect on any of our obligations under this Policy with respect to the liabilities referred to in covers 1, 2 and 4 of this optional extension in relation to electrical work that was carried out while this Policy was in force; and

- (c) has no effect on any of our obligations under this Policy with respect to the liabilities referred to in covers 3 and 4 of this optional extension in relation to any personal injury to a third party or loss or damage to the property of a third party (other than property that is part of the electrical work itself) that occurred while this Policy was in force.

Victorian plumbers liability

This optional extension is only to apply in respect of plumbing work performed in Victoria.

Definitions applicable to this optional extension only

Any word or expression which this optional extension defines as having a particular meaning will have the meaning everywhere it appears in this optional extension.

Word or term	Meaning
Australian Consumer Law	Schedule 2 of the <i>Competition and Consumer Act 2010 (Cth)</i> or its successor.
Building owner	The person for whom plumbing work has been, is being, or is about to be, carried out and includes: <ul style="list-style-type: none"> (a) any occupier of the land, building or home where the plumbing work is carried out; and (b) any person who is the owner for the time being of that land, building or home; and (c) if the plumbing work is carried out on land in a plan of subdivision containing common property, the body corporate for that land or a building on that land; and (d) any assignee of the building owner's rights under a contract; and (e) any person who has contracted with another person to provide the plumbing work.
Completed work liability	Any liability that arises as a result of any personal injury to a third party, or loss or damage to the property of a third party (other than property that is part of the plumbing work itself), directly or indirectly related to or arising from the plumbing work: <ul style="list-style-type: none"> (a) after the issue of the compliance certificate for the plumbing work; or (b) if you do not issue a compliance certificate for the plumbing work, plumbing work which you carried out but only after you stopped carrying out that work.
Compliance certificate	A certificate referred to in Section 221ZH of the <i>Building Act 1993 (Vic)</i> .
Contract	A contract to carry out plumbing work and includes a domestic building contract or other building contract that includes plumbing work.

Word or term	Meaning
Defect	<p>In relation to plumbing work includes:</p> <ul style="list-style-type: none"> (a) a failure to carry out the plumbing work in a proper and workmanlike manner and in accordance with any plans and specifications set out in the contract; (b) a failure to use materials in the plumbing work that are good and suitable for the purpose for which they are used; (c) the use of materials in the plumbing work that are not new (unless the contract permits use of materials that are not new); (d) a failure to carry out the plumbing work in accordance with, and in compliance with, all laws and legal requirements including, without limiting the generality of this clause, the <i>Building Act 1993 (Vic)</i> and any regulations made under that Act; (e) a failure to carry out the plumbing work with reasonable care and skill and, in the case of domestic plumbing work, a failure to complete the work: <ul style="list-style-type: none"> (i) by the date (or within the period) specified by the contract; or (ii) within a reasonable time, if no date (or period) is specified; (f) if the contract states the particular purpose for which the plumbing work is required, or the result which the building owner wishes the plumbing work to achieve, so as to show that the building owner relies on your skill and judgement, a failure to ensure that the plumbing work and any material used in carrying out the plumbing work: <ul style="list-style-type: none"> (i) are reasonably fit for that purpose; or (ii) are of such a nature and quality that they might reasonably be expected to achieve that result; (g) a failure to maintain a standard or quality of plumbing work specified in the contract. <p>A reference to any material in sub-clause (b) or (f) does not include any material that is supplied by the building owner (or the building owner's agent).</p>
Defects liability	Liability to pay for the costs of rectifying any defect in your plumbing work carried out in Victoria.
Disappearance	Cannot be found after due search and inquiry.

Word or term	Meaning
Domestic plumbing work	<p>Plumbing work performed or intended to be performed on or in relation to:</p> <ul style="list-style-type: none"> (a) a home; or (b) any building or structure on land on which a home is or is intended to be situated.
Home	<p>Any residential premises and includes any part of a commercial or industrial premises that is used as a residential premises and also includes any house boat that is less than 8 metres in length, but does not include:</p> <ul style="list-style-type: none"> (a) any residence that is not intended for permanent habitation; or (b) a rooming house within the meaning of the <i>Residential Tenancies Act 1997 (Vic)</i>; or (c) a motel, a residential club, a residential hotel or a residential part of licensed premises under the <i>Liquor Control Reform Act 1998 (Vic)</i>; or (d) a nursing home, a hospital or accommodation associated with a hospital; or (e) any residence that the regulations made under the <i>Domestic Buildings Contracts Act 1995 (Vic)</i> state is not a home for the purposes of the definition of 'Home' in that Act.
Insolvent under administration	<p>A person who:</p> <ul style="list-style-type: none"> (a) under <i>The Bankruptcy Act 1966 (Cth)</i> or the law of an external Territory, is a bankrupt in respect of a bankruptcy from which the person has not been discharged; or (b) under the law of an external Territory or the law of a foreign country, has the status of an undischarged bankrupt; <p>and includes:</p> <ul style="list-style-type: none"> (c) a person any of whose property is subject to control under: <ul style="list-style-type: none"> (i) section 50 or Division 2 of Part X of <i>The Bankruptcy Act 1966 (Cth)</i>; or (ii) a corresponding provision of the law of an external Territory or the law of a foreign country; or (d) a person who has executed a personal insolvency agreement under: <ul style="list-style-type: none"> (i) Part X of <i>The Bankruptcy Act 1966 (Cth)</i>; or

Word or term	Meaning
	(ii) the corresponding provisions of the law of an external Territory or the law of a foreign country; where the terms of the agreement have not been fully complied with.
The Ministerial Order	The Licensed Plumbers General Insurance Order 2002 made under Section 221ZQ and 221ZT of the <i>Building Act 1993 (Vic)</i> .
Plumbing work	Has the same meaning as in Section 221C of the <i>Building Act 1993 (Vic)</i> .
Non-domestic plumbing work	Plumbing work that is not domestic plumbing work.
Product defect	A defect in any appliance, material, substance or other thing that was supplied or used by you in connection with plumbing work.
Trade Practices liability	Any liability for the cost of rectifying any defect in plumbing work carried out in Victoria that arises as a result of conduct by you in connection with the plumbing work that contravenes Section 18, 29, 34, 60 or 61 of the Australian Consumer Law or sections 9, 11 or 12 of the <i>Fair Trading Act 1999 (Vic)</i> .

Coverage

We will cover you under this optional extension for:

- Defects liability
- Trade Practices liability
- In respect of domestic Plumbing work carried out in Victoria any liability arising from:
 - any consequential financial loss reasonably incurred by the building owner as a result of any defects or non-completion of the Plumbing work (as described in clause 3(b)), including but not limited to:
 - the loss of any deposit or progress payment (or any part of any deposit or progress payment); and
 - the cost of alternative accommodation, removal and storage costs that are reasonably and necessarily incurred; and
 - non-completion of the Plumbing work due to:
 - your death or legal incapacity;
 - your disappearance;
 - you becoming an insolvent under administration;
 - the cancellation or suspension of your licence as a licensed plumber under the *Building Act 1993 (Vic)*; or
 - the early termination of the contract by the building owner as a result of your wrongful failure or refusal to complete the Plumbing work.

The cover provided under clause 3(b) also applies to any contract for both Domestic plumbing work and Non-domestic plumbing work in which the non-domestic plumbing component does not exceed 20% of the total contract value.

Limit of liability

We will pay up to:

- \$50,000 for any one claim or series of claims in relation to domestic Plumbing work for which a Compliance certificate is required, (or if a Compliance certificate relates to more than one Home, an amount not exceeding \$50,000 for each home).
- \$100,000 for any one claim or series of claims in relation to a Compliance certificate for Non-domestic plumbing work. The reasonable cost of rectifying Plumbing work under the Trade Practices liability cover.

The most we will pay under this optional extension in any one Period of Insurance is \$5,000,000.

Defence of claims

In addition to the limit of liability we also pay the reasonable legal costs and expenses associated with the successful enforcement of a claim against you or us.

However, we will not pay the legal costs of any person making a claim against you that are not directly or indirectly related to:

- the enforcement of this optional extension; or
- a liability in respect of which you are covered under this optional extension. Provided that:
 - we will not be obliged to pay any claim or judgement or to defend any claim or legal action after the limit of liability has been exhausted by payment of judgements or settlements;
 - if a payment exceeding the limit of liability has to be made to dispose of a claim, our liability to pay any legal costs and expenses under this clause will be limited to that proportion of those legal costs and expenses as the limit of liability bears to the amount paid to dispose of the claim.

Exclusions applicable to this optional extension

We do not cover you for:

- any defects liability resulting from a product defect provided that:
 - we bear the onus of establishing that the claim (or part of the claim) is based on a product defect; and
 - we agree that nothing in this exclusion removes the cover given to you by this optional extension in relation to you supplying or using an appliance, material, substance or other thing that you were unaware was defective or that you should not reasonably have been aware was defective.
- any loss, injury or damage resulting from:
 - fair wear, tear or depreciation of Plumbing work; or
 - a failure by the building owner to reasonably maintain Plumbing work.
- any consequential financial loss in relation to Non-domestic plumbing work.
- claims for liquidated damages for delay, or damages for delay, that may arise under a contract provided that this exclusion does not apply to any increase in rectification costs caused by the delay.

Conditions applicable to this optional extension

1. Period of cover

For defects liability, 'Trade practices liability' and liabilities referred to in Coverage clause 3 of this optional extension, you are only covered in respect of Plumbing work for which a Compliance certificate is required from the time you agree to carry out that work until:

- (a) six years after you last issued the Compliance certificate in relation to that work; or
- (b) if you did not issue a compliance certificate in relation to the work, six years after you stopped carrying out that work.

The cover provided for defects liability, 'Trade practices liability' and liabilities referred to in Coverage clause 3 of this optional extension continues to apply throughout the relevant period specified in this clause even if you cease to be a licensed plumber before the end of that period and even if you cease to maintain this optional extension.

2. We will comply with court orders

We agree to comply with any order made against you by a court, the Victorian Civil and Administrative Appeals Tribunal or any other competent judicial body, in respect of any liability for which you are indemnified under this optional extension, (including any excess that you may be obliged to pay to us).

3. Deemed acceptance of claims

This clause only applies in relation to Domestic plumbing work.

We agree to accept liability for a claim if we do not notify the person making the claim within 90 days from when we receive the claim in writing that we accept or dispute the claim, unless we obtain an extension of time from the person in writing or from the Victorian Civil and Administrative Appeals tribunal.

4. Ministerial Order to prevail in the case of conflict

We agree that if any term of this optional extension conflicts, or is inconsistent, with the Ministerial Order, then this optional extension is to be read and to be enforceable as if it complied with that Order.

5. Claims not to be refused on the grounds that the Policy obtained by fraud, etc.

This clause only applies in relation to Domestic plumbing work.

We agree that we will not refuse to pay a claim under this optional extension on the ground that this optional extension was obtained by misrepresentation, fraud or non-disclosure by you or anyone acting on your behalf.

You agree that if we make a payment under this optional extension to, or for the benefit of, any other person under the circumstances contemplated by this clause, by doing so we are not restricting our right to recover that payment from you.

6. We give effect to certificates

This clause only applies in relation to Domestic plumbing work.

If we give you a certificate stating that you are covered by insurance under this optional extension, we agree that we will not refuse to pay a claim on that insurance on the ground that you have not paid the premium for the insurance.

You agree that if we make a payment under this optional extension to, or for the benefit of, any other person under the circumstances contemplated by this clause, by doing so we are not restricting our right to recover that payment from you.

7. Deemed notice of defects

We agree that if a person gives notice of a defect in writing to you or us, that person is to be taken for the purposes of this optional extension to have given notice of every defect of which the defect notified is directly or indirectly related, whether or not the claim in respect of the defect that was actually notified has been settled.

8. Claimant may enforce this optional extension direction in certain cases

We and you both agree that:

- (a) a person who is entitled to claim against you in respect of any liability for which you are indemnified under this optional extension may enforce this optional extension directly against us for the person's own benefit if:
 - (i) any event listed in Cover 3(b) of this optional extension occurs; or
 - (ii) you refuse to make a claim against us; or
 - (iii) there is an irretrievable breakdown of communication between you and us;
- (b) for the purpose of such enforcement the person has the same rights and entitlements as you would have had under any legislation applicable to you;
- (c) we will pay to the person the full amount of any liability for which you are indemnified under this optional extension despite any failure by you to pay any deductible that you are required to pay.

9. Section 54 of the Insurance Contracts Act

- (a) we acknowledge that Section 54 of the *Insurance Contracts Act 1984 (Cth)* applies to this Policy.
- (b) despite sub-clause 9(a), we agree that we will not rely on Section 54 to reduce our liability under this optional extension or to reduce any amount that is otherwise payable in respect of a claim by reason only of a delay in a claim being notified to us if:
 - (i) the person who makes the claim notifies you either orally or in writing; or
 - (ii) that person or you notifies us in writing;
 - (iii) within 180 days of the date when the person first became aware, or might reasonably be expected to have become aware, of some fact or circumstance that might give rise to a claim.
- (c) nothing in clause 9(b) restricts the operation of clause 1 of the conditions applicable to this optional extension.

10. Provision concerning cancellation

This clause only applies in relation to Domestic plumbing work. We agree that the cancellation of this Policy:

- (a) will only take effect 30 days after we give both the Victorian Building Authority and you notice in writing of the cancellation; and
- (b) has no effect on any of our obligations under the Policy with respect to the liabilities referred to under coverage of this optional extension in relation to Plumbing work that was carried out while the optional extension was in force.

11. Notification of claims settled

We and you both agree that we will notify the Victorian Building Authority in writing in the manner required by the Victorian Building Authority of the settling or payment of any claim under this optional extension.

12. Limitation for common property

This clause applies if Plumbing work is carried out on land in a plan of subdivision containing common property and a claim is paid by us in relation to the common property.

We will reduce the amount we will pay under this optional extension in respect of any one home on land in the plan of subdivision by an amount calculated by dividing the amount of the claim paid by us in relation to the common property by the number of homes on land in the plan of the subdivision.

13. Limitation concerning non-completion of work

If you fail to complete Plumbing work for any reason listed in Cover clause 3, then this optional extension does not cover you for claims for the whole or a specified part of any payment made under a contract that exceeds the value of the work completed at the time of payment.

14. You must co-operate with us

(a) you agree in relation to a claim or prospective claim:

- (i) to make reasonable efforts to assist and inform us or our agent; and
- (ii) to attend the relevant building site for the purpose of inspecting, rectifying or completing plumbing work (unless the building owner refuses you access to the site).

Portable and valuable items

This Section forms part of this **Policy** only if shown in the **Schedule**

About this Section

This section covers portable or valuable items that you usually carry around with you in the course of your business anywhere in the world. Any individual item worth more than \$2,500 must always be specified.

What we cover

Provided 'Portable and Valuable Items' is shown under 'What's covered' in the **Schedule** we will cover **you** for **accidental loss** of or **damage** to **property insured** occurring anywhere in the world during the **period of insurance**.

What we exclude

We will not cover:

1. Unspecified items

Any **unspecified item** of property unless **your Schedule** shows that **you** have cover for **unspecified items**.

2. Loss or damage exclusions

Loss or **damage** caused by or arising out of:

- (a) the actual process of cleaning, maintenance, overhaul, repair or renovation, alteration, addition or undergoing a trade process;
- (b) wear and tear, fading, gradual deterioration or developing flaws, normal upkeep or making good, or any gradual cause;
- (c) moths, termites or other insects or vermin;
- (d) scratching, biting or chewing by any animal;
- (e) chipping, scratching, denting or marring that does not materially affect the use or operation of the **property insured**; unless resulting from insured damage;
- (f) change in colour, loss of weight, change in flavour, texture or finish;
- (g) the action of light, atmospheric conditions, variations or extremes of temperature, rust or oxidation, wet or dry rot, corrosion, inherent vice or latent defect;
- (h) mechanical, hydraulic, electrical or electronic breakdown, burn-out, failure, malfunction or derangement of any equipment or device unless as a result of an insured event;
- (i) soot or smoke from industrial operations (other than sudden and unforeseen resultant **damage**);
- (j) any faults or defects in any item of **property insured** that **you** or any of **your employees** knew about before taking out this section;
- (k) unexplained inventory shortage, disappearance resulting from clerical or accounting errors, or shortage in the supply or delivery of materials;
- (l) cracking, scratching or breakage of **glass** or fragile items unless as a result of an insured event;
- (m) faulty materials or faulty workmanship.

3. Money and documents

4. Consequential loss

Loss of use, loss of earning capacity and any other consequential loss;

5. Data

Loss of or **damage** to **property insured** as a result of:

- (a) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of **data**;
- (b) breakdown or malfunction of the processing system including operator error or omission in creating, amending, loading, deleting or using **data**; or
- (c) total or partial inability or failure to receive, send, access or use **data** for any time or at all.

6. Theft by your employees

Any **loss** or **damage** caused by or arising out of **theft** committed by **your employees**.

Extra covers

We will also provide the following extra covers in this section, subject to the terms, conditions and exclusions of this **Policy**, unless provided otherwise.

Unless stated otherwise below, any amounts payable under these extra covers apply in addition to the **insured amount**, and will not be reduced by the amount of any applicable **excess**.

1. Reinstatement of insured amount

What we cover

If we pay an amount for a claim under this **Policy** section, we will automatically reinstate the **insured amounts** for **property insured**. You will not have to pay any additional premium.

What we pay

We will either:

1. Repair or replace

- (a) repair or replace the item of property (including carry case and usual accessories) to a condition equal to but not better or more extensive than its condition when new; or
- (b) pay the cost that **you** would incur to repair or replace the property.

2. Part immediately affected

When the **loss** or **damage** is confined to a part or component of the **property insured**, we will only pay for that part or component plus the cost of any necessary dismantling and reassembling.

Limits to what we pay

We will not pay more than:

- (a) for each **specified item**, the **insured amount** for that item;
- (b) for each **unspecified items**, \$2,500 any one **unspecified item**.

The maximum we will pay during the **period of insurance** for all claims in respect of any particular group or class of **unspecified items** is the **insured amount** for that group or class of **unspecified items** specified in the **Schedule**.

Excess

You must pay the **excess** shown in the **Schedule** that applies to a claim under this section.

Definitions

The following words have the following meanings for this section only. **You** should also refer to the General definitions in Part C – terms and conditions section.

Property insured means **specified items** and/or **unspecified items**, as shown in **your Schedule**.

Specified items means each item of property that is specifically described in the **Schedule**. Any item worth more than \$2,500 must be specified.

Unspecified items means each item of property which is not a **specified item** but which is part of a group or class of property described generally in the **Schedule**. The group or class described may include hand tools and hand held power tools.

Unspecified items does not include any item worth more than \$2,500.

Machinery and/or electronic equipment breakdown

This Section forms part of this **Policy** only if shown in the **Schedule**.

About this Section

This section covers the breakdown of machinery (including boilers and pressure plant) and/or electronic equipment at the premises.

What we cover

We will insure **you** for **loss** or **damage** as a result of a **breakdown** at **your premises** or is at another premises within Australia for a period not exceeding 60 consecutive days to any item(s) of:

- (a) **machinery**, if 'Machinery breakdown' is shown under 'What's covered' in the **Schedule**;
- (b) **electronic equipment**, if 'Electronic equipment breakdown' is shown under 'What's covered' in the **Schedule**;

This insurance applies while the **machinery** and/or **electronic equipment** is working or at rest or being dismantled, moved, reassembled or reinstalled for the purpose of cleaning, inspection, adjustment, repair, overhaul or relocation; but only after completion of successful commissioning at the **premises**.

What we exclude

We will not cover:

1. Expendable items

The cost of repair or replacement of **expendable items** unless cover is provided under extra cover 3 - Costs of joints, gaskets, drive belts and/or this becomes necessary as a result of a **breakdown** which is not otherwise excluded under this Section.

2. Certain damage to boilers and pressure plant

In respect of **boilers and pressure plant**, repair or replacement following **damage** caused by any crack, fracture, blister, lamination, flaw or grooving which has not penetrated completely through the entire thickness of the material of the **machinery**, however, this exclusion will not apply to any **damage** resulting from subsequent **explosion** or **collapse** of such **boilers and pressure plant**.

3. Wear and tear

The costs incurred in repairing wear and tear or gradual deterioration including:

- (a) wear and tear due to normal operation;
- (b) wearing or wasting away of material caused by or resulting from atmospheric conditions, rust, erosion, or oxidation;
- (c) **damage** to a safety or protective device caused by its own operation;
- (d) the chipping or scratching of painted or polished surfaces unless resulting from insured **damage**; or
- (e) slowly developing deformation or distortion unless resulting from insured **damage**.

Provided always that this **Policy** section will cover subsequent insured **damage** not otherwise excluded hereunder which may result as a consequence of any circumstances described in Exclusions 3(a) to 3(e) above.

4. Maintenance

The cost of carrying out of normal maintenance, such as the tightening of loose parts, recalibration or adjustments unless necessary as a result of a **breakdown** which is not otherwise excluded under this section.

5. Defects

Breakdown of **machinery** or **electronic equipment** which **you** knew or reasonably should have known to be defective before the **breakdown** occurred.

6. Consequential loss

Any **consequential loss**.

7. Insured events

Any **loss** or **damage** caused by or arising out of the following events:

- (a) Fire;
- (b) Lightning or thunderbolt;
- (c) Explosion and implosion, other than the sudden and violent rending of any boilers and pressure plant by force of internal fluid pressure of ignited flue gases, but excluding other chemical action; or
- (d) Earthquake, tsunami, subterranean fire or volcanic eruption, or fire resulting from any of these;
- (e) Impact;
- (f) Riot, civil commotion or labour disturbances;
- (g) Storm, wind and rain (including snow, sleet or hail);
- (h) Water damage, other than as a result of a **breakdown** covered by this **Policy** section;
- (i) Malicious acts (including by vandals and thieves);
- (j) Flood.

8. Application of tools

Breakdown, loss or **damage** caused by the direct and intentional application of any tool to any item of **machinery** or **electronic equipment** during the course of maintenance, inspection, repair, alteration, modification or overhaul.

9. Installation

Breakdown, loss or **damage** caused during the course of original installation or erection of any item of **machinery** or **electronic equipment**.

10. Foundations, brickwork and refractory materials

Damage to foundations, brickwork, and refractory materials, other than as a result of **breakdown**.

11. Testing

Breakdown, loss or **damage** arising out of **machinery** being subjected to tests involving abnormal stresses or arising out of machinery being deliberately overloaded. However, the checking of the correct working of any item of **machinery** or of its safety installations is not considered to be testing or experimenting within the context of this exclusion.

12. Maintenance agreements or warranties

Breakdown, loss or damage for which the manufacturer or supplier or other parties are responsible under a maintenance or warranty agreement. However, **we** will be liable for 'Deterioration of Stock' (if taken) and **breakdown, loss or damage** (not otherwise excluded by this section) which is not recoverable under such agreement or warranty by reason of a specific exclusion contained in that agreement or warranty or by reason of any dispute concerning the interpretation of that agreement or warranty (as the case may be).

13. Alterations, improvements and overhauls

The cost of alterations, improvements or overhauls unless it is required for the repair or replacement.

14. Modification for refrigerant gas

The costs associated with modifying the **machinery** so that it operates with a more ozone friendly refrigerant gas as required by the United Nations Environmental Programme Montreal Protocol with respect to substances which deplete the ozone layer ("UNEP") except when conversion is necessitated by insured **damage** not otherwise excluded.

15. Dual lifting

Breakdown, loss or damage as a result of dual lifting unless **we** have agreed to cover such additional risk in writing prior to the occurrence of any such **event**.

16. Obsolete machinery or electronic equipment

Breakdown of machinery or electronic equipment which is useless or obsolete to **your business**.

17. Pollution, contamination or hazardous substance

Loss or damage caused by or arising out of pollution, contamination or a **hazardous substance**, however caused, except as provided for in extra cover 4 – Hazardous substances.

Extra covers

We will also provide the following extra covers in this section, subject to the terms, conditions and exclusions of this **Policy**, unless provided otherwise.

Unless stated otherwise below, any amounts payable under these extra covers apply in addition to the **insured amount**, and will not be reduced by the amount of any applicable **excess**.

1. Additional items

What we cover

If **you** hire or commission at **your premises** any items similar to items already insured under this cover section, **we** will consider these items to be added to the insurance by this **Policy** section, giving the same cover as for similar items already insured.

Provided that:

- cover for additional items will not exceed the total **insured amount** for the items already insured under this cover section;
- you** give **us** written notice within 90 days of the hire or purchase and commissioning of the item(s) and pay the appropriate additional premium, having regard to the nature of the risk as **we** assess it, on a pro rata basis together with any applicable statutory charges;
- the items are as far as **you** are aware, suitable for service, free from material defect and in sound working condition;
- the items will not be insured until successfully commissioned and all relevant statutory provisions for inspections and certification have been fulfilled;

- the limits and **excess** as shown in the **Schedule** will be the same as for similar items already insured.

2. Additional costs

What we cover

The reasonable costs of:

- hiring temporary replacement **machinery or electronic equipment** but no other associated costs such as, but not limited to, installation and storage;
- removal of debris;
- effecting temporary repairs;
- overtime work required for carrying out the repairs;
- express freight services; and
- consultants fees.

What we exclude

We will not pay more than \$5,000 or 50% of the normal cost of repair of **breakdown damage** whichever is the greater in total for these additional costs for each **event**.

3. Costs of joints, gaskets, drive belts

What we cover

The reasonable costs of replacing joints, gaskets, seams, drive belts, filters, chains, brickwork, foundation or refractories, seals, shaft seals, flexible drives or flexible pipes, soft rollers, refrigerant, brine or other transfer media which are necessary for the repair or replacement of insured **machinery or electronic equipment** consequent upon **loss or damage** which is covered by this 'Machinery and/or electronic equipment breakdown' section.

4. Hazardous substances

What we cover

If a **hazardous substance** is involved in or released by a **breakdown of machinery or electronic equipment** which is covered by this **Policy** section, **we** will pay the increase in cost to repair, replace, clean up or dispose of, the **damaged machinery or electronic equipment**.

What we exclude

We will not pay more than \$25,000 for each **event** unless a higher amount is specified in the **Schedule**.

5. Additional Machinery or electronic equipment

What we cover

We will cover **you** for **breakdown** occurring during the **period of insurance** to any new of **machinery or electronic equipment** that **you** have purchased, provided that:

- the **machinery or electronic equipment** has worked satisfactorily for eight hours and has been handed over after commissioning;
- a written notice is given to **us** within 90 days of installation, purchase or possession (whichever occurred first) and required reasonable additional premium, having regard to the nature of the risk as **we** assess it, is paid.

What we exclude

We will not cover you for more than the lesser of \$20,000 or 25% of the total insured amount for machinery or electronic equipment.

6. Laptop computers, notebooks, or mobile electronic equipment away from the premises

What we cover

Breakdown of your laptop or mobile **electronic equipment** anywhere in **Australia** if 'Electronic equipment breakdown' is shown in the **Schedule** and the laptop or mobile **electronic equipment** is specified in the **Schedule** under the 'Portable and valuable items' section.

7. Reinstatement of insured amount

What we cover

If **we** pay an amount for a claim under this section **we** will automatically reinstate the **insured amounts** for machinery or **electronic equipment**. **You** will not have to pay any additional premium.

What we exclude

This extra cover does not apply if **we** pay the full "**machinery or electronic equipment**" **insured amount** under this section in respect of a single claim.

Conditions

These conditions apply to all covers and claims under this 'Machinery and/or electronic equipment breakdown' section.

1. Adherence to statutory requirements

If **machinery** or **electronic equipment** must be licensed under statutory obligations, by-laws, regulations, public authority requirements or safety requirements, **you** must obtain any licenses as required and take all reasonable steps to use such **machinery** and **electronic equipment** as specified in the license.

2. Inspection

We or **our** authorised representatives have the right to make inspections of **machinery** or **electronic equipment** at any reasonable time upon reasonable notice being given. Neither this right to make inspections nor making them is an undertaking to **you** or others that the **machinery** or **electronic equipment** is safe and not hazardous or injurious to health.

3. Obligation to prevent loss

If **we** or **our** authorised representative discovers **machinery** or **electronic equipment** in or exposed to a dangerous condition, **you** must comply with any reasonable direction provided by **us** or **our** representatives to prevent **loss**. If **you** do not comply within 30 days of receiving the direction, or any longer period which **we** may agree to accept, **we** may refuse to pay a claim and also cancel this section of **your Policy** in accordance with **our** rights at law, including under the *Insurance Contracts Act 1984* (Cth).

4. One breakdown

If either:

- (a) a **breakdown** of an item of **machinery** or **electronic equipment** causes the **breakdown** of other insured **machinery** or **electronic equipment**; or
- (b) a series of **breakdowns** occur at the same time as a result of the same cause;

they will all be considered as one **breakdown** for the purpose of applying the **excess**, the **insured amounts** and any other limit or sub-limit in this **Policy** section.

What we pay

1. Repair, rebuild or replace

If **we** agree to pay a claim for **breakdown** of **machinery** or **electronic equipment** **we** will either repair, rebuild or replace any **damaged** item or pay for the cost of repairing, rebuilding or replacing. If **we** replace the **damaged** item, **we** will replace the **damaged** item with similar property of a like kind, capacity, size, quality and function.

We will not pay any cost of repairing or replacing any part or parts of a piece of **machinery** or **electronic equipment** which is greater than the cost of repairing or replacing the entire piece of such **machinery** or **electronic equipment**.

If the work of repairing or replacing the item is not commenced and carried out within a reasonable time period after the **breakdown**, **we** will not be liable to pay more than the cost necessary to repair, rebuild or replace the item at the time the **breakdown** occurred.

2. Own repairs

If it is reasonably practicable and economical that **you** can carry out the repairs at the **premises** or at a workshop owned by **you**, **we** will pay the actual costs of materials and wages incurred plus a reasonable overhead mark-up, provided that a qualified person carries out the repairs.

3. Unavailable parts

If it is necessary to replace parts that are unavailable, **we** will not pay more than the estimated cost of similar parts currently available. If similar parts are unavailable, **we** will not pay more than the manufacturer's, or supplier's latest list price.

4. Part immediately affected

Where the **damage** is confined to a part of the **machinery**, **electronic equipment** or other property, **we** will not pay more than the cost of repairing or replacing that part plus the cost of dismantling or rebuilding costs that are necessarily incurred to repair or replace that part.

5. Extra costs to comply with government regulations

Where **you** incur extra expense, in complying with the requirements of any Act of Parliament or Regulation made there under or any By-Law or Regulation of any Municipal or other Statutory Authority, in the course of effecting repair or replacement of the **machinery** or **electronic equipment**, **we** will indemnify **you** for such extra expense.

Provided that the amount so recoverable hereunder will not include the additional cost in complying with any such Act, Regulation, By-law or requirement with which **you** had been required to comply with prior to the **breakdown**.

6. Additional repair costs

We will also pay the following costs and duties where they are incurred in connection with the repair or replacement of the **damaged machinery** or **electronic equipment**:

- (a) the cost of transport, labour and on-site supply of parts;
- (b) the cost of cleaning, storing, recycling and replacing liquids, refrigerant gas and insulating oil necessary to complete repairs, where this is practicable, but subject always to exclusion - 'Modification for refrigerant gas' if the circumstances described therein are applicable;
- (c) the cost of dismantling and re-erection of the insured **machinery** or **electronic equipment**;

- (d) **your** liability for customs, excise or other duties which **you** may become liable to pay consequent upon **damage** to any insured **machinery** or **electronic equipment** and/or **your** liability to compensate others who may become liable for such customs, excise and/or other duties as a result of the **damage**.

7. Depreciation applied for replacement of computers

If **we** pay **you** the cost to replace a laptop computer, notebook or desktop computer rather than repair it, **we** will apply depreciation in the case of any such property which is over six years old based on the age of the computer, but not as a result of improvements in technology or functionality.

In the case of such property which is over six years old, **we** will apply depreciation at the rate of 10% per annum for each year from the date of manufacture, subject to a maximum reduction of 70% of the installed current replacement cost.

Limits to what we pay

The most **we** will pay for **breakdown** of:

- (a) **machinery** is the 'Machinery breakdown' insured amount specified in the **Schedule**;
- (b) **electronic equipment** is the 'Electronic equipment breakdown' insured amount specified in the **Schedule**.

Excess

Without limiting Condition 4 – 'One Breakdown' above, **you** must pay the amount of any **excess** shown in the **Schedule** that applies to a claim under this section.

Definitions

The following words have the following meanings for this section only. **You** should also refer to the General definitions in Part C – terms and conditions section.

These Definitions apply to this **Policy** sections 'Machinery and/or electronic equipment breakdown', 'Restoration of computer data', 'Electronic equipment – increase in cost of working' and 'Deterioration of stock'.

Air conditioner means an appliance, system, or mechanism designed to extract heat from an area via a refrigeration cycle. Its purpose in a building is to provide comfort during either hot or cold weather.

Boilers and/or Pressure Plant means those parts of the permanent structure of the **machinery** owned by **you** or for which **you** are legally liable or have accepted responsibility which are subject to internal steam gas or fluid pressure (other than atmospheric pressure) including:

- (a) fittings and direct attachments which are connected to the permanent structure without intervening valve or cock;
- (b) supporting structures of the **machinery** described above (other than foundations, masonry or brickwork) such as furnace doors, access doors, external combustion chambers smoke, boxes and casings; and
- (c) metal parts of pressure and water gauges and their connections to the permanent structure;
- (d) any pressure pipe systems with valves, fittings, traps and separators which contain steam condensate, gas or fluids under pressure (other than atmospheric pressure) and which is generated in whole or in part within the **machinery** specified in the **Schedule**, including any feed water piping between such boiler and its feed pump or injector, but not including any such pipe systems which form part of any other vessel or apparatus. In respect of refrigeration and air-conditioning **machinery** specified in

the **Schedule** the interconnecting coils and pipe work containing transfer media.

Breakdown means a sudden, **accidental** and unforeseen failure of **machinery** or **electronic equipment** resulting in physical **damage** to such **machinery** or **electronic equipment** which requires the repair or replacement of all or part of the **machinery** or **electronic equipment** before normal operation of it can be resumed and may include, but is not limited to the actual breaking, seizing, deformation or burning out sufficient to prevent the item undertaking its normal operation and necessitating repair or replacement.

Collapse means the sudden and dangerous distortion of any part of the permanent structure of the **boiler and pressure plant** by bending or crushing caused by force of steam or fluid pressure whether attended by rupture or not.

Electronic equipment means any item or component of an item that is owned by **you** or for which **you** are legally liable or have accepted responsibility, including telecommunication transmission and receiving equipment, electronic research, diagnostic or electro-medical equipment, lighting facilities, audio visual, amplification and surveillance equipment, and office machines, all computers, word processors including all ancillary equipment attached thereto including software.

Expendable items means:

- (a) electrical and electronic glass bulbs, tubes, x-ray tubes, contacts, fuses and heating elements; or
- (b) tracks, rails, wear plates, cutting edges, tools, dies, engraved cylinders, moulds, patterns, shear pins, filters, chains, belts, tyres, tracks or conveyor belts and any other part or parts which require periodic replacement.

Explosion means the sudden and violent rending of the permanent structure of the boiler and pressure plant by force of internal steam or fluid pressure causing bodily displacement of any part of the structure together with forcible ejection of the contents.

Hazardous substance means any:

- (a) pollutant, contaminant or other substance declared by a government authority to be hazardous to health or the environment; or
- (b) form of **fungus** including any spores or toxins created or produced by or emanating from such **fungus**, whether or not allergic, pathogenic or toxigenic.

Machinery means any item or component of an item that is owned by **you** or for which **you** are legally liable or have accepted responsibility including electronic and other integral parts which generates, contains, controls, transmits, receives, transforms, or utilises any form or source of energy or power including:

- (a) **boilers and pressure plant**; and
- (b) **air conditioners**.

Machinery does not include **electronic equipment**, coin/card operated machines, lifts and escalators, storage tanks and vats, stationary and mobile pressure vessels containing explosive gases, ducting, reticulating electrical wiring, water and gas piping and any other **machinery** not installed or used.

Software means the collection of programs which cause a computer to perform a desired operation or series of operations.

Restoration of computer data

This section forms part of this **Policy** only if shown in the **Schedule**.

About this Section

This section covers the rewriting of your computer records following a breakdown of the computer which we have agreed to pay a claim for under the 'Machinery and/or electronic equipment breakdown' section of the policy.

What we cover

Provided 'Restoration of Data' is shown under 'What's covered' in the **Schedule** we will cover **you** for the costs of restoring **data** stored on **media** if:

- (a) **we** have agreed to pay a claim under the 'Machinery and/or electronic equipment breakdown' section for repair or replacement of the **electronic equipment**;
- (b) the **data** is **lost** or distorted as a direct result of the **breakdown** covered under the 'Machinery and/or electronic equipment breakdown' section;
- (c) the **media** which contains the **data** is at the **premises**, is at a location away from the **premises** where copies of **media** are stored, is temporarily at an alternative location for processing purposes or is in transit between any of these locations.

What we exclude

We will not cover you for:

1. Defects in media

Loss or distortion of **data** due to defects in the **media**.

2. Consequential loss

Any consequential loss.

3. Computer virus

Loss of or **damage** to or distortion of **data** caused by a **computer virus**.

4. Failure of electronic equipment other than breakdown

Loss of or **damage** to or distortion of **data** caused by or resulting from the partial or total failure, malfunction or **loss** of use of any **electronic equipment**, computer system, information repository, microchip, integrated circuit or other similar device due to:

- (a) the erasure, destruction, corruption, misappropriation or misinterpretation of **data**;
- (b) any error in creating, amending, entering, deleting or using **data**;
- (c) the inability to receive, transmit or use **data**; or
- (d) the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks or similar facility, or of any internet address, website or similar facility;

except to the extent that such **loss**, **damage** or distortion (as described under exclusion clauses (a) to (d) above) results solely from the breakdown of **electronic equipment** covered under the 'Machinery and/or electronic equipment breakdown' section.

What we pay

If **we** pay a claim, **we** will pay the costs incurred in restoring the **lost, damaged** or distorted **data** to a condition equivalent to that existing prior to the breakdown. **Data** may be reproduced in an updated form if the cost of doing so is no greater than that of reinstatement in its original form.

Limits to what we pay

We will not pay more than the **insured amount** for 'Restoration of **Data**' specified in the **Schedule**.

Excess

You must pay the **excess** specified in the **Schedule** that applies to a claim under this section.

Electronic equipment – increase in cost of working

This section forms part of this **Policy** only if shown in the **Schedule**.

About this Section

This section covers the increased costs which you incur, such as the hiring of alternative computers, following the breakdown of electronic equipment which we have agreed to pay a claim for under the 'Machinery and/or electronic equipment breakdown' section of the policy.

What we cover

Provided "Electronic equipment – increase in cost of working" is shown under "What's covered" in the **Schedule** we will cover you for the increased costs of operating **your business**, including hiring computers, transport costs, additional personnel and working at an off-site back up facility if:

- (a) **we** have agreed to pay a claim under the 'Machinery and/or electronic equipment breakdown' section for repair or replacement of **electronic equipment**;
- (b) the increase in cost of working that is a direct result of the **breakdown** covered under the 'Machinery and/or electronic equipment breakdown' section; and
- (c) **we** agree in advance to pay the increased cost of working; and
- (d) 'Increase in Cost of Working' is shown under "Electronic Equipment" in the **Schedule**.

What we exclude

We will not cover you for:

1. Fines and penalties

Fines or liability incurred for breach of contract or for late or non-completed orders or for any loss of bonus or any kind of penalties.

2. Unreasonable costs

Any increased costs that are not necessarily and reasonably incurred to minimise any interruption of or interference with **your business**.

3. Consequential loss

Any **consequential loss**.

4. Indemnity period

Costs incurred after 90 days from the date of **loss** or **damage** unless a longer period is specified in the **Schedule**.

5. Replacement of media

Expenses that are incurred in the replacement of the **media**.

6. Reinstatement of data

The cost of reinstating the **data** contained on the **media**.

What we pay

If **we** pay a claim, **we** will pay the actual amount of the increase in cost of working, less the charges and expenses of the **business** that cease or are reduced as a consequence of the **loss** or **damage**.

Limits to what we pay

We will not pay more than the **insured amount** specified in the **Schedule** for 'Electronic equipment - increase in Cost of Working'.

Excess

We will not pay for costs incurred relating to the first 24 hours following the breakdown of **your electronic equipment**.

Deterioration of stock

This section forms part of this **Policy** only if shown in the **Schedule**.

About this Section

This section covers the deterioration of chilled, refrigerated or frozen goods, following the breakdown of the freezer or refrigerated unit that they are kept in.

What we cover

When "Deterioration of stock" is shown under 'What's covered' in the **Schedule** we will insure **you** for **loss** of or **damage** to chilled, refrigerated or frozen goods in cold storage occurring during the **period of insurance** at **your premises** caused by one or more of the following **events**:

- (a) a change in temperature of the refrigeration or freezer unit as a result of:
 - (i) **breakdown** of the refrigeration or freezer unit in which the chilled, refrigerated or frozen goods is kept where **we** have agreed to pay a claim, or would have paid but for exclusion 12. Maintenance agreements or warranties, under the 'Machinery and/or electronic equipment breakdown' section for the **breakdown** of such **machinery**;
 - (ii) **breakdown** of temporary refrigeration plant used by **you** at the **premises** provided that the period of use does not exceed 60 days duration;
 - (iii) malfunctioning or failed thermostats, pressure controls, or limiting, controlling or protection devices of the refrigeration or freezer unit.

However, this does not include **damage** caused by the manual operation or manual setting of controls or protective devices.
- (iv) **accidental** failure of supply services which directly affects the refrigeration or freezer unit;
- (v) a supply authority intentionally interfering with a public service but only to the extent that this is necessary to safeguard life or any part of the public supply and the supply authority's interference is not caused directly or indirectly by fire, **flood**, storm or any other natural cause; or
- (vi) sudden leakage of refrigerant from the **machinery**; or
- (b) contamination of the chilled, refrigerated or frozen goods by leakage of refrigerant.

If deterioration occurs or is likely to occur to goods by any of the above **events**, **we** will also pay the reasonable costs incurred by **you** to prevent or minimise the **loss** of or **damage** to goods.

What we exclude

We will not cover **you** for:

1. Consequential loss

Any consequential loss.

2. Supply authority restricting supply

Damage resulting from the decision of any power supply authority to restrict or withhold supply except a scheme of rationing necessitated by **damage** to any part of supply system.

3. Improper storage

Damage caused by improper or inappropriate storage, **damaged** packaging material or storage structure.

4. Inherent defects

Any **damage** due to shrinkage, inherent defects or diseases.

Extra Cover

1. Seasonal increase

We will automatically increase the **insured amount** in respect of chilled, refrigerated or frozen **goods** by 50% or such other amount as is specified in the **Schedule** during a **seasonal increase period**.

What we pay

If **we** pay for a claim for deterioration of chilled, refrigerated or frozen **goods**, **we** will either, pay the cost of replacing the chilled, refrigerated or frozen **goods** or replace that **goods**.

We are not liable to pay more than the purchase price **you** paid for the **goods**, together with any handling costs **you** incur.

Limits to what we pay

We will not pay more than the **insured amount** for 'Deterioration of stock' specified in the **Schedule**.

Excess

If **we** pay for a claim for deterioration to **goods** under this 'Deterioration of stock' section caused by:

- (a) a **breakdown** of the refrigeration or freezer unit in which the chilled, refrigerated or frozen goods is kept where we have agreed to pay a claim under the 'Machinery and/or electronic equipment breakdown' section for the **breakdown** of such **machinery**; or
- (b) **breakdown** of temporary refrigeration plant used by **you** at the **premises** provided that the period of use does not exceed 60 days duration;
- (c) a supply authority intentionally interfering with a public service in order to safeguard life or any part of the public supply;

then **you** must pay the 'Machinery Breakdown' **excess** specified in the **Schedule** for each claim **you** make and not the 'Deterioration of Stock' **excess**.

In all other instances, **you** must pay the 'Deterioration of Stock' **excess** specified in the **Schedule** that applies to a claim under this section.

Employee dishonesty

This section forms part of this **Policy** only if shown in the **Schedule**.

About this Section

This section covers loss caused directly by any act of fraud or dishonesty of an employee, whether acting alone or in collusion with any other person(s).

It also provides a number of automatic extra covers.

What we cover

Provided 'Employee dishonesty' is shown under 'What's covered' in the **Schedule**:

After **you** have:

- (a) provided to **us** the **claim documents**; and
- (b) made available to **us** for interview all persons nominated by **us** who in may be helpful to assist us to investigate **your** claim for **loss**;

we will indemnify **you** for **loss** caused directly by any act of fraud or dishonesty of an **employee**, whether acting alone or in collusion with any other person(s), which is discovered:

- (a) during the **period of insurance**; or
- (b) within 12 months of the expiry of the **period of insurance**; or
- (c) within 12 months of the termination of employment of such **employee**;

whichever occurs first.

All losses in respect of the one **event** or series of **events** arising from the one original source or cause, irrespective of whether the acts of fraud or dishonesty were committed during more than one **period of insurance**, will be deemed one **event**.

What we exclude

We will not cover:

1. Loss not discovered and reported

Loss not discovered and reported **us** within 12 months of the termination of this **Policy** or this Section of this **Policy**.

2. Fraud or dishonesty of employee after you became aware

Loss arising from any act of fraud or dishonesty of an **employee** after you have knowledge of, or reasonable cause to suspect, the commission by the **employee** of any act of fraud or dishonesty, unless if, when **you** first obtained the knowledge or reasonable cause for suspicion:

- (a) the **property** that is the subject of the **loss** was in the possession of the **employee**; and
- (b) **you** immediately took all reasonable action to regain possession of that **property**.

3. Loss deduced from inventory or profit computation only

Loss or that part of any **loss**, the proof of which (either as to its existence or its amount) is deduced from an inventory or profit computation. Provided that this exclusion will not apply to **loss** of **property** which **you** can prove (through evidence apart from such inventory or profit computation) was sustained due to any act of fraud or dishonesty of an **employee**.

4. Consequential loss

Any consequential loss of whatsoever kind arising out of any act of fraud or dishonesty of any **employee**.

Extra covers

We will also provide the following extra covers in this section, subject to the terms, conditions and exclusions of this **Policy**, unless provided otherwise.

Unless stated otherwise below, any amounts payable under these extra covers apply in addition to the **insured amount**, and will not be reduced by the amount of any applicable **excess**.

1. Reinstatement of insured amount

What we cover

The insurance under this section and the **insured amount** specified in the **Schedule** will be automatically reinstated to the original amount in the event of a claim for any **loss** insured against by this section, subject to the payment of a pro rata reasonable additional premium, having regard to the nature of the risk as **we** assess it, on the amount of such claim from the date of the claim to the date of expiry of the **period of insurance**.

What we exclude

We will not be liable more than once for the **insured amount** specified in the **Schedule** for any **loss** that arises out of any act of fraud or dishonesty of any one **employee** or for which that **employee** is concerned or implicated by acting in collusion with any other person.

2. Claims preparation fees

What we cover

If **we** are liable to indemnify **you** against a **loss** under this section, **we** will also indemnify **you** against:

- (a) the fees payable by **you** to **your** internal or external auditors; and
- (b) all other costs, charges and expenses;

reasonably incurred by **you** in the preparation of a claim.

What we exclude

We will not pay more than \$25,000 unless a higher amount is specified in the **Schedule**.

3. Costs of recovery

What we cover

If **we** are liable to indemnify **you** against a **loss** under this section, **we** will pay for costs and expenses **you** have reasonably incurred with **our** permission (which will not be unreasonably withheld) in an attempt to recover **property** that has been **lost** as a result of any act of fraud or dishonesty of any **employee**, whether acting alone or in collusion with any other person(s). **We** may withhold **our** consent for recovery if the attempted recovery is not economically viable.

What we exclude

We will not pay more than 20% of the **insured amount**.

4. Retroactive cover

What we cover

The insurance provided under this section also applies to any **loss** due to any act of fraud or dishonesty of an **employee**, whether acting alone or in collusion with any other person(s) during the currency of any previous policy; provided that:

- (a) the discovery period in such previous policy has expired;
- (b) the act of fraud or dishonesty is discovered within:
 - (i) the period of this **policy**, or
 - (ii) 12 months of the termination of this **policy**; or
 - (iii) 12 months after termination of the employment of the **employee** concerned;
 whichever will first occur;
- (c) the cover **we** provide will fall within and not be in addition to the **insured amount** shown in the current **Schedule**;
- (d) **we** will not be liable for any **loss** arising from any act of fraud or dishonesty committed more than 12 months before the inception of this section.

5. Unidentified employees

What we cover

If any **loss** is alleged to have occurred as the result of any act of fraud or dishonesty of any **employee** and **you** are unable to positively identify the specific **employee** involved, **we** will pay for the **loss** provided that **you** are able to provide reasonable evidence that the **loss** was due to any act of fraud or dishonesty of an **employee**.

Conditions

1. Breach or non-compliance with checks or precautions by employees

What we cover

The insurance provided by this section will not be prejudiced by the breach or non-compliance by any **employee** of any checks, precautions or method of conducting **your business** without the knowledge and consent of **your** management.

2. Change of risk

Every change materially affecting the facts or circumstances existing at the commencement of this insurance or at any subsequent renewal date will be notified to **us** as soon as reasonably practicable after such change will come to the notice of **your** officer responsible for insurance matters. In such event **you** will, if so requested by **us**, pay a reasonable additional premium, having regard to the nature of the risk as **we** assess it, from the date of such material change of risk.

3. Claims procedure

You must give **us** written notice as soon as reasonably practicable after:

- (a) any **loss**; or
- (b) reasonable cause for suspicion of **loss**;

comes to **your** knowledge.

Within a reasonable time after such notice, **you** must deliver to **us** full details in writing of the **loss** and the amount claimed in respect thereof together with all such proof of the correctness of the claim as **we** may reasonably require.

4. Prior dishonesty

Knowledge which any officer, signing an application for this insurance for **you**, may have at the time of signature in respect of such officer's own personal act(s) of fraud or dishonesty unknown to **you**, is not imputable to **you**.

What we pay

Any sum of **money** which, but for any act of fraud or dishonesty of an **employee**, would become payable to such **employee** by **you** will (to the extent allowed by law) be deducted from the amount of the **loss** before a claim is made under this **policy** section.

Subject always to the adequacy of the **insured amount**:

- (a) with respect to **loss** of **property**, **we** will either:
 - (i) pay **you** the amount of the **loss** of **property**; or
 - (ii) reinstate or replace that **property**, but in doing so **we** will not be bound to reinstate or replace exactly and completely, but only as circumstances permit and in a reasonably sufficient manner.
- (b) with respect to **loss** of **money**, **we** will pay **you** the amount of **your loss**.

We will only be liable for that part of the **loss** which exceeds the amount of the **excess** specified in the **Schedule** or in any **endorsement** to this section.

Limits to what we pay

Our total liability for all losses and claims preparation fees during the **period of insurance** will not exceed the **insured amounts** shown in the **Schedule**.

If this **Policy** section is continued in force for more than 12 months, **our** liability in respect of any one claim will not be accumulated or increased thereby and our aggregate liability during any number of years and for any number of losses forming the basis of any one claim, whether under this **Policy** or any similar policy in substitution for or substituted by this **policy**, will not exceed the **insured amount** specified in the **Schedule**.

Excess

You must pay the **excess** specified in the **Schedule** that applies to a claim under this section.

Definitions

The following words have the following meanings for this section only. **You** should also refer to the General definitions in Part C – terms and conditions section.

Claim documents means:

- (a) the documentation created in the preparation of, or evidencing, a claim; and
- (b) all records and documents that may assist **us** to investigate:
 - (i) a claim; or
 - (ii) a **loss**; or
 - (iii) **your** right of recovery in consequence of a **loss**;

including electronic records, computer records, video and audio recordings, working papers, internal memoranda, police reports, accounting records and audit documents.

Employee means:

- (a) any person that **you** have the right to direct in the detail of that person's performance of work during the ordinary course of **your business** who is:
 - (i) employed by **you** under a contract of service or apprenticeship;
 - (ii) assigned, by an agency whose **business** it is to furnish personnel, to perform **employee** duties for **you**; or
 - (iii) a voluntary worker;
- (b) any ex-**employee** during a period not exceeding 30 days following cessation of that person's service;
- (c) a group of **employees**, which means:
 - (i) two or more **employees** acting in collusion;
 - (ii) an **employee** acting alone and also acting as a member of a group of **employees**;
 - (iii) two or more groups of **employees** having an **employee** in common.

However, **employee** does not include:

- (a) a person who is one of **your** directors or trustees, except when performing acts within the scope of the usual duties of an **employee**; or
- (b) a person who is a member of any committee that examines or audits or has custody of or access to **your property**.

Loss means **loss** of **property** being:

- (a) **your** own; or
- (b) for which **you** are legally liable or have accepted responsibility;

arising directly from any act of fraud or dishonesty of an **employee**, whether acting alone or in collusion with any other person(s).

Property means **money**, negotiable instruments or other goods belonging to **you**, or in **your** possession and for which **you** are liable.

you/your /insured is extended to include:

- (a) any superannuation fund or pension scheme formed by **you** and exclusively for the benefit of **employees**, but does not include any scheme that is administered by a professional funds manager;
- (b) any welfare, social or sporting club formed with **your** knowledge and consent exclusively for the benefit of **employees** and their families.

Tax audit

This section forms part of this **Policy** only if shown in the **Schedule**.

About this Section

This section covers the professional fees such as accountant's fees incurred by you in connection with an audit, review or investigation of your business tax affairs by the Australian Taxation Office, or by a Commonwealth, State or Territory department, body or agency.

What we cover

Provided 'Tax audit' is shown under 'What's covered' in the **Schedule** we will cover you for **professional fees** reasonably and necessarily incurred by **you** in connection with an official **tax audit** by an **authority**, which is commenced during the **period of insurance**.

What we exclude

We will not cover:

- (a) any income **return** that has not been prepared or reviewed prior to dispatch by **your tax agent**. This exclusion does not apply to any **return** for:
 - (i) prescribed sales tax;
 - (ii) income derived from any payment under a contract of employment of service between **you** and any other person, company or entity, other than when that payment is paid by a company for which **you** are a director or have a controlling interest;
 - (iii) income derived from any payment from any superannuation, pension or other retirement benefit; or
 - (iv) income derived from personal investments that **you** are not wholly or mainly dependent on;
- (b) any claim caused by or arising out of:
 - (i) **your** failure to lodge taxation or any other **return** within the time limit prescribed by statute or through any extension of time granted by the **authority**;
 - (ii) the omission of a material particular or is false or misleading statement to an **authority** by **you** or **your tax agent**; or
 - (iii) your failure to pay all taxes by the due date or within any extension of time granted by the authority;
- (c) the amount of any fine or penalty that **you** may be ordered to pay by any **authority** or court;
- (d) any amount that **you** are unable to recover because of a contract or agreement that **you** have entered into that excludes or limits **your** rights to recover that amount;
- (e) any tax **return** prepared:
 - (i) by a person who ordinarily resides outside **Australia**;
 - (ii) for a company, firm or entity which operates outside **Australia**;
- (f) any claim arising from any **tax audit** for which notice or information was received by **you** or **your tax agent** before the inception of this section;
- (g) any claim caused by or arising out of any inquiry from an **authority** which is not related to either an identified intention to conduct a **tax audit** or is not directed at obtaining information or **data** for a possible future **tax audit**;

- (h) any claim caused by or arising out of any fraudulent act or fraudulent omission or statement made by **you** to an **authority**. This exclusion does not apply when a false or misleading statement made by **you** results from:
 - (i) **you** being misled by the **authority**, when **you** did not and could not be expected to know that statement was false or misleading; or
 - (ii) a matter which **you** can demonstrate to our satisfaction to be a contentious matter;
- (i) any claim caused by or arising out of **your** improper, unwarranted or unjustified refusal or failure to comply with any request made by the **authority**.

This exclusion does not apply when, in accordance with professional advice from **your tax agent** or practicing solicitor, **you** refuse or fail to comply with an authorisation under *Section 263 of the Income Tax Assessment Act 1936* or under *Section 264 of the Income Tax Assessment Act 1936*;

- (j) any claim caused by or arising out of any wrongful act committed by **you** with wilful, dishonest, fraudulent, malicious or criminal intent;
- (k) any **tax audit** conducted by the Australian Prudential Regulation Authority;
- (l) any **tax audit** where a **return** has been prepared lodged or submitted dishonestly or fraudulently, and where the supporting documents have been falsely created or collected;
- (m) any **tax audit** where the Australian Taxation Office or a **tax agent** assesses **your** behaviour as being a case of deliberate evasion or recklessness;
- (n) any routine enquiries, or enquiries from the **tax agent** which are not identified as being either preliminary to, or relating to a **tax audit** of a **return**;
- (o) **professional fees** that are:
 - (i) associated with any criminal prosecution;
 - (ii) associated with any **return** lodged outside **Australia**;
 - (iii) in respect of any person or organisation ordinarily resident outside **Australia**;
- (p) any:
 - (i) amounts sought by any amended notice of assessment;
 - (ii) additional tax, duty, government impost or the like; or
 - (iii) costs in legally pursuing or defending any legal actions against **you** or initiated by **you** (unless it is at **our** discretion);
- (q) any **tax audit** that includes a refund or claim for tax or duty relief arising out of an arrangement, facility, financial structure or the like adopted for the principal purpose of obtaining that refund or relief, unless the arrangement has received prior written approval from the relevant government or government **authority** or agency before being offered to **you** or the general public;
- (r) any form of activity involving a periodic review relevant to **you** maintaining industry status, licence, compliance, membership, any form of occupational health and safety compliance, or any similar requirements;
- (s) any form of activity involving a review of how the professional firm assisting **you** undertakes its professional duty;

- (t) any form of practice or procedural audit of any of **your** files;
- (u) any activity involved in the familiarisation, education, training, application, implementation, process or operation of any amendments or changes to existing or the introduction of new statutory or industry regulation.

Extra covers

If **we** pay a claim for **professional fees** under this section **we** will also pay for the following extra covers subject to the terms, conditions and exclusions of this section. Unless stated otherwise below, any amounts payable under these extra covers apply in addition to the **insured amount**.

1. Directors Personal Tax Returns

What we cover

If **you** are a company and the director(s) work full-time in the **business**, **we** will also pay for **professional fees** reasonably and necessarily incurred by each director in connection with an audit by an **authority** of the director's personal income tax **returns** that are lodged with that authority which is commenced and notified to **us** during the **period of insurance**.

This extra cover only covers an audit of a director's personal income tax **return** that was prepared by the same **tax agent** who prepared the income tax **return** for the **business** in that same year.

What we exclude

The amounts payable under this extra cover do not apply in addition to the **insured amount**.

2. Reinstatement of insured amount

What we cover

If **we** pay an amount for a claim under this Section **we** will automatically reinstate the **insured amounts** under this Section. **You** will not have to pay any additional premium.

3. Self-Managed Superannuation Fund

What we cover

We will also pay the **professional fees** in connection with an appeal to reconsider a **reviewable decision** to an administrative tribunal constituted to hear appeals provided that **you** supply **us** with:

- (a) written evidence that the appeal has a reasonable prospect of success; and
- (b) any other documents and information **we** reasonably require in relation to the audit of the **self-managed superannuation fund** and/or the appeal.

What we exclude

The amounts payable under this extra cover do not apply in addition to the **insured amount**.

4. Travel and accommodation expenses

What we cover

We will reimburse **you** for travel and accommodation expenses incurred by **you** or **your employees** if they are reasonably and necessarily incurred to substantiate the claim.

Limits to what we pay

The most **we** will pay in respect of a **tax audit** commenced in the **period of insurance** relating to:

- (a) the **insured** named in the **Schedule**, or any company, firm, partnership or trust in which the **insured** named in the **Schedule** holds 50% or more ownership, interest or shareholding; and
- (b) each director named in the **Schedule**; and
- (c) any or all the **self-managed superannuation funds** named in the **Schedule** (including the **professional fees** in connection with an appeal to reconsider a **reviewable decision**)

is the **insured amount** specified in the **Schedule**.

Excess

You must pay the **excess** specified in the **Schedule** that applies to a claim under this section.

Claims conditions

These conditions apply to this section.

Claims

For any claim:

- (a) **you** must notify **us** as soon as practicable upon receiving first notice to **you** or **your tax agent** of a **tax audit**;
- (b) **you** must keep **us** fully informed of all developments as they occur;
- (c) **you** must take all necessary and reasonable steps to minimise any delays and costs incurred or likely to be incurred;
- (d) **we** have the right to directly access **your tax agent** and lawyers and any documented advice they have given **you** relevant to the **tax audit**; and
- (e) **you** must ensure that **your tax agent** will and does reasonably assist **us** with any matter **we** may pursue with the **authority**.

Co-operation

You must give **us** all reasonable assistance in any investigation, negotiation, defence or settlement of any claim.

This may include attending court to give evidence.

Conduct of Claims

We:

- (a) may appoint legal or other representatives to assist in the conduct of a claim;
- (b) have the right and full discretion to conduct claims but **we** will consult with **you**; and
- (c) reserve the right to negotiate and settle any claim on terms **we** consider appropriate in consultation with **you**.

Authority matters

- (a) **you** must make a full and complete statement of the total income and profits or gains of a capital nature derived by **you** and of any deductions or capital losses during each tax year;
- (b) **you** must be registered for GST purposes, if required by the operation of legislation; and
- (c) all correspondence, requests and inquiries from the **authority** must be dealt with within an acceptable time, taking all reasonable steps to minimise cost and delay.

Definitions

The following words have the following meanings for this section only. **You** should also refer to the General definitions in Part C – terms and conditions section.

Authority means the Australian Taxation Office, a revenue office of an Australian State or Territory; a Commonwealth, State or Territory government department, body or agency which is duly authorised to conduct a **tax audit**.

Professional fees means fees, costs and disbursements payable to a **tax agent** or professional person (other than **you** or **your employee**) in connection with a **tax audit** by an **authority**.

Professional fees does not mean any fees, costs or disbursements:

- (a) that relate to any subsequent objection lodged with the **authority** in respect of a **tax audit**;
- (b) incurred after the **tax audit** has been completed; or
- (c) incurred after 12 months from the commencement date of the **tax audit**, other than when **you** can demonstrate to **our** satisfaction that the delay in completing the **tax audit** was caused primarily by the **authority**.

Return means any **return** legally required to be, and is actually lodged with, an Australian Commonwealth, Federal or State government or government **authority** or agency by **you** or on **your** behalf.

Reviewable decision has the meaning given by *Section 10 of the Superannuation Industry (Supervision) Act 1993 (Cth)*.

Self-managed superannuation fund has the meaning given by *Section 17A of the Superannuation Industry (Supervision) Act 1993 (Cth)*.

Tax agent means any person who is recognised by the **authority** as a registered tax agent, as appropriate to the type of tax, who prepares **returns** and statements required by that **authority** in respect of **your** liability to pay a tax, including supervision of the preparation of, and review prior to dispatch of, those returns and statements.

Tax agent does not mean **you** or a person working for **you** under a contract of employment.

Tax audit means:

- (a) the audit of a **return** submitted by **you** or on **your** behalf in respect of **your** liability to pay any tax (including the amount of tax payable) following lodgement of a **return** for that tax;
- (b) any official inquiry, investigation, examination or review in respect of **your** liability to pay any tax (including the amount of tax payable); or
- (c) any **workers' compensation wage audit** or investigation in respect of **your** liability to pay a workers' compensation premium;
- (d) any tax assessable in accordance with the provisions, as amended, of the *Superannuation Guarantee (Administration) Act 1992 (Cth)*.

If an official inquiry, investigation, examination or review referred to in paragraph b. above escalates or results in an audit as referred to in paragraph a. above, then this would be viewed as one **tax audit** for the purposes of this Section.

For Self-managed Superannuation Fund Extra cover the term tax audit includes any audit of a self-managed **superannuation fund** named in the **Schedule** for the purpose of determining any matter relating to such superannuation fund, or its trustees' compliance with any of the provisions of the *Superannuation Industry (Supervision) Act 1993 (Cth)*.

For the purpose of this Section:

- (a) the **tax audit** commences at the time **you** or **your** professional adviser first receive notice of either an audit under paragraph or an inquiry, investigation, examination or review, under paragraph (b);
- (b) the **tax audit** is complete when:
 - (i) the auditor has given written notice to that effect;
 - (ii) the auditor notifies **us** that it has made a concluded decision about **your returns**;
 - (iii) the auditor has issued an assessment or amended assessment of **your returns**; or
 - (iv) in the absence of (i), (ii) or (iii) where **your** professional adviser declares in writing that such an audit has been concluded.

"**You/your**" includes any company, firm, partnership or trust in which **you** hold a 50% or more ownership, interest or shareholding.

Workers' compensation wage audit means any audit conducted by an **authority** pursuant to legislation in respect of **your** liability to pay a workers' compensation premium.

Transit

This section forms part of this **Policy** only if shown in the **Schedule**.

About this Section

This section covers loss of or damage caused to the goods you sell, buy or use in your business when they are in transit.

What we cover

Provided 'Transit' is shown under 'What's covered' in the **Schedule**, we will insure **you** for **loss** of or **damage** to goods belonging to **you** or for which **you** are legally responsible, while in the normal course of transit by road, anywhere in **Australia**, on a **vehicle** owned or operated by **you**, occurring during the **period of insurance**, caused by the following insured events:

Insured events:

- (a) collision, overturning or jack-knifing of the conveying **vehicle**;
- (b) fire, **flood**, lightning or explosion;
- (c) **theft** resulting from forcible and violent entry evidenced by visible **damage** to the securely locked portion of a **vehicle** containing **your** goods;
- (d) malicious **damage**;
- (e) impact to the goods with any external object, except when that object is on or part of the conveying **vehicle**.

What we exclude

We will not pay for **loss** or **damage** to the following property:

- (a) **money**;
- (b) jewellery, watches, furs, antiques, paintings, works of art, precious metals or precious stones or articles composed of any of them;
- (c) explosives, petroleum products in bulk or gas in bulk;
- (d) livestock;
- (e) cigarettes, tobacco, wines, spirits or other alcoholic beverages, unless specified on **your Schedule**; or
- (f) personal property of directors, partners and **employees** of **your business**.

We will also not pay for **loss** or **damage** caused by, arising from, or due to:

- (a) dislodgement of goods as a result of contact by the conveying **vehicle** with uneven road surfaces, roadway curbing, road humps, traffic islands and similar protuberances;
- (b) **theft** by or in collusion with any of **your employees**;
- (c) electrical or mechanical derangement, unless **damage** is visible to the exterior of the item;
- (d) delay, **loss** of market, consequential **loss** of any kind, depreciation or deterioration.

Extra cover

We will also provide the following extra covers in this section, subject to the terms, conditions and exclusions of this **Policy**, unless provided otherwise.

Unless stated otherwise below, any amounts payable under this extra cover applies in addition to the **insured amount**, and will not be reduced by the amount of any applicable **excess**.

What we exclude

We will not pay more than:

- (a) 20% of the sum insured; or
- (b) \$5,000,

whichever is the lesser, in the aggregate in any one **period of insurance** for this extra cover.

1. Removal of debris

What we cover

We will pay all reasonable costs and expenses incurred in unloading, removing, and/or disposing of, **damaged** goods and clean up of an accident site incurred as a direct result of an insured event.

2. Packaging

What we cover

We will cover **accidental loss** or **damage** to **packaging** while carried in transit caused by an insured event.

What we pay

When property covered by this section is **lost** or **damaged**, the following basis of settlement will apply to each item of property:

- (a) for goods sold, **your** invoice value;
- (b) for goods purchased, the purchase price as shown on the invoice;
- (c) for all other goods, including plant transfers, market value.

Limits to what we pay

We will not pay more than the **insured amount** for 'Transit' specified in the **Schedule**.

Excess

You must pay the **excess** specified in the **Schedule** that applies to a claim under this section.

Definitions

The following words have the following meanings for this section only. **You** should also refer to the General definitions in Part C – terms and conditions section.

Packaging

Packing materials, shipping containers, crates, pallets, or similar receptacles belonging to **you** or for which **you** are responsible.

Employment practices liability

This section forms part of this **Policy** only if shown in the **Schedule**.

About this Section

This section covers you for all loss arising from a claim against you alleging an employment related wrongful act where the claim is first made and notified to us during the period of insurance.

This section does not cover you for employment benefits.

What we cover

Provided 'Employment practices liability' is shown under 'What's covered' in the **Schedule** we will pay for all **loss** arising from a **claim** against you alleging a **wrongful act** where the **claim** is first made and notified to **us** during the **period of insurance**.

Basis of cover - Claims made

The cover provided operates on a "claims made and notified" basis. This means that **we** cover **you** for claims made against you and notified to **us** during the **period of insurance**.

We do not provide cover in relation to:

- (a) acts, errors or omissions actually or allegedly committed prior to the retroactive date applicable to this section;
- (b) claims made, threatened or intimated against **you** prior to the commencement of the **period of insurance**;
- (c) facts or circumstances of which **you** first became aware prior to the **period of insurance**, and which **you** knew or ought reasonably to have known had the potential to give rise to a **claim** under this section.

What we exclude

We will not cover:

1. Benefits

Your actual or alleged obligation:

- (a) pursuant to any workers' compensation, disability benefits, redundancy or unemployment benefits or compensation, unemployment insurance, superannuation, retirement benefits, social security benefits, or similar law;
- (b) for or in respect of employment entitlements such as but not limited to **employee** share or equity plans, bonuses or incentives of any kind, leave or similar entitlements, severance or redundancy, superannuation contributions and similar alleged entitlements or amounts.

2. Bodily injury & Property Damage

Directly or indirectly based upon, attributable to or in consequence of **bodily injury** or physical **loss** of, **damage** to or destruction of any tangible property, including loss of use of the tangible property or any consequential loss.

3. Building modifications

Costs incurred by **you** to modify any **building** or property in order to make such **building** or property more accessible or accommodating to any disabled person.

4. Continuity of employment benefits

Employment-related benefits (other than **back pay**) to which the claimant would have been entitled as an **employee** had **you** provided the claimant with a continuance, reinstatement or commencement of employment. This exclusion does not apply to **defence costs**.

5. Fraud and dishonesty

Any claims made against **you** which are directly or indirectly based upon, attributable to or in consequence of:

- (a) **your** actual or alleged dishonest, fraudulent, criminal or malicious act or omission or those of **your** consultants, sub-contractors or agents; or
- (b) **your** actual or alleged act or omission or those of **your** consultants, sub-contractors or agents with a reckless disregard for the consequences of the acts or omissions; or
- (c) any wilful violation or wilful breach of any statute or regulation, or any wilful breach of any contract.

6. Prior or pending

Arising directly or indirectly from or in consequence of a **claim**:

- (a) made, threatened or intimated against **you** prior to the **period of insurance**, or
- (b) directly or indirectly based upon, attributable to or in consequence of any fact or circumstance;
 - (i) of which written notice has been given, or ought reasonably to have been given, under any previous policy; or
 - (ii) of which **you** first became aware prior to the **period of insurance**, and which **you** knew or ought reasonably to have known had potential to give rise to a **claim**.

7. Territorial limits

Any **claim** made against **you**:

- (a) pursuant to the law of any country, state or territory outside the territorial limits; or
- (b) committed or allegedly committed outside the territorial limits applicable to this section.

Extra covers

1. Retroactive date

We will only provide indemnity in relation to conduct and **wrongful acts** committed or alleged to have been committed after the earliest commencement date of uninterrupted Employment Practices insurance cover that **you** have held with **us**.

2. Extended reporting period – claims or facts and circumstances

Where **you** become aware of a **claim**, fact or circumstance during the period of insurance and with reasonable cause cannot provide notice to us before expiry of the period of cover, you may provide this notice in an extended **period of insurance** of 45 days immediately following the **period of insurance**. Such notice is deemed to have been provided during the **period of insurance**.

3. Continuous Cover

If **you** knew or ought reasonably to have known prior to the commencement date of the **period of insurance** of any **claim**, fact or circumstance that might give rise to a claim and had not notified **us** of such circumstance prior to expiration of the 'Extended reporting period – claims or facts and circumstances' attaching to the relevant **period of insurance** during which that knowledge was or should have been acquired, exclusions (b) and (c) of the 'Basis of cover – Claims made' clause will not apply to the notification of a circumstance.

Provided always that:

- (a) **your** failure to notify was not fraudulent; and
- (b) **we** have continued as the insurer of **your** Employment Practices Policy in uninterrupted succession between the date when the circumstance should have been notified and the date the **claim** was actually notified; and
- (c) any such indemnity shall be subject to the terms, conditions, limits of indemnity and **excess** applicable to the **period of insurance** during which the circumstance should have been notified.

4. Claims preparation expenses

We will pay for costs reasonably incurred for the preparation of a **claim** for which **we** indemnify **you** under this **Policy**. The most **we** will pay is \$25,000 in total any one **claim**, unless a higher amount is included in the particular section of the **Policy**.

Provided that before **you** incur these **claim** preparation costs **you** obtain **our** written approval to incur these costs. **We** will not unreasonably withhold **our** consent.

This benefit is in addition to the limit of liability.

What we pay

The most **we** will be liable to pay in respect of any one claim and in the aggregate during the **period of insurance**, inclusive of investigation costs and expenses and **defence costs** and irrespective of the number of:

- (a) **Claims**; and/or
- (b) Locations, **premises**, situations; and/or
- (c) persons/entities insured;

will be the limit of liability specified in the **Schedule**.

Excess

You will have to pay an **excess** for each and every **claim** under this section of the **Policy**. The amount of **excess** is shown on **your Schedule** and applies to all amounts for which **we** will be liable, including **defence costs**.

All causally connected or interrelated claims shall jointly constitute a single **claim** under this section.

Conditions

These conditions apply to this section.

1. Allocation

- (a) if both **loss** covered by this **Policy** and **loss** not covered by this **Policy** are incurred, either because:
 - (i) a **claim** against **you** includes both covered and uncovered matters; or
 - (ii) a **claim** is made against **you** and there are others who are party to the proceedings or demand to which the **claim** relates but who are not insured under the **Policy**,

then **we** will use **our** best efforts to agree with **you** upon a fair and proper allocation of such amount between covered **loss** and uncovered **loss**, having regard to the relative legal and financial exposures attributable to covered and uncovered matters and parties. **We** are only liable under this **Policy** for amounts attributable to covered matters and parties, and **our** liability for **loss**, including **defence costs**, otherwise payable by **us** will be reduced to reflect such fair and proper allocation;

- (b) if **we** cannot agree with **you** on an allocation of **defence costs** then **we** will advance **defence costs** which **we** believe to be covered under this **Policy** until a different allocation is negotiated, arbitrated or judicially or otherwise determined;
- (c) **we** will, if requested by **you**, submit the dispute to a **senior counsel** to be mutually agreed or, in default of agreement, to be appointed by the President of the Bar Association in the relevant State or Territory, on the basis that the **senior counsel** will determine the allocation of **loss** according to his view of the fair and proper allocation, but having regard to the relative legal and financial exposures attributable to covered and uncovered matters and parties, and the overriding intention in (a) above;
- (d) any negotiated, arbitrated or judicially or otherwise determined allocation of **defence costs** on account of a **claim** will be applied retrospectively to all **defence costs** on account of such **claim**.

2. Jurisdiction

All disputes arising out of or under this section will be subject to determination by any court of competent jurisdiction within **Australia** according to the law applicable to the jurisdiction.

3. Your right to contest

If **we** recommend a settlement in respect of any **claim** and **you** do not agree that the **claim** should be settled, then **you** may elect to contest the **claim**. **Our** liability in connection with that **claim** will not exceed the amount for which **we** believe the **claim** could have been settled, plus the **defence costs** incurred with **our** written consent up to the date of **your** election.

4. Senior Counsel

We will not require **you** to contest any **claim** unless a **senior counsel** (to be mutually agreed upon by **you** and **us**) advises that the **claim** should be contested.

In formulating their advice, **senior counsel** will take into consideration the economics of the matter, the damages and costs which are likely to be recovered by the plaintiff, the likely **defence costs** and **your** prospects of successfully defending the **claim**.

The cost of the **senior counsel's** opinion will be regarded as part of the **defence costs**.

Definitions

The following words have the following meanings for this section only. **You** should also refer to the General definitions in Part C – terms and conditions section.

Bodily Injury means physical injury, sickness, disease, or death of any person but does not include mental injury, mental anguish, nervous shock, or emotional distress not associated with bodily injury.

Back pay means to pay a claimant for the period between the time of termination of employment and the time such claimant is reinstated or re-employed.

Claim means a written demand for compensation or non-pecuniary relief, a criminal charge, a written or other notice or demand by a regulatory authority in connection with any investigation or **penalty** proceedings, arbitration, mediation or other dispute resolution process.

Defence costs means reasonable costs, charges, and expenses (other than regular or overtime wages, salaries or fees of any **insured person**) incurred by **us** or by **you** with **our** prior written consent (and such consent will not be unreasonably withheld) in defending, investigating or monitoring any **claim**, or proceedings and appeals from them, together with costs of the proceedings and appeal. Where **you** are not indemnified under this section, only those costs, charges and expenses incurred solely and exclusively for the benefit, and on behalf, of an **insured person** will constitute **defence costs**.

Defence costs in this section are part of, and not in addition to, the aggregate limit of liability applicable to this section and payment by **us** of **defence costs** reduces the aggregate limit of liability by the amount of any such payment.

Employee means any person employed by **you** under a contract of service or apprenticeship during the **period of insurance**, but does not include any person employed under such contract who is excluded from the definition of 'worker' under any workers' compensation legislation.

Insured person includes only:

- (a) the named insured specified in the **Schedule**; and
- (b) every past, present or future director, partner, proprietor, officer, executive or **employee** of the named insured while such persons are acting for or on behalf of the named insured and/or within the scope of their duties in such capacities.

Loss means the total amount which **you** become legally obligated to pay in respect of a **claim** made against **you** and will include damages, judgements, settlements, legal costs and expenses awarded against **you** to any claimant and **defence costs**.

Penalty means any monetary sum payable by **you** to any regulatory authority pursuant to a wrongful breach by **you** but excluding:

- (a) any amounts payable as compensation;
- (b) any compliance, remedial, reparation or restitution costs;
- (c) any damages, including but not limited to any exemplary or punitive damages;
- (d) any consequential economic **loss**;
- (e) any amounts uninsurable under the law pursuant to which this **Policy** is construed;
- (f) any legal costs and associated expenses of the regulatory authority.

Senior Counsel means entitled to use the letters 'QC' or 'SC' in any one or more superior court in **Australia** or New Zealand.

Territorial limits means anywhere in the Commonwealth of Australia and its protectorates and Territories.

Wrongful act means any of the following actual or alleged conduct by an **insured person** in the course of their duties to **you**, or by **you**:

- (a) discharge or termination, either actual or constructive, of an employment relationship;
- (b) breach of any oral or written, express or implied, employment contract or quasi-employment contract;
- (c) misleading representation or advertising relating to employment;
- (d) failure to employ or promote;
- (e) unfair deprivation of a career opportunity;
- (f) unfair discipline;
- (g) failure to grant tenure;

- (h) negligent **employee** evaluation;
- (i) workplace harassment of any kind (whether sexual or otherwise), including the alleged creation or permission of a harassing workplace environment;
- (j) employment-related:
 - (i) denial of natural justice;
 - (ii) invasion of privacy;
 - (iii) defamation;
 - (iv) infliction of emotional distress;
 - (v) discrimination on any legally prohibited basis.

You includes only:

- (a) the named insured specified in the **Schedule**; and
- (b) every past, present or future director, partner, proprietor, officer, executive or **employee** of the named insured while such persons are acting for or on behalf of the named insured and/or within the scope of their duties in such capacities.

Statutory liability

This section forms part of this **Policy** only if shown in the **Schedule**.

About this Section

This section provides three separate covers if taken up:

- (a) the investigation costs and expenses in relation to any official investigation or inquiry commenced during the period of insurance;
- (b) fines and penalties arising out of occupational health and safety or environmental legislation; and
- (c) defence costs in respect of any claim brought or maintained by a regulatory authority, which would otherwise be excluded by reason of exclusion 7 – ‘Pollutants’ where the claim alleges a breach of environmental legislation.

What we cover

Provided ‘Statutory liability’ is shown under ‘What’s covered’ in the **Schedule** **we** will cover **you** in accordance with the terms of this section for:

1. Official investigations and inquiries – costs & expenses

We will pay **investigation costs and expenses** in relation to any **official investigation or inquiry** commenced during the **period of insurance** and which is notified to **us** during the **period of insurance**.

In relation to any cover afforded under this section:

- (a) **we** may appoint legal representation to represent **you** in the **official investigation or inquiry**; and
- (b) in the event that a **claim** for payment of **investigation costs and expenses** is subsequently withdrawn or denied, **we** will cease to advance **investigation costs and expenses** and **you** or any person named as an insured (for **your** respective rights and interests) will refund any **investigation costs and expenses** advanced by **us**, unless **we** agree in writing to waive recovery of the **investigation costs and expenses**.

2. Fines and penalties

We will indemnify **you** against any **penalty** and **defence costs** resulting from a **claim** by a **regulatory authority** for a **wrongful breach** which would otherwise be excluded by reason of exclusion 4 - ‘Fines and penalties’ where the **claim** is first made on **you** and notified in writing to **us** in the **period of insurance**.

Provided always that **we** will not be liable to indemnify **you** in respect of any **penalty** or **defence costs** in respect of any such **claim** arising directly or indirectly from or which is based upon, attributable to, or in consequence of any:

- (a) dishonest, wilful, intentional or deliberate **wrongful breach**; or
- (b) wilful, intentional or deliberate failure to comply with any lawful notice, direction, enforcement action or proceeding under any Act; or
- (c) **your** gross negligence or recklessness; or
- (d) requirement to pay taxes, rates, duties, levies, charges, fees or any other revenue or impost.

3. Pollution liability defence costs

We will indemnify **you** for **defence costs** in respect of any **claim** brought or maintained by a **regulatory authority**, which would otherwise be excluded by reason of exclusion 7 - ‘Pollutants’ where the **claim** alleges a breach of **environmental legislation**.

Provided that **we** will not be liable to indemnify **you** for **defence costs** relating to any **claim** brought by a **regulatory authority** on behalf of, in the name of or as a representative of any other person(s), corporation or other entity.

Basis of cover - Claims made

The cover provided operates on a ‘claims made and notified’ basis. This means that **we** cover **you** for **claims** made against **you** and notified to **us** during the **period of insurance**.

We do not provide cover in relation to:

- (a) acts, errors or omissions actually or allegedly committed prior to the retroactive date applicable to this section;
- (b) **claims** made, threatened or intimated against **you** prior to the commencement of the **period of insurance**;
- (c) facts or circumstances of which **you** first became aware prior to the **period of insurance**, and which **you** knew or ought reasonably to have known had the potential to give rise to a **claim** under this section.

What we exclude

We will not cover:

1. Aircraft, watercraft and vehicles

Any **claim** arising out of a **wrongful breach** relating to the regulation of air, marine or motor traffic.

2. Asbestos

Any actual or alleged liability whatsoever for any **claim** or **claims** in respect of **loss** or losses directly or indirectly arising out of, resulting from, in consequence of, contributed to or aggravated by asbestos in whatever form or quantity.

3. Bodily injury

Directly or indirectly based upon, attributable to or in consequence of bodily injury. However, this exclusion will not apply to:

- (a) penalties and **defence costs** resulting from a **claim** by a **regulatory authority**; or
- (b) **investigation costs and expenses**, as a result of an alleged contravention of any Commonwealth, State or Territory occupational or workplace health and safety legislation, provided always that cover will not extend to **defence costs** incurred in relation to any civil proceeding or **claim** seeking damages or compensation in connection with such alleged contravention.

4. Fines and penalties

Punitive, aggravated, exemplary damages or fines or penalties imposed by law other than provided under coverage item 2 - Fines and penalties.

5. Fraud and dishonesty

Any **claims** made against **you** which are directly or indirectly based upon, attributable to or in consequence of:

- (a) **your** actual or alleged dishonest, fraudulent, criminal or malicious act or omission or those of **your** consultants, sub-contractors or agents; or
- (b) **your** actual or alleged act or omission or those of **your** consultants, sub-contractors or agents with a reckless disregard for the consequences of the acts or omissions; or
- (c) any wilful violation or wilful breach of any statute or regulation, or any wilful breach of any contract.

6. Joint venture

Arising from or attributable to any **joint venture** partners of **your business**.

7. Pollutants

Other than as provided under coverage item 3 – 'Pollution liability defence costs', directly or indirectly based upon, attributable to or in consequence of:

- (a) the actual, alleged or threatened discharge, release, escape, containment or disposal of **pollutants** into or upon land, the atmosphere, or any watercourse or body of water; or
- (b) any enforcement action or proceeding in connection with the containment, clean up, removal, or treatment of such **pollutants**; or
- (c) asbestos or asbestos products in any form or quantity.

8. Prior or pending

Arising directly or indirectly from or in consequence of a **claim**:

- (a) made, threatened or intimated against **you** prior to the **period of insurance**; or
- (b) directly or indirectly based upon, attributable to or in consequence of any fact or circumstance;
 - (i) of which written notice has been given, or ought reasonably to have been given, under any previous policy; or
 - (ii) of which **you** first became aware prior to the **period of insurance**, and which **you** knew or ought reasonably to have known had potential to give rise to a **claim**.

9. Territorial limits

Any **claim** made against **you**:

- (a) pursuant to the law of any country, state or territory outside the territorial limits; or
- (b) committed or allegedly committed outside the territorial limits applicable to this section.

Extra covers

1. Retroactive date

We will only provide indemnity in relation to conduct and wrongful acts committed or alleged to have been committed after the earliest commencement date of uninterrupted Statutory Liability insurance cover that **you** have held with **us**.

2. Extended reporting period – claims or facts and circumstances

Where **you** become aware of a **claim**, fact or circumstance during the **period of insurance** and with reasonable cause cannot provide notice to us before expiry of the period of cover, **you** may provide this notice in an extended **period of insurance** of 45 days immediately following the **period of insurance**. Such notice is deemed to have been provided during the **period of insurance**.

3. Continuous Cover

If **you** knew or ought reasonably to have known prior to the commencement date of the **period of insurance** of any **claim**, fact or circumstance that might give rise to a claim and had not notified **us** of such circumstance prior to expiration of the 'Extended reporting period – claims or facts and circumstances' attaching to the relevant **period of insurance** during which that knowledge was or should have been acquired, exclusions (b) and (c) of the 'Basis of cover – Claims made' clause will not apply to the notification of a circumstance.

Provided always that:

- (a) **your** failure to notify was not fraudulent; and
- (b) **we** have continued as the insurer of **your** Statutory Liability in uninterrupted succession between the date when the circumstance should have been notified and the date the **claim** was actually notified; and
- (c) any such indemnity will be subject to the terms, conditions, limits of liability and **excess** applicable to the **period of insurance** during which the circumstance should have been notified.

4. Claims preparation expenses

We will pay for costs reasonably incurred for the preparation of a **claim** for which **we** indemnify **you** under this **policy**. The most **we** will pay is \$25,000 in total any one **claim**, unless a higher amount is included in the particular Section of the **policy**.

Provided that before **you** incur these **claim** preparation costs **you** obtain **our** written approval to incur these costs. **We** will not unreasonably withhold **our** consent.

This benefit is in addition to the limit of liability.

Limits to what we pay

The most **we** will be liable to pay in respect of any one claim and in the aggregate during the **period of insurance**, inclusive of **investigation costs and expenses** and **defence costs** and irrespective of the number of:

- (a) **Claims**; and/or
- (b) Locations, **premises**, situations; and/or
- (c) persons/entities insured;

will be the limit of liability specified in the **Schedule**.

Excess

You will have to pay an **excess** for each and every **claim** under this section of the **Policy**. The amount of **excess** is shown on **your Schedule** and applies to all amounts for which **we** will be liable, including **defence costs**.

All causally connected or interrelated **claims** will jointly constitute a single **claim** under this section.

Conditions

These conditions apply to this section.

1. Allocation

- (a) if both loss covered by this **Policy** and loss not covered by this **Policy** are incurred, either because:
 - (i) a **claim** against **you** includes both covered and uncovered matters; or
 - (ii) a **claim** is made against **you** and there are others who are party to the proceedings or demand to which the **claim** relates but who are not insured under the **Policy**;

then **we** will use **our** best efforts to agree with **you** upon a fair and proper allocation of such amount between covered **loss** and uncovered **loss**, having regard to the relative legal and financial exposures attributable to covered and uncovered matters and parties. **We** are only liable under this **Policy** for amounts attributable to covered matters and parties, and **our** liability for **loss**, including **defence costs**, otherwise payable by **us** will be reduced to reflect such fair and proper allocation.

- (b) if **we** cannot agree with **you** on an allocation of **defence costs** then **we** will advance **defence costs** which **we** believe to be covered under this **Policy** until a different allocation is negotiated, arbitrated or judicially or otherwise determined.
- (c) **we** will, if requested by **you**, submit the dispute to a **senior counsel** to be mutually agreed or, in default of agreement, to be appointed by the President of the Bar Association in the relevant State or Territory, on the basis that the senior counsel will determine the allocation of **loss** according to his view of the fair and proper allocation, but having regard to the relative legal and financial exposures attributable to covered and uncovered matters and parties, and the overriding intention in (a) above.
- (d) any negotiated, arbitrated or judicially or otherwise determined allocation of **defence costs** on account of a **claim** will be applied retrospectively to all **defence costs** on account of such **claim**.

2. Jurisdiction

All disputes arising out of or under this section will be subject to determination by any court of competent jurisdiction within **Australia** according to the law applicable to the jurisdiction.

3. Your right to contest

If **we** recommend a settlement in respect of any **claim** and **you** do not agree that the **claim** should be settled, then **you** may elect to contest the **claim**. **Our** liability in connection with that **claim** will not exceed the amount for which **we** believe the **claim** could have been settled, plus the defence costs incurred with our written consent up to the date of your election.

4. Senior counsel

We will not require **you** to contest any **claim** unless a **senior counsel** (to be mutually agreed upon by **you** and **us**) advises that the **claim** should be contested.

In formulating their advice, **senior counsel** will take into consideration the economics of the matter, the damages and costs which are likely to be recovered by the plaintiff, the likely **defence costs** and **your** prospects of successfully defending the **claim**.

The cost of the **senior counsel's** opinion will be regarded as part of the **defence costs**.

Definitions

The following words have the following meanings for this section only. **You** should also refer to the General definitions in Part C – terms and conditions section.

Claim means a written or other notice by a **regulatory authority** in connection with any claim, **official investigation or inquiry**, or **penalty** proceedings.

Defence costs means reasonable costs, charges, and expenses (other than regular or overtime wages, salaries or fees of any **insured person**) incurred by **us** or by **you** with **our** prior written consent (and such consent will not be unreasonably withheld) in defending, investigating or monitoring any **claim**, or proceedings and appeals from them, together with costs of the proceedings and appeal. Where **you** are not indemnified under this section, only those costs, charges and expenses incurred solely and exclusively for the benefit, and on behalf, of an **insured person** will constitute **defence costs**.

Defence costs in this section are part of, and not in addition to, the aggregate limit of liability applicable to this section and payment by **us** of **defence costs** reduces the aggregate limit of liability by the amount of any such payment.

Employee means any person employed by **you** under a contract of service or apprenticeship during the **period of insurance**, but does not include any person employed under such contract who is excluded from the definition of 'worker' under any workers' compensation legislation.

Environmental legislation means any Commonwealth, State or Territory statute, regulation, by-law or local law prohibiting, controlling or regulating the discharge, release, escape or disposal of **pollutants** into or upon land, the atmosphere or any watercourse or body of water.

Insured person includes only:

- (a) the named insured specified in the **Schedule**; and
- (b) every past, present or future director, partner, proprietor, officer, executive or **employee** of the named insured while such persons are acting for or on behalf of the named insured and/or within the scope of their duties in such capacities.

Investigation costs and expenses means reasonable legal costs and other expenses incurred by **you** or on **your** behalf with our consent (which will not be unreasonably withheld), or by **us**, resulting from any legally compellable attendance by **you** at any **official investigation or inquiry**.

However, **investigation costs and expenses** does not include any fine, **penalty** or order for the payment of monetary compensation.

Joint venture means any enterprise undertaken jointly by **you** with a third party or parties.

Official investigation or inquiry means an official investigation, examination or inquiry in relation to the conduct of **your business** where such official investigation or inquiry may lead to a recommendation in respect of civil or criminal liability, or civil or criminal proceedings, and which would be the subject of a **claim** or **defence costs** covered by this Section, including an investigation, examination or inquiry by way of royal commission or coronial inquiry or conducted by a **regulatory authority**.

However, **official investigation or inquiry** does not include any investigation, examination or inquiry conducted by a parliament, or any committee of a parliament, or any disciplinary committee of any association or professional body of which **you** are a member.

Penalty means any monetary sum payable by **you** to any **regulatory authority** pursuant to a **wrongful breach** by **you** but excluding:

- (a) any amounts payable as compensation;
- (b) any compliance, remedial, reparation or restitution costs;
- (c) any damages, including but not limited to any exemplary or punitive damages;
- (d) any consequential economic loss;
- (e) any amounts uninsurable under the law pursuant to which this **Policy** is construed;
- (f) any legal costs and associated expenses of the **regulatory authority**.

Regulatory authority means a person or entity appointed, constituted or acting under a delegation pursuant to any Act for the purposes of enforcement of such Act or another Act.

Senior counsel means entitled to use the letters 'QC' or 'SC' in any one or more superior court in Australia or New Zealand.

Territorial limits means anywhere in the Commonwealth of Australia and its protectorates and Territories.

Wrongful breach means any conduct by **you** which results in a contravention of:

- (a) any occupational, health, or safety legislation enacted by the Commonwealth of Australia or any State or Territory of **Australia**;
- (b) any **environmental legislation**.

You includes only:

- (a) the named insured specified in the **Schedule**; and
- (b) every past, present or future director, partner, proprietor, officer, executive or **employee** of the named insured while such persons are acting for or on behalf of the named insured and/or within the scope of their duties in such capacities.

Commercial motor

This section forms part of this **Policy** only if shown in the **Schedule**.

About this section

This section covers your vehicles. You can choose between three different types of cover for each vehicle you insure –

- Comprehensive;
- Legal liability, fire and theft; and
- Legal liability only.

The cover you have selected will be displayed next to each vehicle on the Schedule.

1. **Comprehensive** – All parts of this section will operate.

If **your vehicle** is registered this cover provides:

- (a) insurance against theft or accidental loss or damage to **your vehicle**;
- (b) extra covers – as set out under 'Extra covers';
- (c) insurance against legal liability for damage caused by **your vehicle** to the property of other people – as described in part 2 of this section.

The causes of events not covered are described under 'What we exclude'.

If **your vehicle** is unregistered part 1 of this section will operate. Part 2 of this section does not apply.

This cover provides insurance against theft or accidental loss or damage to **your vehicle**.

2. **Third party property damage including Fire and Theft** – Part 1 of this section is restricted to loss or damage caused by fire, explosion, lightning, theft or attempted theft. Any other cover set out in part 1 does not apply. Part 2 of this section will apply.

If **your vehicle** is registered this cover provides:

- (a) insurance only against damage to **your vehicle** caused by fire, explosion, lightning, theft or attempted theft;
- (b) extra covers – as set out in the 'Extra covers' section;
- (c) insurance against legal liability for damage caused by **your vehicle** to the property of other people – as described in part 2 of this section;
- (d) insurance against damage to **your vehicle** but only if the damage is caused solely and directly by another vehicle as described under the uninsured motorist's benefit under 'Extra covers'.

The causes or events not covered are described under 'What we exclude'.

If **your vehicle** is unregistered, part 1 of this section is restricted to loss or damage caused by fire, explosion, lightning, theft or attempted theft. Any other cover set out in part 1 does not apply. Part 2 of this section does not apply.

The causes or events not covered are described under 'What we exclude'.

3. **Third party property damage** – Part 1 of this section does not apply. Part 2 of this section will apply.

If **your vehicle** is registered this cover provides:

- (a) insurance against legal liability for damage caused by **your vehicle** to the property of other people – as described in part 2 of this section;
- (b) insurance against damage to **your vehicle** but only if the damage is caused solely and directly by another vehicle as described under the uninsured motorist's benefit under 'Extra covers'.

The causes or events not covered are described under 'What we exclude'.

What we cover

Part 1: Loss, damage or theft of your vehicle

We cover **you** against loss or damage to **your vehicle** shown in the **Schedule** occurring during the **period of insurance** depending on the type of cover you have selected.

- (a) **your vehicle**;
- (b) original manufacturer's standard **accessories**, standard tools, standard appliances or standard options including built in radio receiver, CD and/or cassette player, air-conditioning, or any gate, chain, strap and tarpaulin attached to or within **your vehicle**;
- (c) any fixed (built in) unspecified **accessories** up to \$2,500 or 5% of the vehicle sum insured whichever is the greater (limited \$500 per item);
- (d) any additional equipment or **accessories**, provided they have been advised to **us** and **we** have agreed to cover them.

What we pay

Basis of settlement

We will either repair, reinstate or pay the amount of the loss of or damage to **your vehicle** and items referred to in items (b), (c) and (d) above under 'What you are insured against', at the time of such loss or damage, provided such payment does not exceed the **market value** or the sum insured whichever is the lesser amount, or **agreed value** depending on the cover stated on the **Schedule**.

We assess the cost to repair **your vehicle** as the cost that **you** would incur to do so.

If it is necessary to repair **your vehicle** to a better condition than it was in before the loss or damage, then **we** may ask **you** to contribute the additional amount to repair it to the better condition.

We are entitled to replace damaged parts with new parts or used parts of similar age and condition and to those being replaced.

Salvage

If **your vehicle** is declared a total loss and **we** pay according to the cover provided by this section, **you** must allow **us**, if **we** require possession of your damaged vehicle. If **we** do not take possession of **your** damaged vehicle, **you** cannot abandon **your** responsibilities for it.

Unavailable Parts

In the event of an incident covered under this section, should any part of **your vehicle** and/or other insured property become unavailable in **Australia**, **we** will reimburse **you**, in accordance with the basis of settlement under 'What we pay – Basis of settlement', but in no circumstances will **we** be liable for more than the cost of the parts plus the cost of freight such parts by sea transport.

Should the cost of these parts plus the cost of the repairs exceed the sum insured or **market value**, whichever is the lesser, **we** reserve the right to declare the vehicle a **total loss**.

Financier

If **your vehicle** is the security for any finance agreement, then:

- **we** have the right to make claim payments to the financier; and
- any payment made to the financier will satisfy **our** obligation to **you** under this section for the amount paid.

Part 2: Third party liability – (applicable to registered vehicles only)

1. Property damage

What we cover:

Provided **your vehicle** is registered in accordance with the requirements of State and or Territory laws, **we** will cover the amount **you** may be held legally liable to pay for accidental damage to property belonging to others occurring during the **period of insurance**, excluding goods being carried by **you**, caused by or arising out of:

- the use of **your vehicle** or any trailer or caravan attached to **your vehicle**, whether or not it belongs to **you**;
- goods falling from **your vehicle**;
- the transportation of **dangerous goods** as defined. The maximum amount **we** will pay under this clause is \$1,000,000 unless specified elsewhere in **your Schedule**;
- any person who is driving, using or in charge of **your vehicle** with **your** permission as if they were **you** and provided they are not entitled to indemnity under any other policy or statute and provided such cover is not otherwise excluded.

2. Pollution cleanup costs

What we cover:

If there is no other indemnity available under this **Policy**, cover is extended to include **your** legal liability to cleanup or pay cleanup costs following sudden or unforeseen **pollution** or contamination of water, land or the atmosphere following an event covered under this section. The maximum amount **we** will pay under this clause is \$1,000,000.

3. Substitute vehicle

What we cover:

We cover **your** legal liability to pay for accidental damage to property caused (otherwise covered under this section) by a vehicle being used by **you** as a substitute vehicle while **your vehicle** is being serviced, repaired or is not driveable.

We give you this benefit only if:

- one substitute vehicle is being used at any one time in place of **your vehicle**;
- the substitute vehicle is not already covered under another insurance policy; and
- the substitute vehicle is not owned by **you** and **you** have the owner's permission to drive it.

4. Your employer's or principal's liability

What we cover:

We will pay the amount **your** employer, principal or partner may be held legally liable to pay, for accidental damage to property (which is otherwise covered under this section) while **you** are using **your vehicle** on their business, as long as it is not a use that is excluded by this section as described under 'Use of the vehicle'.

5. Your liability as principal

What we cover:

We will cover **your** legal liability to pay for accidental damage to property belonging to others in respect of any motor vehicle not owned or supplied by **you** or hired to **you**, which is in the charge of or is being driven by a person authorised to use the motor vehicle on **your** behalf and in connection with **your** business.

6. Supplementary bodily injury (does not apply if you have taken cover under the 'Legal liability' section)

What we cover:

We will pay the amount which **you**, or any person driving, using or in charge of **your vehicle** with **your** permission may be held legally liable to pay by way of compensation or damages for death or bodily injury to persons arising out of the use of **your vehicle** in **Australian** States and Territories only.

What we exclude:

This cover does not apply if you have taken section – Legal Liability.

We do not cover legal liability for death or bodily injury to:

- (a) **you** or any person driving, using or in charge of **your vehicle**;
- (b) an **employee** of **yours** or who is deemed by any law to be **your employee**, arising out of their employment with **you**.

We do not provide cover:

- (a) if **your vehicle** is not registered;
- (b) if **you** or any person using **your vehicle**:
 - is wholly or partly covered under any compulsory statutory insurance scheme or accident compensation scheme; or
 - would have been entitled to be covered under any such scheme as it existed at the commencement date of the relevant **period of insurance**, even though there may have been a change in the law during that **period of insurance**; or
 - would have been entitled to be covered under any such scheme if it were not for the application of any excess or deductible applying under the scheme; or
 - would have been entitled to be covered under any such scheme had cover not been refused because **you** did not:
 - > register **your vehicle**;
 - > apply for cover under the scheme;
 - > comply with a term or condition of the scheme;
- (c) whilst **your vehicle** is being loaded or unloaded;
- (d) if **your vehicle** is registered in the Northern Territory of Australia.

7. Legal costs

We will pay your reasonable legal costs and expenses in defending or settling claims if **you** have **our** agreement in writing. **We** pay this in addition to the amount payable under 'Damage to property' and 'Supplementary bodily injury'.

What we pay

The maximum amount we will pay under part 2 of this section in respect of all claims arising out of one incident or series of incidents arising out of one cause or event will not exceed:

- the amount stated in part 2, for the transportation of **dangerous goods** \$1,000,000 or **pollution** cleanup costs \$1,000,000 where they apply; or
- \$32,500,000 for other losses, any one event under part 2.

What we exclude

This section does not insure:

1. Property damage – property in your care, custody or control

We do not cover the legal liability of **you** or the driver of **your vehicle**, for damage to any property belonging to **you** or the driver of **your vehicle** or any property belonging to any other party in your or the driver's care, custody or control, except for premises leased or rented to **you** or where specified in extra covers for non-owned trailers.

However, **we** will not treat **your employees'** or visitors' vehicles including their contents while contained within a car park owned, operated or provided by **you**, as property in **your** care, custody or control.

This section does not cover:

- damage to **your vehicle's** tyres caused by application of brakes, road punctures, cuts or bursting;
 - damage, failure or breakdown of **your vehicle's** structural, electrical or mechanical parts;

unless caused as a result of an accident covered under the type of cover **you** have selected or by people acting maliciously.
- loss of or damage to **your vehicle** due to depreciation, wear, tear, rust or corrosion;
- loss of or damage to **your vehicle** or any resultant mechanical damage:
 - due to failure or breakdown of a structural, electrical, mechanical or electronic nature; or
 - to any part of **your vehicle** due to faulty design or workmanship; or
 - due to **you** driving the vehicle after a collision, unless **you** could not reasonably be expected to know that driving the vehicle after an accident could cause such additional damage; or
 - caused by loss of oil or coolant unless whilst **your vehicle** is being driven by a thief.

However, **we** will cover:

- damage directly caused by a collision or fire, to **your vehicle**, resulting from such failure, as mentioned under 3(i) or 3(ii) above;
- breakdown due to placing an incorrect type of, or inappropriate fuel, lubricant or coolant into **your vehicle**, or failing to place the correct or appropriate fuel, lubricant or coolant into **your vehicle**.

- loss of or damage to **your vehicle** or liability when endeavouring to evade police apprehension by **you** or any of **your** partners or directors or anyone driving your vehicle with your consent;
- any additional costs, such as but not limited to, hire car costs (other than those covered elsewhere in this section), because you cannot use **your vehicle** even though **your vehicle** may not be available following loss or damage covered under this section;
- loss of or damage to **your vehicle** or liability resulting from theft by **you**, your partners or directors, or **your employees**;
- loss of or damage or liability resulting from an intentional act by **you** or anyone acting with **your** consent;
- theft of **your vehicle** resulting from it being test driven for sale and **you** or an **employee** of **yours** did not accompany the prospective purchaser;
- loss of or damage to **your vehicle** if reasonable steps to protect or safeguard **your vehicle** have not been taken;
- any liability or obligation assumed by **you** under any contract, agreement or warranty which would not have otherwise arisen or been implied by law;
- loss of or damage to **your vehicle** or liability if **your vehicle** is used in an unsafe or unroadworthy condition unless such condition could not reasonably be detected by **you**. This exclusion will not apply if **you** prove that the loss, damage or liability was not caused or contributed to by such unsafe or unroadworthy condition;
- loss of or damage to **your vehicle** or liability if **your vehicle** is being driven by:
 - you** or by any person with **your** consent who is not licensed under any relevant law to drive such a vehicle; or
 - anyone whose faculties are impaired by any drug or intoxicating liquor; or
 - anyone whose blood alcohol reading exceeds the legal limit (subject to any laws to the contrary); or
 - anyone who following an accident, refuses to provide or allow the taking of a sample of breath, blood or urine for testing or analysis as required by the law of any State or Territory in which the accident occurred.

However **we** will cover **you** if **you** have allowed that person to drive **your vehicle** and **you** can prove that **you** were not aware that **your vehicle** was being driven by or in charge of that person when they were so affected or unlicensed.

Where permitted by law, **we** reserve the right to recover the amount **we** pay from the driver of **your vehicle** at the time of the loss or damage.

- loss of or damage to **your vehicle** or liability whilst **your vehicle** is being used in any experiment or type of test or in preparation for or involved in racing, speed testing, reliability trial, pace making, hill climbing, trial or demonstration other than for resale purposes on public roads;
- loss of or damage to **your vehicle** or liability if **you**:
 - carry or tow a load; or
 - carry a number of passengers;

in excess of that for which **your vehicle** was designed. However **we** will cover **you** if **you** prove that the loss, damage or liability was not caused by or contributed to by any such greater load or number of passengers,
- your vehicle** if it has been legally seized or repossessed;

16. loss of or damage to **your vehicle** or liability while **your vehicle** is being used for conveyance of passengers for hire, fare or reward;
17. any fines, penalties, aggravated, punitive, exemplary or multiple damages;
18. loss of or damage to **your vehicle** or liability for any vehicle running on rails or which is not designed to run solely on solid ground;
19. **your** liability or any resultant damage, in respect of loss or damage to any underground sewers, water pipes, gas pipes, electric wire cables or their supports including any transmission cables and their supports or any other underground pipes or cables or their supports if such damage is caused by **your vehicle** which is involved at the time in any digging or excavating;
20. your liability for damage to any land, buildings or other fixed property arising directly or indirectly from the removal, weakening or interference with any support or supports of such land, buildings or other fixed property, if such damage is caused by your vehicle which is involved at the time in any digging or excavating;
21. loss of or damage to any concrete agitator, barrel, bowl or pump and/or its fittings caused by, or arising from the hardening or setting of concrete, unless as a result of a collision the emptying of these items becomes impossible or impractical;
22. loss of or damage to **your vehicle** or liability outside **Australia** except where **your vehicle** is being transported by sea between Australian ports;
23. loss of or damage to **your vehicle** or liability if **your vehicle** is being driven by or in the charge of any person over the age of 80 unless **you** have told us about them and **we** have noted them on the **Schedule**;
24. loss damage or liability if **your** motor cycle has an engine capacity greater than 250 cubic centimetres and is being ridden by any person under 21 years of age or a rider who has not held a full motor cycle licence for two years;
25. loss damage or liability if **your** motor cycle has an engine capacity greater than 500 cubic centimetres and is being ridden by any person less than 30 years of age or a rider who has not held a full motor cycle licence for two years;
26. loss of or damage to **your vehicle** if at the time of an incident, **your** crane was lifting, lowering, carrying or suspending a load in excess of that for which it was constructed, or for which it was licensed to lift, lower, carry or suspend;
27. liability arising out of the use of **your** crane if at the time of an incident, it is lifting, lowering, carrying or suspending any object;
28. **you** for any breakage of or damage to the boring equipment covered by this section while the boring machine is in operation;
29. **you** for any breakage of or damage to the blades of your plant and equipment covered by this section while such plant and equipment is in operation;
30. any liability under part 2: Third party liability, if **your vehicle** or substitute vehicle is unregistered. However **we** will cover **your** liability in respect of the unregistered vehicle on a public road, if **you** have obtained the appropriate permit to drive the unregistered vehicle on a public road;

31. loss of or damage to **your vehicle** or liability where the transportation of any goods or substances which are mentioned as **dangerous goods**, irrespective of the quantities, are not being carried in accordance with the requirements of The Australian Code for the Transport of Dangerous Goods by Road and Rail;
32. liability arising out of the use of **your** registered vehicle, being used as a tool, or plant forming part of **your vehicle** being used as a tool, operating at any work site (excluding while the vehicle is travelling, transporting or carting goods);
33. loss of or damage to **your vehicle**, including any liability, resulting from use of **your vehicle** when let out on a dry hire basis unless **we** have agreed in writing to provide dry hire cover;
34. liability arising out of the use of **your vehicle** whilst underground in any mining activity;
35. liability arising out of the use of **your vehicle** **airside** of or at an **airfield**;
36. liability arising directly or indirectly from the existence, use, transportation, distribution, handling, mining and/or storage of asbestos or any material containing asbestos;
37. loss of or damage to any stock in trade including but not limited to vehicles for sale or on consignment;
38. loss of or damage to any vehicle **accessories** or appliances due to mechanical or electrical derangement.

Extra Covers

We give you these extra covers following loss or damage to **your vehicle** insured under this section depending on the type of cover **you** have selected:

1. Towing costs – applicable to comprehensive cover only

We will cover the costs of towing **your vehicle**, plus the reasonable cost of protecting **your vehicle**:

- to the nearest repairer;
- place of safety; or
- to any other place that **we** first approve (such approval will not be unreasonably withheld) following loss or damage covered under this section.

2. Redelivery – applicable to comprehensive cover only

We will cover **you** for reasonable costs to return **your vehicle** to its normal parked address, following repairs to **your vehicle** provided:

- the situation where **your vehicle** was repaired was more than 150 kilometres from **your vehicle's** normal parked address.

3. Recovery costs following theft – applicable to comprehensive cover and third party fire and theft

If **your vehicle** is stolen and found **we** will cover **you** for reasonable costs to return **your vehicle** to its normal parked address.

4. The cost of repatriating your driver or non-fare paying passenger following theft or accident – applicable to comprehensive cover only

We will cover **you** up to a maximum of \$5,000 for the reasonable costs of overnight accommodation and returning an insured driver or non-fare paying passenger to the point of departure or at **your** option to the driver's destination provided:

- **your vehicle** was more than 150 kilometres from its normal parked address or point of departure at the time of the loss or damage; and
- the vehicle was being used in connection with **your business**; and
- the costs involved do not relate to emergency medical transportation; and
- **you** had not intended to pay for overnight accommodation in any event.

5. Trailer cover – applicable to comprehensive cover only

What we cover

We will pay for theft, or accidental loss or damage to any trailer with a **gross vehicle mass** of less than 2,000 kilograms (other than a caravan) which is owned by **you** while it is:

- attached to **your vehicle**; or
- detached from **your vehicle** but within your business premises or the domestic land boundaries of your usual home as long as it was not in a common area of home units, flats and the like.

What we exclude

We do not pay for any property in or on the trailer. The maximum amount we will pay is the **market value** of the trailer, limited to \$2,000. No **excess** is applicable for any claim accepted under this Extra cover.

6. Non owned trailers – applicable to comprehensive cover only

What we cover

We will cover **your** legal liability for damage to trailers under **your** control not owned, leased or rented by **you** and belonging to a principal, provided that:

- (a) the trailer is attached to **your vehicle** and used in the course of **your** business;
- (b) an **excess** of \$2,500 will apply to each and every event giving rise to a claim; and
- (c) the amount of the **excess** will be increased by 100% if the event giving rise to the claim occurs while any tipping hoist is fully or partially raised.

What we exclude

The amount of the cover is limited to \$75,000 or **market value**, whichever is the lesser in total any one incident, unless a higher limit is noted on the **Schedule** (see special clauses).

7. Chains, gates, ropes and tarpaulins

What we cover

When gates, chains, tarpaulins, chain dogs, ropes, binders or fences are attached to **your vehicle** we will pay for loss of or damage to those items.

What we exclude

- If gates, chains and tarpaulins (including chain dogs, ropes, binders or fences) are specified in your **Schedule** as **accessories**, then the maximum amount we will pay for loss of or damage to those items is the amount shown in **your Schedule**.
- If gates, chains and tarpaulins (including chain dogs, ropes, binders or fences) are not specified as **accessories** in **your Schedule** then the maximum amount we will pay for loss of or damage to those items, per event, is \$10,000.

Any amount payable under this Extra cover is in addition to any amount we pay to you in respect of loss of or damage to **your vehicle**.

8. Automatic additions – applicable to comprehensive and third party fire and theft cover

We will cover **you** for any additional or replacement vehicle(s) of a like kind or similar nature to those vehicles presently insured under this section, that **you** purchase or lease (not hired) during the **period of insurance** for 60 days.

If before **you** have given **us** full details, the replacement vehicle is damaged or stolen, the maximum amount payable is the purchase price of the replacement vehicle up to:

- \$300,000 in the case of comprehensive cover; or
- \$15,000 in the case of third party fire and theft cover.

If **you** give **us** details of any new or replacement vehicle within 60 days of its purchase or lease, we will insure it for the remainder of the **period of insurance**, as long as it is acceptable to **us** and **you** pay any reasonable additional premium that we may require, having regard to the nature of the risk as we assess it.

If **you** do not advise **us** within 60 days of purchase or lease no cover is available.

9. Breach of general policy conditions – applicable to all types of cover

A breach or non-compliance with any general policy condition without the knowledge of **you** or any responsible officer will not affect **your** right to the cover under this section. However where **you** or any responsible officer becomes aware of such breach or non-compliance **you** will notify **us** as soon as reasonably possible after becoming aware. If the risk is acceptable to **us** we will insure it for the remainder of the **period of insurance** and **you** will pay any reasonable extra premium we may require, having regard to the nature of the risk as we assess it, and comply with any additional conditions we may impose.

10. Removal of vehicle debris – applicable to all types of cover

What we cover

We will cover for the necessary and reasonable costs which **you** are legally liable to pay to clean up and remove any vehicle debris.

What we exclude

This is limited to the vehicle itself and does not include any goods falling from **your vehicle**. We will not pay more than \$50,000 any one claim.

11. Sign writing – applicable to comprehensive cover only

We will cover **you** for loss or damage to sign writing or fixed advertising signs or materials forming a permanent part of **your vehicle** at the time of the loss or damage.

12. Maritime liability – applicable to comprehensive cover only

If **your vehicle** is being transported by sea between Australian ports, **we** will cover **you** for **your** contribution for **your vehicle** if “general average” is declared.

General average is declared when goods or cargo are thrown overboard or other steps are taken to safeguard the vessel and the remaining property on the vessel. All cargo owners share the expenses or salvage costs incurred by a ship owner in preserving the vessel and cargo including claims costs incurred by cargo owners.

13. Waiver of subrogation – applicable to all types of cover

We will not seek recovery between the persons, companies or firms named in the **Schedule** as the insured.

14. New vehicle replacement – applicable to comprehensive cover only

Where **your vehicle** is a sedan, station wagon, panel van, 4x4, utility, truck or a minibus with a carrying capacity of not greater than 15 persons, **we** will replace **your vehicle** with a new vehicle of the same make, model or series so long as it is available in **Australia** and:

- **your vehicle** is a **total loss**; and
- **you** purchased it new from the manufacturer or their dealer; and
- **your vehicle** is less than 24 months old from when it was first registered; and
- **your** declared sum insured equates to no less than 90% of **market value**; and
- where **your vehicle** is financed, **your** financier has given **us** written consent.

If a new replacement vehicle is not available, **we** will replace **your vehicle** with the nearest equivalent vehicle available, so long as it is available in **Australia**. If **we** cannot agree on a replacement vehicle, **we** will pay **you** the amount it would cost to buy a new vehicle the same as, or a near equivalent of, the vehicle which needs replacing.

If an **excess** is applicable it is payable to **us** before we replace **your vehicle**.

We also pay the registration for the period registered but not exceeding 12 months, stamp duty and dealer charges on the new vehicle but any refund of registration fees or stamp duty applicable in respect to the old vehicle must be refunded to **us**.

Where **your vehicle** does not meet all of the criteria above, all **total loss** claims will be settled on the declared sum insured or the current **market value** at the time of the loss or damage, whichever is the lesser.

Where **you** choose to insure the replacement vehicle with **us** and **we** accept the risk, **we** will charge **you** a pro rata premium from the date of acceptance to the expiry date of the **Policy**.

15. Agreed sum insured – applicable to comprehensive cover only

Where **your vehicle** has a **gross vehicle mass** of 12,000 kilograms, or greater and provided the age of the vehicle at the time of such loss or damage, was not in excess of 24 months from the date of original registration as a new vehicle, by **you**, **we** will, in the event of **your vehicle** being classed as a **total loss** under this **Policy**, pay the sum insured declared to **us**, as the value of the vehicle at the commencement of the current **period of insurance**.

This extra cover doesn't apply in regard to vehicles detailed in New Vehicle Replacement above.

16. Car sharing – applicable to all types of cover

Payment made by passengers, as part of a car sharing agreement for social or other similar purpose, including travelling to and from work will not constitute the conveyance of passengers for hire, fare or reward provided that the total contribution received for the journey does not involve commercial use for profit.

17. Hire car cost following fire or theft – applicable to comprehensive cover only

What we cover

If **your vehicle** is burnt or stolen and these perils are covered under this **Policy** **we** will cover **you** for the reasonable costs of hiring a similar vehicle provided:

- **we** do not pay for hiring charges incurred after the date of recovery of **your vehicle** if it can be driven; and
- cover stops once **we** pay a claim, or the vehicle is repaired if undrivable.

You will need to organise and pay for the hire vehicle. **We** are not responsible for ensuring that a hire vehicle is available. **You** must also give **us** a copy of the rental agreement and any receipts for the vehicle before **we** will reimburse **you**.

Alternatively to hiring a vehicle **we** will pay the costs of utilising other means of transport (including taxis or public transport) up to a maximum of \$100 per day and \$5,000 in total.

What we exclude

We will not pay more than \$5,000 for any one insured event.

We do not pay for:

- running costs, including the costs of fuel;
- damage to the hire vehicle;
- any insurance, insurance excess or other costs **you** may be liable for under the hire vehicle rental agreement.

18. No claim discount benefit – applies to comprehensive cover only

If **your vehicle** is insured for comprehensive cover and **you** do not have a claim, **we** apply a discount off **your** next year's renewal premium. This reward is called the 'No claim discount'.

The more 'claim free' years that **you** have, the greater the percentage of discount, until **you** reach the maximum level of discount after five years. Even if **you** have a claim where **your** no claim discount would be affected, **you** may not lose all of **your** no claim discount. If **you** have a claim and **you** have not accumulated any no claim discount **we** may increase **your** invited renewal premium.

We also accept the number of claim free years that **you** may have accumulated with another insurer in calculating **your** no claim discount.

Accidents/losses affecting your no claim discount

When calculating **your** renewal premium **we** take into account accidents/losses that occur during the **period of insurance** that affect **your** no claim discount.

19. Faultless no claim discount - applicable to comprehensive cover only

If **your vehicle** has been involved in a collision with another vehicle (and not any other type of accident) **we** will not penalise **your** no claim discount entitlement when **you** renew your **Policy** if:

- the collision was totally the fault of the driver of another vehicle; and
- **you** make reasonable efforts to obtain and provide to **us** the registration number of the other vehicle and the full name, licence number and address of the other driver.

We give this benefit only if **we** are allowed legally to recover the amount of any loss including any applicable excesses from the third party.

This benefit does not apply to windscreen or window glass damage only claims.

20. Lease, hire purchase or financial agreement payout – applicable to comprehensive cover only

Where:

- **your vehicle** is declared a **total loss**; and
- **your vehicle** is subject to a lease, hire purchase or any financial agreement through a financial institution directly related to financing of the vehicle purchase; and
- the payout amount exceeds the agreed **total loss** amount.

We will pay:

- the agreed **total loss** amount; plus
- an additional amount of 25% of the **total loss** amount.

Provided:

- this amount and the **total loss** amount do not exceed the financial payout figure;
- that any payment over the agreed **total loss** amount does not include any amounts that are in arrears at the time of loss;
- that any additional payment over and above the agreed **total loss** amount will include any discounts applicable for full payment of the financial contract.

21. Funeral expenses – applicable to comprehensive cover only

What we cover

As a result of an accident in an insured vehicle covered under this section **your** driver sustains a fatal injury, whether or not death occurs at the time of the loss **we** agree to pay for associated burial or cremation costs and include travel costs within **Australia** for the deceased driver or any member of the immediate family.

What we exclude

This benefit will not be reduced by any accident compensation and **we** will pay up to \$25,000 in total any one **period of insurance**.

22. Tyre replacement – applicable to comprehensive cover only

If **we** pay a claim and any tyre cannot be used as a direct result of damage sustained from a loss covered under this **Policy**, **we** will pay for the new replacement cost of a similar make and specification. This benefit is applicable provided that the condition of the damaged tyres remaining tread conforms with legal requirements at the time of damage and it was not a recapped or retread tyre.

23. Locks and keys – applicable to comprehensive cover only

What we cover

If **your** keys are lost, destroyed or damaged, or if there are reasonable grounds to believe the keys may have been illegally duplicated, **we** will pay the costs of replacing and recoding the locks and/or keys. This benefit is not subject to loss or damage to the vehicle covered under this section.

What we exclude

We will not pay more than \$10,000 during any one **period of insurance**.

24. Fire brigade and/or emergency services charges – applicable to all types of cover

What we cover

We will cover any expenses incurred by **you** if **you** are legally liable for fire extinguishment costs charged by the Fire Brigade or emergency services costs.

What we exclude

This extra cover is only payable if **we** pay a claim under this section. **We** will not pay more than \$25,000 during any one **period of insurance**.

25. Driver's personal property – applicable to comprehensive cover only

What we cover

We will cover the loss or damage to wearing apparel and personal property belonging to the driver not otherwise insured while contained in the insured vehicle.

What we exclude

Money, securities, jewellery, furs, mobile phones, personal music devices, portable GPS, tools of trade and laptop computers are excluded.

We will not pay more than \$2,000 arising from any one incident.

26. Windscreen or window glass claim benefit – applicable to comprehensive cover only

We will not reduce **your** no claim discount for any windscreen or window glass only claim.

For the purpose of this benefit 'broken' shall mean a fracture that extends through the entire thickness of the glass or where the windscreen is laminated, a fracture extending through all layers of the lamination, or where the damage is sufficient to prevent registration by the appropriate authorities.

27. Uninsured motorist's benefit – applies to third party fire and theft or third party property damage cover only

What we cover

We will either repair **your vehicle** to its condition immediately prior to the time of loss or pay **you** the cost of that **you** would incur to repair **your vehicle** resulting from accidental loss or damage to **your vehicle**, if **you** can satisfy **us** that the accident which gave rise to the claim was totally the fault of the driver of another vehicle and:

- **you** have made reasonable efforts to obtain and provide to us the registration number of the other vehicle and the name and address of the driver of the other vehicle; and
- at the time of the loss or damage the driver of the other vehicle was not insured for their third party liability; and
- at the time of the loss or damage the other vehicle was not owned or registered in **your** name or in the name of a person who is a relative of **yours** or any person with whom **you** normally reside.

What we exclude

The maximum amount **we** will pay under this extra cover for all claims from any one accident or series of accidents arising out of the one cause or event is the lesser of \$5,000 or the **market value** of **your vehicle** at the time of the loss or damage.

If **we** pay **you** the **market value** of **your vehicle**, then **your vehicle** in its damaged condition will become (at **our** option), **our** property.

28. Choice of repairer – applicable to all types of cover

You may choose any licensed repairer to repair **your vehicle**. However **we** may invite, accept, adjust or decline estimates or arrange to move **your vehicle** to another repairer acceptable to both of us.

29. Driver accident compensation benefit – applicable to comprehensive cover only

What we cover

We will pay the following compensation to a driver of **your vehicle** who is injured and who as a direct result suffers a permanent disability, as defined and as a result of the accident while driving **your vehicle**.

Compensation will only be payable if:

- the driver was driving **your vehicle** with **your** consent and is licensed to drive such a vehicle;
- the driver was not under the influence of alcohol or any narcotic depressant stimulant or hallucinogenic drug, as defined under 'Additional exclusion 12';
- the claim has been accepted under this **Policy**; and
- the driver is not entitled to any benefits under any compulsory statutory insurance scheme or accident compensation scheme or would have been so entitled if:
 - it were not for the application of any excess or deductible applying under the scheme; or
 - compensation under the scheme had not been refused, because **you** did not register **your vehicle** or apply for cover under the scheme.

Table of compensation benefit

Disability from an injury resulting in a compensation	Compensation amount
Permanent quadriplegia	\$100,000
Permanent paraplegia	\$75,000
Permanent total disablement	\$50,000
Permanent loss of entire sight in both eyes	\$25,000
Permanent loss of entire sight in one eye	\$10,000
Permanent total loss of or loss of use of one limb (at or above the wrist or ankle)	\$10,000

What we exclude

Where the driver is permanently left with more than one disability as above **we** will pay only one of the compensation amounts mentioned above. In such circumstances the highest single level of applicable benefit will be paid.

The medical diagnosis of the injury leading to the permanent disability must be made within 90 days of the date of accident for any of the benefits to be given.

The establishment of a permanent disability will be solely determined by **our** medical specialist.

We will not pay a benefit claim until the injury is stabilised, or **our** medical specialist has confirmed that in their opinion, the injury is of a permanent nature and the injury will not be likely to significantly improve.

Unless the injured driver undergoes all medical examinations organised by **us** in order to assess the claim no compensation will be payable by **us**. (**We** will arrange the examinations and pay the costs associated which includes reasonable travel expenses for any examinations arranged by **us**.)

30. Vehicle recovery costs – applicable to comprehensive cover only

What we cover

Where **your vehicle** becomes unintentionally immobilised on a work site or in a physical situation whilst being used as part of your normal business operations **we** shall cover the cost of recovery or removal toward mobilisation of **your vehicle**.

What we exclude

We will not pay for immobilisation as a result of electronic, electric, or mechanical failure or malfunction, or normal wear and tear.

We will not pay more than \$20,000 during the **period of insurance** for this extra cover.

31. Removal of load – applicable to comprehensive cover only

What we cover

We will cover **you** for the necessary and reasonable cost to remove the vehicles load and or cleanup the load debris for goods falling from **your vehicle** or being damaged following loss or damage to **your vehicle**. **We** do not cover any damage to your load.

What we exclude

We will not pay more than \$20,000 any one event.

32. Employees Vehicles – applicable to comprehensive cover only

If an employee's vehicle is used on or in connection with the Insured's business and not otherwise insured **we** will cover the vehicle comprehensively up to a value of \$50,000 or **market value** whichever is the lesser.

33. Family expenses when driver hospitalised - applicable to comprehensive cover only

What we cover

We will cover **you** for the reasonable costs of transport and accommodation incurred by the injured employee driver's family member to get to hospital following the driver sustaining personal injury requiring hospitalisation in an accident covered by this section.

What we exclude

We will not pay more than \$5,000 any one event.

34. First aid and kit expenses - applicable to comprehensive cover only

What we cover

We will cover **you** for the costs of first aid and any kit expenses that are used following an accident covered under this section.

What we exclude

We will not pay more than \$2,500 if to do so doesn't contravene any governing laws.

35. Young drivers on rural property - applicable to comprehensive cover only

If **your vehicle** is damaged whilst being driven by a person aged 12 years or over on rural land, owned by **you**, **we** will provide cover under part 1 of this section.

36. Claims preparation costs - applicable to comprehensive cover only

What we cover

We will cover **you** for the reasonable costs and expenses with **our** prior written consent (which will not be unreasonably withheld), in producing and certifying any details required in terms or conditions relating to a claim covered by this section.

What we exclude

We will not pay more than \$25,000 for this extra cover.

37. Crisis cover - applicable to comprehensive cover only

What we cover

We will cover **you** for any reasonable public relations expenses incurred with **our** written consent (which will not be unreasonably withheld) in respect of any claims made during the **period of insurance**.

What we exclude

We will not pay more than \$50,000 for this extra cover.

38. Psychological counselling - applicable to comprehensive cover only

What we cover

We will cover **you** for the reasonable costs for the driver of the vehicle to obtain professional counselling as a result of an accident covered by this section.

What we exclude

We will not pay more than \$5,000 for this extra cover.

Special Clauses

Only those clauses that are shown on the **Schedule** will apply.

1. Dangerous goods

Where this clause is shown on the **Schedule** it is agreed that provided that the transportation of **dangerous goods** is limited to classes 2, 3, 4, 5, 8 and 9 as listed under The Australian Code for the Transport of Dangerous Goods by Road and Rail, the maximum amount **we** will pay for property damage under part 2 of this **Policy** wording is amended to the amount shown on the **Schedule** for **dangerous goods** in respect only to **your vehicles** whose registration numbers are shown on the **Schedule**.

2. Radius restriction

Where this clause is shown on the **Schedule** it is agreed that in respect of the vehicle **excess** that no additional **excess** applies, whilst operating within the kilometre radius of **your** home, base(s) or depot(s), shown on the **Schedule**.

3. Underground pipes and cables

Where this clause is shown on the **Schedule** it is agreed that 'Exclusion 19' under 'What we exclude' is deleted and that this **Policy** will cover **you**, under the provisions of this **Policy**, for **your** legal liability arising out of any damage to, or as a result of damage to any underground sewers, water pipes, gas pipes, electric wire cables or their supports including any transmission cables and their supports or any other underground pipes or cables or their supports (underground services) provided **you** have ascertained the actual position of these underground services from the relevant authorities prior to commencement of any excavation.

The amount of cover provided by this clause is limited to \$100,000 any one incident. The **excess** for this special clause is \$500.

4. Non owned trailers

Where this clause is shown on the **Schedule** it is agreed that **we** will cover **your** legal liability for damage to trailers not owned, leased or rented under **your** control and belonging to a principal, provided that:

- (a) the trailer is attached to **your vehicle**;
- (b) an **excess** of \$2,500 will apply to each and every event giving rise to a claim; and
- (c) the amount of the **excess** will be increased by 100% if the event giving rise to the claim occurs while any tipping hoist is fully or partially raised.

The amount of the cover is limited to the amount shown on the **Schedule** or **market value**, whichever is the lesser in total any one incident.

5. Windscreen excess protection

If the only damage in an accident is a broken windscreen or window glass, the standard **excess** shown in the **Schedule** does not apply to any windscreen or window glass claim in any one annual **period of insurance**.

For the purpose of this benefit 'broken' shall mean a fracture that extends through the entire thickness of the glass or where the windscreen is laminated, a fracture extending through all layers of the lamination or where the damage is sufficient to prevent registration.

The following options are available for comprehensive cover only where vehicles are sedans, station wagons, panel vans, 4x4 or goods carrying vehicles with a **gross vehicle mass** less than 3,500 kilograms.

6. Agreed value

If **you** select this option, **you** have insured **your vehicle** for **agreed value**. **We** will either replace **your vehicle** with an equivalent vehicle or pay the **agreed value** shown on the **Schedule**.

7. Hire vehicle costs following an accident

If **your vehicle** is damaged in an accident which is covered under this **Policy**, **we** will reimburse **you** for the costs **you** incur of hiring a vehicle while **your vehicle** is being repaired or if it is deemed a **total loss**.

We will reimburse **you** an amount up to the maximum daily rate shown on your **Schedule**:

- up to a maximum of \$5,000; or
- until **your vehicle** is repaired; or
- until **we** pay **your** claim;

whichever happens first.

The cover will commence on the date **your vehicle** is taken to the repairer provided we are notified at that time.

You will need to organise and pay for the hire vehicle. **We** are not responsible for ensuring that a hire vehicle is available. **You** must also give **us** a copy of the rental agreement and any receipts for the hire vehicle to assist **us** in processing **your** claim.

If the cost of the hire vehicle is more than the maximum daily rate shown on **your Schedule**, **you** will have to pay the difference.

We do not pay for:

- additional hiring costs;
- running costs, including the costs of fuel;
- damage to the hire vehicle;
- any insurance, insurance excess or other costs **you** may be liable for under the hire vehicle rental agreement.

We will not cover **you** under this optional benefit if:

- the only damage to **your vehicle** is to its windscreens or window glass; or
- **your vehicle** is stolen, because **you** may be able to claim under the 'Hire vehicle costs following theft' extra cover.

8. Protected no claim discount

If **you** are involved in an accident and **you** make a claim where **your** no claim discount would normally be affected, then, **your** no claim discount entitlement will not be reduced at renewal of **your Policy** provided **you**:

- are, at the time of the accident, on maximum no claim discount; and
- do not have more than one claim, where this clause is applicable, in any one annual **period of insurance**.

9. Tools and equipment

Where this clause is shown on the **Schedule** it is agreed **we** will cover **your** tools and equipment of trade for loss or damage caused by:

- fire, lightning, explosion, malicious damage or vandalism whilst secured on or in **your vehicle**;
- theft following forcible and violent entry which causes visible damage to a locked vehicle;
- theft when securely attached to **your vehicle** through the use of locks or padlocks, which results in visible damage to the securing devices;
- collision or overturning of the conveying vehicle.

The amount of cover provided by this special clause is limited to a total of \$5,000 (up to \$1,000 per item) in any one **period of insurance**.

We will pay the lesser of:

- the cost that **you** would incur to repair or replace the lost or damaged item; or
- the current **market value** of the lost or damaged item.

If only part of the item is damaged, **we** will only pay for that part plus the cost of any necessary dismantling and reassembling.

You must pay an **excess** of \$250 for each claim made under this section.

10. Other optional special clauses available

- Dry hire.
- Comprehensive non owned trailers cover.
- Downtime cover.

Conditions

These conditions apply to all covers and claims under the 'Commercial motor' section.

Accidents/losses affect your renewal premium

When calculating **your** renewal premium all claims that occur during the **period of insurance** may affect the coming year's renewal premium.

In addition if **you** report an incident or loss after **we** have advised renewal terms **we** reserve the right:

- to revise **our** renewal terms;
- where the **Policy** has been renewed and a claim has been reported that occurred in the previous **period of insurance** to charge any reasonable additional premium relative to the reported loss, having regard to the nature of the risk as **we** assess it;
- where the **Policy** has been renewed, to reduce the **period of insurance** in proportion to the amount due if that additional amount is not paid within 28 days of notification.

Cover comes to an end following total loss

Where this **Policy** covers more than one vehicle then this clause will only apply to the particular vehicle which has been treated as a **total loss**.

If **we** declare **your vehicle** a **total loss** and pay **you** the sum insured, **market value** or replace **your vehicle**, then the **Policy** will come to an end for that vehicle and **you** will no longer have any cover for it. This means **you** will not be entitled to make any further claim for that vehicle under this **Policy** and:

- where the premium has been paid in full for the **period of insurance** there will be no refund of any premium; or
- where the premium is paid by instalments, **we** are entitled to deduct from any claim paid or payable, the balance of the unpaid premium or instalments of premium.

Where **we** replace **your vehicle** with a new vehicle, as set out in 'Extra covers – New vehicle replacement' and **you** choose to insure it with **us** and **we** accept the risk, a pro rata premium is payable.

Protection of insured vehicles

You must take all reasonable precautions for the care, safety and protection of the vehicles covered under this **Policy** and comply with all statutory obligations, by-laws and regulations imposed by any public authority for the safety, use and storage of the insured vehicles.

Claims conditions

These claims conditions apply to all covers and claims under the 'Commercial motor' section.

1. What you must do after an accident or theft

If an incident happens which may give rise to a claim **you** must:

- take all reasonable steps to protect or safeguard **your vehicle** from further loss, damage or theft;
- notify the police as soon as possible if **your vehicle** or any of **your** property is stolen or maliciously or intentionally damaged and provide details of the report to **us**. **We** may need the police report number to process **your** claim or our recovery action if there is a third party who is liable for **your loss**;
- tell **us** or **your** financial services provider as soon as possible. **You** will be provided with a claim form and advice on what to do;
- supply **us** with all information **we** reasonably require to settle or defend the claim;
- notify **us** of any other insurance covering the same loss, damage or liability;
- provide **us** with all reasonable assistance in any action **we** take if **we** have a right to recover any money payable under this **Policy** from any other person;
- provide to **us** full details in writing as soon as possible after the happening of any accident or occurrence, which may become the subject of a claim under this **Policy**;
- send to **us** as soon as possible any letter or communication from other parties;
- tell **us** as soon as possible of any notice of impending prosecution or details of any inquest or official inquiry;
- give all information and assistance **we** may reasonably require to handle any claim that **you** make under this **Policy**.

In an emergency outside normal business hours **you** may call **our** emergency service on 1800 023 387 for assistance.

If in doubt at any time, call **us** or **your** financial services provider.

2. What you must not do after an accident or theft

In the event of an incident that may give rise to a claim, **you** must not:

- admit liability if an accident occurs which is likely to result in someone claiming against **you**;
- make an offer, settlement, promise or payment;
- incur any costs or expenses without **our** written consent (which will not be unreasonably withheld), in respect of any right or claim which may be the subject of a claim by **you** against **us** under this **Policy**;
- authorise repairs to **your vehicle** without **our** prior consent.

However **you** may authorise:

- the fitting of an identical replacement windscreen or window glass;
- repairs up to \$5,000 (over and above any applicable **excesses**) if **you** are more than 200 kilometres from the normal nightly parked address and they are necessary to enable **you** to continue your journey.

3. Repair guarantee

If **we** authorise repairs to **your vehicle**, **we** will guarantee the quality of the repairs for any defect due to faulty workmanship or faulty material for the life of **your vehicle**. For entitlement to any repairs under this guarantee **you** must first allow **us** to inspect the vehicle and the repairs must be necessary.

4. Recovery Action and Uninsured loss/s

Subject to General policy condition 'Waiver of subrogation rights' if **we** pay **your** claim, **we** may seek to recover the amount paid to **you** from the third party who caused the loss. **We** will do this in **your** name and **you** must assist **us** with any reasonable requests. **We** will act reasonably having regard to **your** interests and will keep you informed if **you** ask **us** to.

If **you** have suffered loss which was not covered by this **Policy** as a result of the incident, **we** may offer to attempt to recover this for **you**. **You** might specifically ask **us** to recover this for **you**. **You** will need to give **us** documents supporting **your** loss. Before **we** include any uninsured loss in the recovery action **we** will also ask **you** to agree to the basis on which **we** will handle **your** recovery action. **You** may need to contribute to costs in some circumstances as agreed at the time.

5. Standard excess

You will have to contribute the first amount of every claim. This amount is shown on the **Schedule** as the standard **excess**.

6. Age or inexperienced driver excess

This **excess** is only applicable to vehicles with a **gross vehicle mass** less than 12,000 kilograms.

In addition to the standard **excess**, **you** will have to contribute an age excess or inexperienced driver's **excess** if at the time of any incident giving rise to a claim **your vehicle** is driven by a person who:

- is under the age of 21; or
- is aged 21 or over, but under the age of 25; or
- is aged 25 or over but has not held an Australian driver's licence for two or more years for the type of vehicle being driven at the time of the incident.

The amount of the age or inexperienced driver's **excess** is shown on your **Schedule**. **You** will not have to contribute this additional **excess** if the only damage to **your vehicle** is a broken windscreen or window glass, or caused by storm or hail damage.

7. Heavy vehicle age and inexperienced driver's excess

Age or inexperienced driver **excess** for heavy vehicles (vehicles with a **gross vehicle mass** or **gross combination mass** of 12,000 kilograms or greater).

Where a rigid body motor vehicle with a **gross vehicle mass** or **gross combination mass** of 12,000 kilograms or greater is, at the time of an incident, being driven by or is in the charge of a person under 21 years of age, or the person driving or in charge of the vehicle has less than two years driving experience in **Australia** for these vehicles at the time of the incident an **excess** of \$5,000 per vehicle will apply.

Where an articulated motor vehicle with a **gross combination mass** of 12,000 kilograms or greater is, at the time of an incident, being driven by or is in the charge of a person under 25 years of age, or the person driving or in charge of the vehicle has less than two years driving experience in **Australia** for these vehicles at the time of the incident an **excess** of \$5,000 per vehicle will apply.

8. Undeclared driver's excess – only applicable if noted on your Schedule

In addition to any other **excesses** which apply, **you** will have to contribute an undeclared driver's **excess** if, at the time of an incident which gives rise to a claim, **your vehicle** was being driven by or in the charge of a person:

- who is a member of **your** family and they normally live with **you**; and
- whose name has not been shown as a driver on **your Schedule**.

You will not have to pay this **excess** if:

- the driver of **your vehicle** is over 25 years of age and has not been convicted of driving under the influence of alcohol or had their licence suspended or cancelled in the five years immediately before the accident or loss; or
- **you** satisfy **us** that an emergency existed; or
- the use of **your vehicle** is shown as **business** on the **Schedule**; or
- the only damage to **your vehicle** is a broken windscreen, window glass, hail damage, or loss or damage which occurs when the vehicle is parked or unattended.

The amount of the undeclared driver's **excess** is shown on **your Schedule** if applicable.

9. Tipping excess

If any rigid body tipper or tipping trailer covered under this **Policy** is involved in an event giving rise to a claim while the tipping hoist is partially or fully extended, the standard **excess** as stated on the **Schedule** in addition to any other **excesses** that may be applicable will be increased by 100%.

10. Off road excess (applicable only to vehicles that are sedans, station wagons, panel vans, 4x4 or goods carrying vehicles with a gross vehicle mass less than 3,500 kilograms)

The standard **excess** plus any other applicable **excesses** payable under this section will be increased by 100% if **your vehicle** is damaged while it is being driven on any beach or off any public road (excluding driveways) or on land not belonging to **you**.

11. Theft excess

If **your vehicle** is stolen **you** must contribute an **excess** for theft if shown on the **Schedule**, which is in addition to any other **excesses** payable.

12. Outside radius excess (applicable to vehicles with a gross vehicle mass greater than 3,500 kilograms and less than 12,000 kilograms)

If **your vehicle** is outside a radius of 250 kilometres or the radius detailed on **your Schedule** from **your** home, base(s) or depot(s) at the time of an accident then the total **excesses** payable will be an additional 100% of **your** standard **excess** and reasonable additional premium will be payable, having regard to the nature of the risk as **we** assess it for the change in business operations.

13. Outside radius excess (applicable to vehicles with a gross vehicle mass or gross combination mass greater than 12,000 kilograms)

If **your vehicle** is outside a radius of 250 kilometres or the radius detailed on **your Schedule** from **your** home, base(s) or depot(s) at the time of an accident then the total **excesses** payable will be increased by 100% and reasonable additional premium will be payable, having regard to the nature of the risk as **we** assess it for the change in business operations.

14. Learner driver excess

If at the time of a loss or damage a licensed learner driver is in control of the vehicle the **excesses** that will apply are those that would have applied to the licensed passenger who is instructing the learner.

15. When you will not have to pay an excess

This section is applicable only to vehicles that are sedans, station wagons, panel vans, 4x4 or goods carrying vehicles with a **gross vehicle mass** less than 3,500 kilograms covered by comprehensive cover only.

You will not have to contribute any **excess** towards a claim if:

- (a) the claim involves a collision with another vehicle and the collision which gave rise to the claim was totally the fault of the driver of another vehicle; and
- (b) **you** make reasonable efforts to obtain and provide to us the registration number of the other vehicle and the full name, details and address of the other driver; and
- (c) the amount of **your** claim exceeds the applicable **excesses** under this section.

We give this benefit only if **we** are allowed legally to recover the amount of any loss including any applicable **excesses** from the third party.

Where the driver of the other vehicle disputes who was at fault, **you** must pay any **excess** which applies but **we** will refund it if **we** are successful in establishing that the other driver was at fault.

Definitions

The following words have the following meanings for this section only. **You** should also refer to the General definitions in Part C – terms and conditions section.

Accessories mean:

Vehicle Accessories means and is deemed to include, without limiting its generality, advertising signs, air conditioning units, artwork, baby capsule/car seat, bicycle carriers, binders and tarpaulins, bonnet protector, built in refrigerators, built in televisions, bull bar, caravan annex, cargo carrier, cassette players, compact disc players, other electronic or electrical equipment, CB and/or 2 way radio, cruise control, dash mats, decorative wheel trims, driving lights, fire extinguishers, first aid kit, fixed GPS units, floor mats, gates, headlamp guards, motor cycle helmets, gloves or associated riding clothing up to a total of \$500 (if **we** pay a claim covering **your** motorcycle), mud flaps, paint protection, panel/rust protection, pin striping, decals, protective mouldings, rear louvre sunshade, registration plate covers, ring feeder, seat covers, side steps for a 4WD, sleeping box, sound systems (fitted as standard by manufacturer), spare parts, spare wheel cover, steering locks, tools, tow bars, transmitters and receivers, weather shield, sign writing, winch whilst on or about the vehicle, and mobile phones and satellite navigation devices to the extent not otherwise insured, including any of the aforesaid interest owned by **employees** or directors of the **insured**.

It also includes other vehicle accessories or modifications if **we** have agreed to insure them as part of **your vehicle** and they are shown on **your Schedule**.

Airfield means:

An area of land set aside for the take-off, landing, taxiing, parking and maintenance of aircraft.

Airside means:

The section of an airfield where aircraft are situated and operated.

Agreed value means

The fixed amount for which **your vehicle** is insured for each **period of insurance** regardless of any price change for **your vehicle** during that period.

The agreed value includes the value of insured **accessories** and equipment.

Dangerous goods means:

Goods as defined by The Australian Code for the Transport of Dangerous Goods by Road and Rail.

Gross combination mass means:

The maximum legally allowed weight of **your** truck and trailer combination including the goods carried by that combination.

Gross vehicle mass means:

The maximum legally allowed weight of **your vehicle** and the goods it can legally carry.

Market value means:

The cash value of a vehicle of the same age, type and condition, in your local area, but excluding costs and charges for registration, stamp duty transfer and any dealer warranty costs.

Pollution means:

The presence in or introduction into the environment of a substance that causes or is likely to cause degradation of the land, resulting in actual or potential harm to the health or safety of human beings, animals or other terrestrial life or ecosystems.

Total loss means:

A vehicle will be declared a 'total loss', if:

- the cost to repair **your vehicle** plus the value of any salvage (if applicable) exceeds the **market value**; or
- **your vehicle** is stolen and not recovered within a reasonable period of time as determined by **us**.

We will settle the claim on the basis of **market value** or the sum insured whichever is the lesser or **agreed value** depending on the cover stated on the **Schedule**.

Use of the vehicle means:

Private use means:

Your vehicle must be registered for 'Private use', only in **your** name and used for the following purposes:

- social, domestic and pleasure purposes;
- demonstration for sale;
- in connection with servicing, repairing and subsequent testing;
- for tuition, as long as it is not for payment;
- towing a caravan, trailer or vehicle, as long as it is not for payment;
- driving to or from work;
- in connection with **your** occupation or business as, long as:
 - it is driven only by **you**; and
 - the business use does not exceed 20% of the vehicle's usage.

Executive use means:

Your vehicle is registered for 'business use', but is used only for the following purposes:

- social, domestic and pleasure purposes;
- demonstration for sale;
- in connection with servicing, repairing and subsequent testing;
- for tuition, as long as it is not for payment;
- towing a caravan, trailer or vehicle, as long as it is not for payment.

Business/commercial use means:

Your vehicle is registered for 'Business use', but is used only for the following purposes:

- in connection with **your** business or occupation;
- social, domestic and pleasure purposes;
- demonstration for sale;
- in connection with servicing, repairing and subsequent testing;
- for tuition, as long as it is not for payment;
- towing a caravan, trailer or vehicle, as long as it is not for payment.

Your vehicle means:

Any type of machine on wheels or self laid track made or intended to be propelled by other than manual or animal power and any trailer or other attachment made or intended to be drawn by any such machine. The vehicle is described on the **Schedule**.



Underwritten by:



Arthur J. Gallagher & Co (Aus) Limited. Operates under AFSL No. 238312. To the extent that any material in this document may be considered advice, it does not take into account your objectives, needs or financial situation. You should consider whether the advice is appropriate for you and review any relevant Product Disclosure Statement and policy wording before taking out an insurance policy. Our FSG is available on our website, www.ajg.com.au. Arthur J. Gallagher & Co (Aus) Limited. ABN 34 005 543 920, Level 12, 80 Pacific Highway, North Sydney, NSW 2060. REF2412